

Brian Nolan, Philip J. O'Connell and Christopher T. Whelan (Eds), *Bust to Boom? The Irish Experience of Growth and Inequality*, Dublin: Institute of Public Administration, 2000, ISBN 1 902448 48 0, £20.00 (pb)

Some popular versions of the Celtic Tiger story could easily have come from the Wonderful World of Disney, for they tell a magical story of "rags to riches" in which a poor little country, reduced to begging off its neighbours, shakes off its colonial shackles and wins a place among the economic giants of the western world. Nor does it rest on its laurels and live happily ever after. Rather, it becomes a teacher, a role model, for other small nations who enjoy its message of self-sacrifice, carefully acquired knowledge and prosperity for all. However, some students are not convinced by this tale of self-sufficiency and insist on chanting such magical phrases as "foreign direct investment", "EU regional aid" and a "buoyant global economy".

Obviously, I'm exaggerating, but the point is that too many accounts of the Celtic Tiger phenomenon either read like comforting "feel good" stories that praise home-grown qualities, or are cynical put-downs that emphasise factors beyond the control of Irish decision-makers. Fortunately, the researchers at the ESRI have been producing more realistic accounts that are closer to *ciné-verité* than the Wonderful World of Disney. The latest ESRI volume on these matters is a formidable production with three editors, 17 chapters, and close to 400 pages. It includes contributions from economists on the current phase of economic growth, from social policy analysts on social welfare, income distribution and poverty, from sociologists on trends in education, social mobility and labour market participation and from political scientists on the role of the state, social partnership and wage bargaining. In other words, this is the equivalent of an epic blockbuster. Consequently, this review will only be able to provide a selective preview.

The volume opens with John FitzGerald's entertaining survey of economic developments over the course of the 20th century, in which he argues that the Irish experience was essentially a case study in failure. The recent period of prosperity simply reflects a belated process of catching up with other European nations. While he takes care to emphasize the importance of foreign direct investment, he attributes considerable importance to domestic investment in human

capital. The key decisions were taken within 10 years of each other, as industrial policy was changed to favour foreign investment in 1958, while free second level education was introduced in 1967. Since then, the IDA has succeeded in attracting successive generations of multinational firms while participation rates in second and third level education have continued to expand. FitzGerald is optimistic about the future, as he notes that the decline in fertility and in the economic dependency ratio, along with the relative youth of the population, provides exceptionally favourable demographic conditions for future growth.

The theme of a “belated catch-up” also emerges in Philip O’Connell’s comprehensive overview of labour market changes, especially where he makes comparisons between the Republic of Ireland and other European countries. For instance, the shift from employment in agriculture to employment in manufacturing and services only occurred in the middle of the 20th century, the middle classes only began to expand significantly within the last decade and women’s labour force participation has increased only in the last few years.

By contrast, Ireland along with some other small European countries, such as Finland and the Netherlands, has been at the forefront in developing forms of centralised arrangements for wage bargaining that seek to combine economic competitiveness with social equity. Niamh Hardiman’s chapter makes a fairly persuasive case that this new strain of social partnership, which political scientists term “competitive corporatism”, contributed directly to the most successful period of economic growth and job creation in the history of the Irish state. She concludes by observing that these arrangements are now so firmly institutionalised in the national economic policy repertoire that they have had one major unanticipated consequence: arrangements that were initially introduced in the late 1980s to help manage economic crisis are currently being used to manage the not inconsiderable problems of economic success. Whether they succeed, or whether they are sufficiently embedded among the social partners to survive failure, remains to be seen.

As I hinted earlier, this analysis of the recent Irish experience of sustained economic growth is not an entirely comforting story, as various contributors present an impressive body of evidence to show that economic growth has not reduced social inequality. Ironically, for a country that has deliberately tried to combine economic growth with social justice along the lines of some Scandinavian nations, the result

has been increased inequality in income of the kind that is most commonly associated with Anglo-American capitalism. On issues such as these, the kind of research that the ESRI undertakes as its staple diet comes into its own. For instance, Richard Layte and Chris Whelan show that the expansion of the economy has not altered class differences in relative social mobility; Emer Smyth and Damian Hannan reveal that the increased rate of participation in the education system has done nothing to reduce class-based inequalities in attainment; and Tony Fahey and James Williams find marked regional differences in the incidence of poverty. Clearly, economic success has not been widely shared.

Generally, *Bust to Boom?* is an excellent collection of papers from current and former members of the ESRI. The contributors stick closely to the central themes and the editors draw the conclusions together in a valuable final chapter. Nonetheless, the book is not without flaws. The ESRI appear to have adopted the Hollywood formula of producing sequels as some of the authors repeat arguments that they have already published elsewhere (for example, on class differences in social mobility and educational attainment). Students of business, economists and industrial relations scholars will find useful material in this book, though the lack of an index will make that difficult to find. Nevertheless, this is essential reading for adults who are tired of Celtic Tiger fairy tales.

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Lopez Lopez and Illanes Sanchez, *Casos de Economia de la Empresa: Modelos y Soluciones con Excel* (2002)

The purpose of this book, hereafter referred to as L&I, is to explain how Excel can be applied as a tool when modelling different economic problems faced by companies. L&I is written in Spanish and includes a collection of 31 cases to illustrate how Excel 97 can be used to develop models of particular situations and to solve the problem presented.

Microsoft Excel is a powerful spreadsheet that is easy to use and allows users to store, manipulate, analyse, and visualise data. Excel helps users to develop personalised models that can be adapted to

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