PART 1: CONTEXT

Chapter 1

Globalisation and Ireland

BY DAVID JACOBSON AND PEADAR KIRBY

INTRODUCTION

This chapter begins with a consideration of whether globalisation is a new phenomenon. We turn next to Ireland as a case study in the context of the process of globalisation. In setting the scene for what follows in the rest of the book, this chapter offers an overview of the principal changes that have occurred in Ireland associated with the boom of the Celtic Tiger – firstly the economic and then the political and social. Reflecting the book’s focus on the challenges of these changes for local governance, the implications of each of these sets of changes for the local are then examined separately. The chapter ends by showing briefly how the issues raised here relate to those of the rest of the book.

IS GLOBALISATION NEW?¹

Rodrik (1997), among others, argues that, "By many
measures, the world economy was possibly even more integrated at the height of the gold standard in the late 19th century than it is now.” He goes on to summarise those measures: international trade, expressed as the ratio of exports to GDP; convergence in commodity prices; international labour migration; capital mobility, measured in terms of “the share of net capital outflows in GNP”. He shows that each of these was higher, in at least some parts of the world in the late 19th century, than today. This suggests that many of the characteristics of what we commonly think of as “globalisation” are not new.

At least one aspect of globalisation, since around the middle of the 20th century, is significantly different from anything that preceded it. This is the key institutional form in which production is organised, namely the multinational enterprise (MNE). Some measures of capital mobility may have been higher in the 19th century, but foreign direct investment (FDI), an indication of the extent to which corporations grow internationally, has increased more in the recent period than before. Chandler (1990, Tables 14 and 15) shows that the scale of FDI was orders of magnitude greater after WW2 than at the beginning of the century. FDI has grown even more rapidly since the 1970s. Dicken (2003, Fig. 3.12) shows that apart from a dip during the recession of the early 1990s, FDI has grown continuously since the beginning of the 1980s. Moreover, it has outpaced the growth in international trade. As Hill (2001) puts it, “Between 1984 and 1998, the total flow of FDI from all countries increased by over 900 per cent, while world trade grew by 121 per cent, and world output by 34 per cent”. Further emphasising the importance of MNEs is the fact that a significant proportion of international trade is intra-firm; it is around one-third of all trade. Dicken (2003) estimates that there are now 60,000 parent MNEs controlling 700,000 foreign affiliates.

The vast amount of cross-national economic activity is
closely related to technological change in the 20th century, just as the emergence of the modern industrial enterprise was related to technological change in the 19th century. Among the technologies of relevance today are: the transport technologies that have reduced the time and cost of moving goods and people around the world; the information and communication technologies (ICTs) that have brought the means of monitoring business activities real time, at great distances; new, computer-based production technologies, that have increased speed, control, quality and scale; and new ways of organizing production, including such techniques as just-in-time (JIT), total quality management (TQM) and world class manufacturing (WCM). These have all in various ways driven the process of growth in number and size of MNEs.\textsuperscript{2}

The quantitative difference – in terms of the number and significance of MNEs – between the late 19th century and the current period is indicative of a qualitative difference. We might describe the period since the middle of the 20th century as characterised by the internationalisation of production, in contrast to the previous century’s internationalisation of exchange.\textsuperscript{3} Globalisation is therefore a process; in terms of the extent to which globalisation is characterised by MNEs, it is the process of transnational production networks becoming more pervasive. They are not, nor will they ever be, the only way in which production is organised. Thus, although we may agree that there is something historically unique about the globalisation we are currently experiencing, we may well conclude that the world economy will never be completely globalised.

The main origins of FDI have changed over time. Kogut and Gittelman (2001) write of American MNEs’ “extraordinary dominance” in global FDI in the decades immediately after the war. However, they also describe the later changes in flows of FDI, such that at the end of the 1980s Japan replaced the USA as the top source country for
FDI; in 1999 the UK overtook the USA which, as a result, slipped to third.

