Introduction: Reflections on Issues in Irish Business and Society

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INTRODUCTION

In this introductory chapter we will put the book and its aims in context and provide the reader with a guide to the wide-ranging, diverse and thought-provoking contributions contained between its covers. In order to do so, this chapter is structured as follows. The first section looks at the context within which this book finds itself and which makes its appearance particularly apposite. The second section deals with the aims of the book as we editors have come to conceive of them. We then provide the reader with an overview of the book’s themes and structure.

CONTEXT

The first decade of the twenty-first century has witnessed a swing from the apparently triumphant thirty-year march of deregulated business to the seemingly necessary, and very expensive, rescue by a state and society of ‘private’ companies that are now judged to be too big to be allowed to fail. It would seem that the doctrine of free market capitalism is now suffering the same loss of faith that the doctrine of communism suffered during the 1970s, when the price of maintaining stability and the status quo was social and economic stagnation (Rutland 1994:xii). Given the failures of these ideologies of the past to deal satisfactorily with either the narrower economic problems or the wider concerns of society, trying to gain an understanding of business and society appears a daunting prospect beset with numerous difficulties, but a challenge that nevertheless must be risen to.

Over the past half century, relations between Irish business and society, how they are governed, and how participation in business and society is exercised, have been tested, challenged and transformed. Currently, Ireland, along with the wider global political economy, is struggling to deal with the consequences of the worst international economic downturn since the end of the Second World War, while Ireland itself is also trying to come to terms with the implosion of its house price bubble and its wider implications. Although this is a period of unprecedented
economic flux, exogenous shocks and, to some extent, internally generated crises, are nothing new to Ireland and its small open economy. We have weathered such events in the past, and, no doubt, will have to do so again in the future. It is what we have learned from our previous experiences, and can bring to bear in our dealings with current events, that is of crucial value.

Although the business and societal structures that enabled Ireland achieve great economic success over the past two decades are still in place, a series of questions now faces the country: Are these structures still fit for the purposes they were initially designed to address?; Can they be adapted to the new reality of the changed world?; Or do they need to be revised, or even discarded, in favour of something radically different? The end of the first decade of the twenty-first century is an ideal time to take stock of the state of business and society in Ireland.

An Increasingly Integrated and Dynamic Society

Given the world in which we live today, Ireland is home not only to Irish businesses but also to foreign businesses and investments. Further, business in Ireland is answerable not only to Irish society, but also to societies beyond the country’s borders, for Ireland has become one of the most open and globally integrated economies in the world following the policy decision, taken in the late 1950s, to embrace free trade.

With this in mind, it is helpful to recall that business has responsibilities to society, as determined by society itself, for business exists at the pleasure of society and its laws: notwithstanding the status of legal personhood granted to businesses over the decades, it is society that grants them a licence to operate and it is society that can withdraw such permission. As noted by Cadbury (1987:70), ‘business is part of the social system and we cannot isolate the economic elements of major decisions from their social consequences’. Thus, Cadbury (1987) argues, it is society that sets the framework within which business must operate, with responsibilities running both ways: business has to take account of its responsibilities to society, while society has to accept its responsibilities for setting standards to which business must conform.

Indeed, at the 2010 World Economic Forum, questions were asked not just about the failings of bankers, but about the kind of society we wished to have, with French President Nicolas Sarkozy calling for a ‘deep, profound change’ in the wake of the financial crisis and saying he wished to restore a ‘moral dimension’ to free trade. In asking ‘what kind of capitalism we want’, Sarkozy asserted the need to ‘re-engineer capitalism to restore its moral dimension, its conscience’, for ‘by placing free trade above all else, what we have is a weakening of democracy’ (BBC News 2010).

Looking back in time, we have our understandings of the 1929 crash, and the events it precipitated, culminating in the Great Depression, to help us in reflecting on what we are experiencing today. It is useful to recap the conventional learning from that period. The stock market crash was built on easy credit, exuberance and
a light to non-existent regulatory regime. To all intents and purposes, when it came to regulation, 'the market' was seen to reign supreme and it was the market that would act as a self-regulating mechanism. However, the market failed, the stock market crashed, banks collapsed and a vicious cycle of business bankruptcies, unemployment and falling demand kicked in and all began their spiral downwards. In the USA, the Republican government of the time stood on the sidelines and did nothing to intervene. It was only after the election in 1932 of Democratic Party candidate Franklin Delano Roosevelt as president that the government started to act, putting in place regulations aimed at preventing the mistakes of the past happening again. Globally, the fallout saw protectionism replace free trade and helped fan the flames of anti-capitalist movements. In some countries, the unemployed masses, in their desperation, turned to nationalist movements and demigods for salvation, the most notorious of these being the Nazi movement in Germany. Thus, the Great Depression contributed to the circumstances that led to the outbreak of the Second World War. It was only in the wake of that conflict that tentative moves towards free trade were initiated with the conclusion of the first General Agreement on Tariffs and Trade (GATT) in 1948. Or so received wisdom tells us.

