

# **Ireland: The Pursuit of Sovereignty and the Impact of Partition, 1912-1946 | Sample Answer**

## **How well did Irish government cope with the social and economic problems they faced, 1923-1945? (2016)**

CnG was the political party in charge of the new free state from the years 1922-1932. Led by W.T Cosgrave and his rather conservative approach to economic policies saw a large focus on agriculture rather than industry in order to revive the weak economy devastated by years of conflict prior. They left great social issues such as near-famine conditions in the west of Ireland for the new FF that entered in Feb 1932. Compare to CnG they took a more radical approach to economic challenges, and they did succeed when developing Irish industry but created severe hardship on the country through the Economic War. In this essay, I will be analysing both CnG and FF solutions to the economic and social challenges they faced.

CnG inherited a weak economy burdened with Civil War and British War debts. They now had to rely on their own resources to revive the economy after receiving independence in 1921. Much of their heavy industry was located in Belfast, but they lost this with the partition so they had to fall back on agriculture as the main source of employment and trade. Other economic problems facing the new state was the large parts of the country devastated by both the War of Independence and the Civil War that needed to be rebuilt. Irish people were continuing to emigrate and leaving older parents reliant on the state for financial support, infrastructure was in need of upgrading to attract investment in industry. Most of the cabinet members were inexperienced when it came to economics but their first decision made was the introduce free trade between Ireland and Britain.

With agriculture given state priority, industry came second, yet CnG did take an impressive and successful step when they decided to build a hydroelectric power station in Ardnacrusha on the River Shannon. Foreign skills, technology and assistance were provided by a German electrical firm. The scheme provided 4,000 Irishmen with regular jobs for a period of 4 years. Public money was invested in the scheme which helped to set up the ESB in 1927, whose purpose was to supervise the distribution of electricity on a national level. The Shannon Scheme was launched in 1929 and was an immediate success. It changed the shape of rural Ireland and increases the total electricity output from 35 million kilowatts to 132 million kilowatts by 1932.

While CnG did manage to establish law and order and a safe society with Public Safety acts (1923,1924,1927) and the creation of the Garda Síochána, they failed to tackle poverty. Housing for the poor was often inadequate; many people were still living in overcrowded conditions. Irish mortality rates were higher than those of Britain. Emigration continued than ever with 100,000 leaving Ireland up until 1927. While they did make minor changes, it was not enough to combat the issue. In 1924 they cut the old age pension by 10% in an attempt to balance the budget. The government provided £500,000 to try to tackle the almost famine conditions in the west of Ireland caused by a plight (over 75% living in Connemara had no potatoes or employment). With Hogan trying to deny how bad the situation was, only with the arrival of a good summer in 1925 prevented widespread starvation in the west of Ireland. Proving that CnG did not successfully cope with its social problems.

After the Great Depression, public support for free trade switched to protectionism to which FF was promising to do in their 1932 election campaign. Once in power De Valera hired Sean Lemass to look after industry. Unlike CnG, FF concentrated on the development of Irish industries. Lemass established new semi-state bodies such as Aer Lingus, Bord na Mona, Irish Sugar Company and Irish life insurance. The Industrial Credit Corporation was set up in 1933 which provided low-interest loans to businesses. Cement factories were also set up in Drogheda and Limerick. Lemass was a pragmatist and realised the need for foreign investment so he

introduced the Control of Manufactures Act (1932 and 1934). This allowed British firms to set up Irish subsidiaries e.g. Cadburys in Dublin. Due to Lemass' policies, industrial output increases by 44% and 56,000 jobs were created. However, economic problems still remained, self-sufficiency had not been achieved and Lemass' decision to allow monopolies in some sectors only resulted in expensive and inefficient goods.

While Dev largely focused on foreign policy, one , in particular, had a major economic effect, the Economic War. Dev announced that they would no longer be paying land annuities to Britain. Britain responded by placing a 20% tax on Irish cattle imports. Dev responded with similar penalties. This was the beginning of the Economic war that lasted for six years. It had devastating effects on the economy, farmers' incomes decreased, emigration and unemployment increased, profit earned from agricultural exports decreased by €23 million. However, the government somewhat redeemed itself with its successful social policies. The 1932 Housing Act saw the construction of more than 120,000 new homes, which cleared the slums in Dublin and other cities, this was a significant achievement compared to CnG who only built 2,000 new houses a year. An Unemployment Assistance Act and a National Health Insurance Act was introduced which gave greater benefits to the unemployed. However, despite these measures, FF still failed to reduce widespread unemployment.

Dev did , however, manage the economy effectively during WW2. The outbreak of WW2 in September 1939 saw Dev called an immediate emergency. Rationing was successful and it was handled by Sean Lemass but inflation (prices rose about 70%) was high because of high taxes. However, Dev decision not to assign significant funds to defence proved crucial and highly successful. Where other neutral countries spent 20% of their budget on defence Dev only spent 2%. This greatly helped the Irish economy recover quickly after the war. The Emergency was arguably the most effective policy as regards the economy from Dev and most be recognised as a strength of his economic policies.

In conclusion, CnG policies were too conservative and not creative enough to stimulate widespread employment, with the 1929 Wall St Crash they decided to introduce some tariffs but it was too late to fix the already significant economic and social problems. In comparison, FF policies were more radical, while the Economic War had serious impacts on the economy but through the development of industry and successful social policies, they performed more efficiently than CnG.