The nature of FDI has also changed, most significantly in recent years from manufacturing to services. Services “are deeply embedded in the social, cultural and political fabric of host societies” (UNCTAD, 2004). As a result, FDI in services could be even more far-reaching than industrial FDI. Financial services are the most obvious, but services that have traditionally been provided by public utilities, like transport, telecommunications, water and energy, and even hospitals and education, could, in a completely deregulated context, become susceptible to takeover by MNEs. “Therefore”, UNCTAD concludes, “national policies matter – not only to attract FDI in services, but also to maximize its benefits and minimize its potential negative impacts.”

These references to deregulation and policy raise the question of ideology. Globalization as a process whereby transnational production (and service provision) networks become more pervasive has not been possible without certain associated ideological and policy developments. In essence, these can be summarised as an increasingly strong belief in markets, and a concomitant diminution in support for state intervention, particularly at the national level. How are globalisation and the associated ideologies and policies articulated in Ireland?

“THE MOST GLOBALISED COUNTRY IN THE WORLD”

Ireland can be said to have taken on iconic status as “perhaps the test case for globalisation” (Smith, 2005: 2). The influential globalisation index published annually by Foreign Policy magazine since 2001 identified Ireland as the most globalised country in the world in three out of its first five editions (Ireland occupied second place in the other two) while Smith reports that “journalists, scholars and
policy-makers alike cite Ireland’s supposedly dazzling success as evidence of how countries can prosper under conditions of globalisation” (Smith, 2005: 36). Together with countries like China and India, Ireland is regularly hailed as a model of how to achieve economic success under the conditions of today’s globalisation. To some analysts, Ireland is used as shorthand for such success as in the subtitle to Eva Paus’s book on foreign investment, globalisation and development, “Can Costa Rica become Ireland?” (Paus, 2005). Late developing countries around the world such as many in Central and Eastern Europe and in Latin America are, therefore, actively looking to Ireland as a model to be emulated (see Fink, 2006 for comparisons between Ireland and Hungary).

Yet, on closer inspection, the nature of the Irish case turns out to be much more complex with little consensus not only on what lessons it may have to offer but even on whether it is a case of successful development at all. While an initial reading of Ireland’s success emphasised the economic transformation that had been achieved through market liberalisation (Barry, 1999; Sweeney, 1999; Clinch et al., 2002), this was soon contested by a literature that focused more on the crucial role played by Ireland’s “developmental state” (Ó Riain, 2004), on negative social impacts of high economic growth (Allen, 2000; Kirby, 2002) and on the vulnerability of Ireland’s dependence on high levels of foreign direct investment (O’Hearn, 1998, 2000). Veteran German development economist, Hartmut Elsenhans concluded provocatively that the Irish case “in many respects resembles the old pattern of underdevelopment – certainly, at a much higher level of per capita production – but at a still similar level of internal polarisation and external dependency” (Elsenhans, 2004: 11). Smith concluded that, “while the Irish case can certainly offer lessons (both positive and negative) for other countries, it should not be regarded as a blueprint for other...
nations to follow. Ultimately, Ireland is no "showpiece" economy – and it is certainly not a showpiece of globalisation” (Smith, 2005: 88). Those who have examined the Irish case more closely, therefore, draw very different lessons about Ireland, about development and about globalisation, some positive and optimistic, some much more critical and pessimistic about its future prospects.

CHANGES: ECONOMIC

No one addressing the recent changes in the Irish economy should do so without considering the policy shift that began in 1958. In this year the Irish government, responding both to internal stagnation and to the external availability of mobile capital, introduced new, outward-looking policies. A strategy of export-led growth (ELG) was adopted, based on encouraging foreign direct investment (FDI), gradually removing protectionism and providing incentives for firms to export. This policy shift can with hindsight be described as the acceptance by the Irish state of globalisation. It was also more than a passive acceptance; the state built a strategy for deriving economic benefits from globalisation.