Today, it seems that, as in the Great Depression, governments and central banks throughout the world are intervening to contain the impact of the credit crunch. Society is once again bearing the brunt of the resultant fallout through unemployment, increased national debt, increased taxation, decreased public services, etc. And there is the uncalculated, and perhaps incalculable, human cost in terms of the knock-on effects of unemployment: the time lag in regaining employment; the impact on the person of being unemployed and seen as an unproductive and draining member of society; the cost to families in terms of children possibly not being in a position to achieve their potential through decreased levels of access to opportunities for learning; and so on.

If anything, and leaving aside the myriad lessons that are almost daily presented the world over in terms of the actions of business in society, the mistakes that precipitated both the Great Depression and today's global recession highlight the importance of understanding business and society in context, of perceiving business as part and parcel of society and of not seeing society as subservient to business. Furthermore, business cannot be seen to operate outside society, as if society does not matter; rather, business must be seen as one part of the jigsaw that constitutes society.

What is perhaps most telling of all is that the majority of business and political leaders never saw, indeed failed to see, either the Great Depression or the current global recession coming. On both occasions, the mantra 'this time it's different' rang out as it has many times before (Reinhart and Rogoff 2009). Each time, we were told that we were experiencing a new era in finance and capitalism. We can but wonder whether lessons will finally be learned this time around. In the meantime, none of us, including the so-called 'experts' on whose words we hang
as we look to make our way out of the current debacle, has a crystal ball to foresee the future. Rather, we are now engaged in constructing our future, with the shock of the recession providing us with an opportunity to create the kind of society that, this time, might just see the re-engineering of capitalism with a conscience and a moral dimension.

THE CHALLENGES OF A CHANGING SOCIETY

In all of this, whither Ireland? Where does this leave us and how we see Irish business and society moving forward? Context is important and, while it is crucial not to be constrained by the past, it is just as important to build a sense of where we have come from so that we can be more informed about where we wish to go. As such, with an opportunity to reflect and an eye to the future, the chapters of the book provide us with some of the context necessary to question and inform our perspective of business, society and the intersection of the two.

We are not dealing with a static picture; rather we are confronted with an ever-changing context, one that is complex and multi-faceted. Also, we are not living or operating within a vacuum, either in terms of business in relation to society, or Ireland in relation to the world. Rather, business is an integral part of society and Ireland is an integral constituent of the global political economy. Indeed, given how open we are as an economy, we are very much influenced by events across the wider world, and what we do also has a bearing upon the world, however small that impact might be.

Ireland has very firmly pitched its tent as welcoming inward investment, so much so that it is recognised as one of the easiest countries in which to do business: it is ranked seventh of 183 countries, and third in the European Union (EU) (World Bank 2010). Meanwhile, trust in government and business in Ireland is not just at an all-time low; it is the lowest of all twenty-two countries surveyed in Edelman’s 2010 Trust Barometer (Edelman 2010), with just 31 per cent of those surveyed trusting business and 28 per cent trusting government (compared to a global average of 50 per cent and 49 per cent respectively). Indeed, trust in the institutions of government and business in Ireland has been on a downward trend since the 2007 survey, underlining a potentially deep institutional scepticism. In addition, two-thirds of Irish respondents to the 2010 survey consider all stakeholders (including government, employees, customers, society at large and investors/shareholders) equally important to a chief executive officer’s (CEO) business decisions, compared to half as important in the EU countries surveyed. Overall, Edelman (2010) drew a number of conclusions from the global 2010 barometer that are pertinent to where we are today and going forward. In particular, Edelman found that profit has become the least important criterion in assessing corporate reputation, being superseded by performance on a number of measures, including transparency and role in society, and there has been a swing away from a singularly shareholder view to an encompassing stakeholder view.
Given this, a greater understanding of the linkages between business and society, and how these change and evolve, will enable a better appreciation of contemporary Ireland, and how it has come to be currently constituted. Within less than a generation, Ireland has gone from being one of the countries with the lowest income in Europe to having one of the highest (Haughton 2008). This transformation has brought great prosperity in its wake. However, such prosperity is rarely shared equally across the whole of a society. As a result, problems have arisen in terms of inequality of incomes, opportunities and quality of life. As the Celtic Tiger era fades into history, what kind of society has it left behind? Debates about the problems of equity and fairness in our society, suppressed to some extent by the euphoria of new-found prosperity over the past decade, in particular, have now taken on a renewed relevance as the dole queues have once more lengthened and others leave the country in search of work abroad.