The ELG policies – particularly low corporate profit tax rates and capital grants – were generally successful, in that they attracted FDI, reduced unemployment, and arrested the deterioration in the balance of payments. They also paved the way first for entry into an Anglo-Irish Free Trade Agreement in 1966, and subsequently into the European Economic Community (EEC) in 1973. However, it soon became clear that while employment in subsidiaries of MNEs was increasing, employment in indigenous firms was declining. This trend has continued with occasional variation ever since.

Based on the advice both of international consultants (Telesis, 1982) and local experts (O’Malley, 1985), policy was
changed to some extent in the mid-1980s, with more funding and programmes aimed specifically at indigenous firms and, more specifically, at successful or potentially successful indigenous firms. Further change came in the 1990s when, following the Culliton Report (1992), the policy focus shifted to industrial cluster development. For indigenous firms a pilot Network Programme was introduced in 1996.

The policy changes since the mid-1980s have had some impact. O’Malley (1998) argued that after 1987 the performance of Irish-owned firms improved considerably, relative not only to Ireland’s own historical experience but also compared to that of industrial countries in general. Others, including O’Hearn (1998, 2000), remain doubtful about whether there has been a fundamental change in the strength of the indigenous sector.

Many of the issues in the tension between globalisation and local development are illustrated by the case of the software sector. The establishment in Ireland in the mid-1980s of a number of subsidiaries of major software MNEs can be considered to be among the successes of the policy of encouraging inward foreign direct investment (FDI) and has been seen as a characteristic of the Celtic Tiger. Among these were Microsoft, Lotus, Borland, Symantec, Quarterdeck, Wordstar and Claris. Since then, there have been many changes, including a substantial increase in Microsoft’s dominant share, the merging of IBM and Lotus, the disappearance or acquisition of a number of the smaller companies like Wordstar and Quarterdeck, and new arrivals like Digital and Oracle.

Having arrived in Ireland, these software companies had an important supply decision to make, namely whether to outsource their software manuals or print them themselves. If they decided to outsource them, there was another decision to be made, namely whether to obtain them from existing manual printing companies in Britain or
Belgium, or to try to source them locally. The problem in relation to local sourcing was that there were no appropriate high-quality manual printers in Ireland.

The software companies decided to outsource manual printing. On the basis of the Irish state rules at the time, they had to have some manufacturing in order to obtain the tax and other benefits of setting up in Ireland. Software development was not seen as manufacturing. So, to obtain these incentives the software MNEs did the disk duplicating in their Dublin “factories”.

The focus on manufacturing was, from the point of view of the state, employment based. In the software subsidiaries in Ireland, for most of their employees, the operations were relatively low skilled. Other than grants and low tax rates, an English-speaking population and, at the time, relatively low wage levels, there were no obvious long-run factors in the attractions of Ireland as a location. English is spoken in other places, and wages were liable to rise (and did); the only location-specific advantages, therefore, were artificial ones that could be changed with a change in state policy. In other words, these software MNEs do not, at first sight, appear to have been particularly deeply embedded in the Irish economy.

For agglomerative reasons (Jacobson et al., 2001), the software MNEs decided to outsource the manuals locally. Most of the need for proximity at the time related to control. Companies like Microsoft wanted to monitor production of manuals closely. They also needed high security of supply, which, it was believed, could be better achieved through local suppliers.

Another factor in the decision to source locally was an Irish government policy innovation; in the context of the policy changes of the mid-1980s mentioned above the National Linkage Programme (NLP) was introduced. The NLP aimed to encourage MNEs to buy some of their inputs from local suppliers. It was hoped that this would help to
embed the subsidiaries of the MNEs more firmly into the Irish economy or, in other words, to reduce their footlooseness.

Within two or three years, nine companies had set up software manual printing operations, mainly in Dublin, to supply the software MNEs. Some of these were new start-ups, others were additional operations set up by existing printing companies. One, Donnelley, was a subsidiary of a large American printing company; all the rest were indigenous companies. None of the manual printers, during this early phase up to about 1990, had other than arm’s length relationships with any of the software MNEs. Total revenues from software manual sales in Ireland grew from under £4 million in 1984 to over £45 million in 1990.

In the mid-1990s, the manuals began to be supplied not in printed form but on CD-ROM. The supply system for the software MNEs in Ireland evolved from a simple open market of a small number of small, indigenous manual printers supplying manuals locally to a similar number of MNE subsidiaries, to a number of complex, organized groupings of CD-ROM pressing MNEs, indigenous printers, logistics companies and turnkey companies. Within these organized groupings there were also sub-sets of strategic alliances. The small indigenous firms were shifted outward in terms of their relationships to the final MNE customer; very few of them managed to hold on to the changing market.

For our purposes, what is most important in the context of the local and the global is that there were a number of existing MNEs in the industry and there were barriers to entry for relatively small Irish companies, both because of high entry costs and because of the need for familiarity with the technology.

In terms of the developments that did take place among Irish firms, it is clear that some of them learned from their relationships with MNEs and have prospered. A small
printing firm, Mount Salus Press, shifted from manual printing to the printing of the booklets that are distributed in the plastic casing of the CD-ROMs, and stayed in the software supply chain. Two Irish logistics companies, Walsh Western and Irish Express Cargo moved into various elements of manufacturing, while remaining mainly logistics companies. In a sense they leveraged their warehousing space to develop their relationships with their customers.

However, many of the indigenous firms that were involved in supplying to the software MNEs gained only temporary advantage. Some of them no longer exist and others have returned to their traditional markets in the printing industry. Ultimately, it is clear that opportunities for collaborative horizontal development among Irish firms have not been taken. For example, when the manual printers moved into total quality management (TQM) and had to buy optical character readers (OCRs) in order to do so, the capacity of the OCRs was beyond what any one of the firms needed. It was clearly in their interest to set up some kind of joint venture to own the OCRs and provide the quality control services that the machines provided to all of them. In an interview, some of them were asked why they had not done this. They replied that the main reason was that there was a strong tendency for them to “keep their cards close to their chests”. In other words, the norms of Irish business behaviour seemed to preclude trust and cooperation, even where this was in the firms’ collective interest. We can call these institutional barriers to local development.

Many of the MNEs have also come and gone. The inconsistent developments of technology and organizations – and the messy lack of general pattern alluded to by Dicken (2003: 14) – have resulted in some of the MNEs, like Microsoft, maintaining and even deepening their presence in Ireland. Others, like Maxell and Kodak (which had a brief collaboration with Matsushita in a CD-ROM plant), came and went. Irish state policy remains of deep significance to
these decisions of MNEs, but the industry and product life
cycles are just as important.

Malmberg (2003) has pointed out that there is little
empirical work on “local milieus and global connections”.
In the example above we have to some extent answered this.
We have shown that local networks and MNEs can and do
work together, but in terms of delimited time scales and in
terms of very specific technologies. While the Irish base has
been a “sticky place” for 20 years for some of the software
MNEs, in this sector at least, there is little evidence of the
local supply base constituting a serious means of
embedding these firms into the Irish economy. In the end,
if the artificial location specific advantages are removed –
for example through EU agreements on harmonised tax
rates – then the “slippery space” of globalization may
facilitate a move for these firms away from Ireland.5

CHANGES: POLITICAL AND SOCIAL

Focusing on the economic changes that have merited the
title Celtic Tiger serves to distract attention from the nature
of the profound political and social changes that have
accompanied the boom. These were well articulated by the
general secretary of the Irish Congress of Trade Unions
(ICTU), David Begg when he wrote that the primary
objective of social partnership since it was established in
1987 was the ending of unemployment. “Everything was
subordinated to that objective, and business was given
virtually anything it asked for – low corporation taxes, low
capital taxes, low social insurance contributions and a
virtually unregulated labour market” (Begg, 2005). At its
heart, this involved a shift in governance towards subordi-
nating social policy to an extremely free-market economic
policy, with the result that the latter always took precedence
over the former. In other words, the state handed power
over to the market. This power shift lies at the heart of the political and social changes whose implications are only now becoming obvious.