How Irish businesses are governed, and how they participate in society, has changed radically in recent years. The level of responsibility of business to society, and what society expects of its businesses, has also undergone a transformation. The relationships between business and government, in particular, have come under renewed scrutiny in light of the house price bubble collapsing and the banking sector crisis. This led to calls for increased regulation of business, particularly in the financial sector, increased enforcement of such regulations, and increased regulation of business and government relations. A rethinking of the responsibilities of Irish businesses to the wider society will be necessary if the country is to maintain its economic competitiveness, as well as its credibility as an investment option for foreign businesses into the future. The issue of cronyism in the upper echelons of our society is also something that we, as a people, have to confront. We are a small country, so the potential for the existence of cronyism should not come as too much of a surprise, but what we do to combat this, and its negative impact on society as a whole, is critical.

Society has increasingly sought to set the bar higher for businesses in terms of the standards it expects of them, and, as a result, businesses have been forced to take on board considerations that received scant attention in the past, such as protecting the environment and ethically sourcing supplies. Basic economic measures of business performance are no longer sufficient to capture the whole of the role these organisations play in our society, as their responsibilities towards society now encompass achieving more broadly shared goals.

The relationships between business and society must also be understood within the context of the wider political economy. At the start of the twenty-first century, Ireland finds itself located at the edge of an increasingly integrated European continent. Where a century ago Europe was moving inexorably towards war, today the continent seems more peaceful and contented than at any time in its long history. Being one of twenty-seven member states of the expanding EU, Irish business and Irish society are presented with a vast range of opportunities and challenges that earlier generations could not have imagined: opportunities in the
form of what increasing integration within the EU represents in terms of markets for Irish businesses, and freedom of movement for citizens and capital; but also challenges in terms of the increased levels of competition confronting those same businesses. As a society, we are also having to face up to what it means to be a sovereign state when some of our autonomy is gradually being yielded to EU institutions, while economic sovereignty, in the form of policies running counter to those of our competitors, or to the expectations of the international financial markets, has also been greatly diminished. This has led to new kinds of thinking about the relationships between citizens and their society, workplace and government. For instance, what does it mean to be an Irish citizen and an EU citizen, when the EU stretches from Galway, in the west of Ireland, all the way to Narva, on the border with Russia? No longer can any one society, or its businesses, seek to exist in splendid isolation.

The Celtic Tiger era, a period of unprecedented growth, has left many questions in its wake. From seeking answers to these questions, we can draw a range of lessons that might enable us to manage our economy and society in a better and more equitable fashion, once the recession ends and economic expansion returns. Thus, the contributors to this volume examine the state of Irish business and society today and, in this light, contemplate how it might develop into the future.

**AIMS AND USES OF THIS BOOK**

The main aim of this book is to provide readers with a wide-ranging understanding of the debates surrounding the relationships between business and society in twenty-first-century Ireland. The decisions that businesses make all have a social impact, from production decisions to efforts to influence government policies. As such, Irish business constitutes a fundamental element within Irish society, making it a major social actor. But if business occupies such a position in society, what obligations does it have to society? And, how do these obligations square with what many see as its profit-maximising raison d'être?

Of course, given the contexts we have discussed, it is not surprising that we are not the first to produce a volume on such issues. Internationally, many fine minds, struggling to grapple with the problems the world now faces, have in the last few years presented their solutions in the form of best-selling books addressing global business and societal issues (e.g. Kinsley 2008; Reich 2008; Sen 2009; Stiglitz 2010; Wilkinson and Pickett 2009).

This volume addresses Irish society, with its own unique culture and institutions. Just as on the global stage, there have been a considerable number of Irish books on this topic in recent times, both from individual authors (e.g. Allen 2009; Cooper 2009; O'Toole 2009) and from particular disciplinary perspectives (e.g. O'Hagan and Newman 2008; Share et al. 2007). What this volume adds to the debate on business and society is the presentation of a variety of disciplinary perspectives from leading business researchers, economists, sociologists and
political scientists. Within its covers are contained thirty contributions from thirty-five authors based in a wide range of institutions of higher learning from across Ireland and beyond. Thus, this collection represents a significant set of resources from which the reader can draw.