In social policy two fundamental trends can be identified. On the one hand, there is the state’s “new social activism” characterised by its very positive rhetoric about combating poverty, building social inclusion and promoting equality. The means to achieve these ideals are targeted programmes such as the National Anti-Poverty Strategy, the anti-discrimination measures of the Equality Authority or the Affordable Housing Initiative that addresses the difficulties faced by low-income families in accessing housing. Increasingly, however, the gap between the very modest achievements of this programme approach to securing social objectives and the grand rhetorical claims being made for it in official statements is obvious to more and more citizens. On the other hand, evidence points to a declining investment of our fast growing wealth in social provision or protection.

According to the National Economic and Social Council (NESC), Ireland was among the lowest spenders on social protection in the EU when measured as a percentage of our wealth (GDP, GNP or GNI per capita) despite being one of the wealthiest countries while a comparison with the countries of the Organisation of Economic Co-operation and Development (OECD) found Ireland to be “a particularly low spender on social protection” and only South Korea, Japan and New Zealand devoted a similarly small share of their national resources, both public and private, to social protection (NESC, 2005: 107, 113).

But not only is the Irish state failing adequately to invest in its citizens’ welfare. Through its taxation and social welfare systems, the state has often worsened poverty and inequality. With its low taxes on companies, on wealth and on property, the Irish state depends more on income taxes and taxes on goods and services (VAT) which
disproportionately fall on the poorer sections of society, while increases in welfare benefits have often fallen behind increases in average incomes thus ensuring that those who rely on such benefits become poorer. Indeed, the Economic and Social Research Institute (ESRI) has charted how, from 1995 to 2002, changes in taxes and in welfare benefits served to benefit the better off at the expense of the worst off (see NESC, 2005: Table 3.10, p 80). Only since 2004 has this begun to be reversed. Despite official rhetoric, therefore, Ireland turns out to have a particularly weak welfare effort by comparison with other countries. Boyle describes it as “Europe’s most anorexic welfare state” as it tends to deal with symptoms while neglecting the deeper roots of problems, offering “cheap, flexible solutions that avoided long-term commitments” (Boyle, 2005: 113-15).

Two issues arise from this examination. Firstly, it has long been recognised that Ireland had a residual welfare state, with a limited ability and capability to invest in high quality public services. Yet, not only has Ireland failed to use its newly found wealth to invest in social provision, but it has also retreated from an earlier practice of using welfare payments to reduce inequality. Former Taoiseach Garret FitzGerald highlighted the change since the late 1980s in the relatively generous social provision made by governments during the 1960s and 1970s as a means of mitigating social deprivation. The reversal of this policy and the growing social inequality which has resulted indicate “a very marked swing to the right in the broad policy stance of Irish governments” as “the influence of American economic liberalism became much stronger”, he concluded (2003: 29, 30). The decline in the burden of taxation and the “extraordinarily low” levels of public spending (by European standards) are further indicators of this influence, he added.

These realities, therefore, indicate the priorities of today’s Irish state and how they have shifted, suggesting that
these are more than simply reflections of what parties happen to be in power (though this clearly does have an impact) but mark a shift in the nature of the Irish state itself. This is best summed up as a shift from a welfare state (no matter how inadequate this might have been in the past) to a competition state which prioritises the needs of global competitiveness (and the profitability of global corporations) over the welfare needs of its own citizens, especially the most vulnerable (see Kirby, 2004 and Kirby and Murphy, forthcoming). Examples of this shift from state to market find expression in many of the chapters of this book.

IMPLICATIONS FOR THE LOCAL – ECONOMIC

The adoption by the state of a strategy of deep integration of the Irish economy into the process of globalisation has resulted in an economy with among the highest proportions of output, exports and employment accounted for by MNEs. This is also reflected in an extremely large difference between GNP and GDP, with the latter unusually much greater than the former. By definition, GDP plus Net Factor Income from Abroad is GNP. In Ireland’s case, factor income from abroad is much less than factor income to abroad, because of payment by foreign owned firms to their parent companies abroad. If, for example within the EU, Ireland’s level of income per capita is based on GDP, then it suggests a level of prosperity of the Irish population significantly higher than it actually is.

The GNP/GDP problem is in many cases definitional. More fundamental is the underlying cause of the problem. It raises the question as to whether the economy is in some sense over-integrated into the globalisation process. Given the size of the Irish economy, and the consequential reliance on exports for the achievement of efficient production – or service provision – by any firm in Ireland,
irrespective of ownership, it may be that openness is inevitable. The particular nature of the Irish economy, we have suggested, is a consequence of more than openness; it is a result of a specific strategic focus.

The formulation and implementation of this strategy by the Irish state, though initiated prior to entry into the EC, was closely associated with this entry and ultimately depended on membership for its success. However, the market-based ideology has become much more prevalent in the EU in recent years. Within EU competition policy, for example, exceptions to the rule that economic efficiency should determine which firms produce, and where they produce, are far less acceptable than they used to be. Whereas social, political or local economic factors were acceptable bases for some competition policy decisions, under recent European Commissions these are in general rejected and European or global economic competitiveness is now the only factor.

An example of the implications of this change might include the liberalisation of such markets as electricity, water distribution and perhaps even education. In opposition to the direction EU policy has taken, the output of these sectors can be argued to be more appropriately treated as public goods. In addition, especially in small countries, they may be natural monopolies and therefore appropriately subject to strong state regulation.

In another example of the problems arising from the recent ideological and policy changes described above, the types of indigenous firms that heretofore have fulfilled Irish government contracts have in recent years been excluded. Public calls for tenders are compulsory for all contracts above a certain level (currently around €140,000). Small Irish firms cannot supply the scale and scope that are within the capabilities of many large European firms. The result is that even the Irish government has been forced by EU regulations to purchase from non-Irish firms.
An example of a response to this problem is the formation by a group of mainly north-Dublin printing firms of a joint venture called the Printing Consortium of Ireland (PCI). By coming together in this way, the five firms in the alliance have been able to pool financial, technical and human resources so as to be able to tender successfully for large printing contracts (see McGrath, 2006: Ch.8). It might be argued that these firms have learnt, even if indirectly, from the mistakes of the software manual printers in the previous decade.

Networking thus seems to provide solutions for Irish firms, in some cases, to the problems of the limited size and scope of individual firms evolving on the basis of the small Irish market. However, once networking firms begin to compete in international markets, the question arises as to whether they will continue to operate from the Irish economy. There are a number of drivers that can result in such firms reducing or closing their Irish operations and setting up elsewhere. Among these are lower costs of production, for example in the new member states; and in industries in which transport costs are high, the advantage of other locations that are closer to the large markets. Where there are no particular, local, Irish-specific factors, whether skills, culture, institutions or associations with universities and other such embedded organisations, then these relocation drivers may cause even such successful operations as PCI to set up elsewhere. This again calls into question the role of the state, in particular at the local level, and Irish society in general, as key factors in the sustainability of the economic success of Ireland.

IMPLICATIONS FOR THE LOCAL – POLITICAL AND SOCIAL

Perhaps the most central and consistent criticism made of
the nature of the Irish model is its social deficits (Ó Riain, 2004; Kirby, 2002; Allen, 2000). Begg identified these as being “light-touch labour market regulation and no enforcement”, as well as “health, care of children and the elderly, pensions and lifelong learning” (Begg, 2005). Underlying all these are the high levels of poverty and inequality that characterise contemporary Ireland and that remain persistently high by EU standards. Just fewer than 20 per cent of Irish people were at risk of poverty in 2004 (19.4 per cent in 2004 as against 19.7 per cent in 2003) while the Gini co-efficient, a measure of inequality, showed a slight increase between 2003 and 2004 (CSO, 2005). According to Eurostat, Ireland, Greece and Slovakia had the worst “at-risk-of-poverty rate after social transfers” in the EU in 2003 with 21 per cent of the population in this situation (Eurostat, 2005). Of the 25 EU states, the four accession states (Bulgaria, Croatia, Romania and Turkey) and Norway, only Turkey had a worse rate (at 26 per cent).

While much attention is paid to the state’s failure to address adequately these many deficits, such deficits also reflect the state’s reliance on the market to resolve social problems through giving priority in public policy to the needs of private capital (including in its taxation and welfare system) while all the time believing it can fulfil its social responsibilities on the cheap and without assuming long-term responsibility for those marginalised by and from the market. To the extent that market liberalisation has helped increase employment, reliance on the market has resolved a major social problem long faced by the Irish state. But in doing this, it has exacerbated other long-standing problems such as poverty and inequality. Overall, reliance on the market increases social vulnerability, requiring more rather than less action by the state to shield people from risks and to strengthen coping mechanisms (see Kirby, 2006). Yet, a central part of the drama of today’s Ireland is that the state is failing to recognise that market
liberalisation requires a more robust and socially responsible state if the many vulnerable are to be helped lead lives they have reason to value. Ireland’s social deficits therefore stand as a stark illustration of the extent to which the decisive power shaping social outcomes has shifted from state to market.

All of this drama plays itself out primarily at local level where these social deficits manifest themselves in the everyday lives of citizens. Yet, the Irish state remains highly centralised and has largely failed to develop a form of local government adequate to addressing locally the many challenges of social development. Instead of the thorough reform of the institutions of local government that is urgently needed, devolving a wider range of powers to the local level that could allow effective social development to be planned and implemented at that level, and giving local authorities the tax-raising powers to fund such initiatives, what we have seen is a fragmentation of local government as new bodies are added to an existing and totally inadequate institutional framework (such as the City and Country Enterprise Boards).

In this situation, centralised government departments and agencies seek to circumvent the weakness of local authorities by implementing a range of responses to social problems locally, sometimes through bodies (such as the Area-Based Partnership Companies) and often through voluntary groups or NGOs (drugs, jobs training, homelessness). Adding to the incoherence of these efforts is the so-called decentralisation process, which hides the lack of any real devolution of power to the local level behind an ill-judged and poorly planned attempt to site parts of the centralised state around the country.

A growing theme in the international literature on globalisation is the importance of the local arena, or localisation as it is often called. Despite this, little attention has been paid either in the academic literature on Ireland’s
globalisation or in policy discourse on the Irish model to what is happening at local level in Ireland today. Through drawing on academics, policy makers, local government officials and activists, this book hopes to raise awareness of the importance of addressing at local level the many and often ambiguous impacts of globalisation on today’s Ireland.

NOTES
1 This section draws on Andreosso and Jacobson (2005, Ch. 14).
2 The technologies have both facilitated – and are themselves the result of – more rapid and wider transfers of knowledge. In a comment on this chapter, Paul Robertson wrote that this ”means that economically successful countries are ’on probation’ to a much greater extent than previously because skills, knowledge and ideas can be quickly replicated and, when combined with better factor positions in other respects, lead to much more rapid geographical shifts of activities than was previously the case” (Robertson, 2006). This suggests the need for caution about the sustainability of Irish economic success.
3 Kogut and Gittelman (2002) express it more directly: “what sets the recent phase of internationalisation apart from past waves is that it is primarily being driven by foreign direct investment (FDI) rather than by arm’s-length trade”.
4 There are two main sources for this discussion, Jacobson and O’Sullivan (1994) and Andreosso and Jacobson (2005, Ch. 14).
5 The allusion here is to the article “Sticky places in slippery space” by Markusen (1996).
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