This volume seeks to break down the barriers that separate and isolate disciplines, such as sociology, economics and politics. The intention is to provide the reader with an encompassing understanding of national and international issues and events and to facilitate intellectually challenging and honest dialogue between viewpoints that often remain isolated from each other. As the issues discussed in this volume will be of interest to a broad spectrum of academic disciplines, in addition to professional and general readers, the various contributors have made their works as open and accessible as possible, while still grounding them in the rigour that such studies require. One of the primary intentions in putting together this edited volume is to disabuse readers of the often-voiced misconception that there must surely be one best discipline to provide us with a comprehensive understanding of a business or societal issue. The contributors to this book use an array of approaches from a variety of disciplines to examine and understand problems.

Therefore, readers from a range of disciplinary backgrounds should be able to use this book as a wide-ranging text on Irish business and society, something that has been sorely lacking until now. Additionally, they should find the book helpful in complementing some of their discipline-specific readings and texts on business, economics, sociology and politics in Ireland. Our hope is that readers will see that it is through questioning our society, its structures and institutions, and by holding a mirror up to them, that we can improve matters for all. Problems in society are not only issues that have to be solved and resolved, they also contain lessons – lessons that we can learn from, and in so doing, avoid having to repeat mistakes into the future.

THEMES AND STRUCTURE OF THE BOOK

As already noted, this volume presents a series of unique insights into various aspects of Irish business and society. The volume title in itself suggests a number of overarching themes, namely governing, participating and transforming. The use of the gerund here is deliberate, for it underscores that what we are dealing with is not static; rather it is dynamic, with change ever present. The use of the gerund also underscores that these over-arching themes point to and incorporate the past, present and future. Figure 1.1 represents but one way of organising the various themes of the book’s chapters.
To make managing these resources somewhat easier, the book has been divided into five main sections, each containing a series of interrelated chapters. The chapters themselves are relatively short, but captured within each is the insight of a specialist’s expertise, and their unique understanding of, and perspective on, a vital aspect of Irish business and society.

Each of the five sections examines an overarching theme, or set of themes, through a variety of disciplinary lenses, thus providing both a macro and a micro perspective on the chosen topic. Each chapter, as a self-contained unit critically examining a topic in Irish business and society, also constitutes an aspect of the greater whole, much as each institution within a society is also part of something bigger and, as such, must be appreciated with this contextual understanding in mind. Altogether, the approach we have adopted provides the reader with an inclusive and rounded understanding of how business and society has evolved and developed into how it is today.

An essential element of all the chapters is that they are intellectually honest. This may mean facing up to certain unpleasant truths about our businesses and our society, and, where the contributors judge it necessary, this is done unflinchingly. Thus, the reader is presented with a book that constitutes a relatively diverse presentation of aspects of Irish business and society.
All the contributors to the volume are writing from their own areas of expertise. But they also recognise that, as this is a multidisciplinary text, the presentation of their arguments must be as accessible as possible to a wide spectrum of readers. The various chapters show how there are multiple ways in which to examine issues in society. This highlights how each discipline has its own take on society, but also how these understandings can intersect.

Turning to the content of the book itself, Section I, spanning Chapters 1 to 6, contains an examination of the making and unmaking of the Celtic Tiger. This is the context in which the relations between business and society have been shaped in recent years. The chapters examine: the changes to the labour market and employment situation in the country in the period between 1988 and 2008; the role played by certain vested interests in policy decisions that have operated against the interest of the wider society; the role played by the Industrial Development Authority (IDA) in opening the Irish economy to outside investors; the specific discourse of enterprise that is particular to Ireland; the politics of Irish social security policy; and, finally, the structural problems in the underlying framework of the Irish political economy. In all, these chapters present a range of views on both the positive and the negative aspects of the Celtic Tiger era.

Section II, comprising Chapters 7 to 12, looks primarily at the issues of governance, regulation and social justice. Companies in Ireland are governed through a complex set of legal and organisational structures. It is these structures that make up the firm's system of corporate governance. Despite this, a number of large Irish corporations, in particular in the financial services sector, have recently been hit by a series of scandals that raise questions as to their governance structures. These chapters provide a review of: corporate governance in Ireland; the practice of corporate social responsibility in an Irish context; the issue of white-collar crime, and how the legal system has dealt with it; the problem of political corruption; the issue of regulating the growing lobbying industry; and, finally, an examination of the issue of social justice in Ireland. The authors of these chapters argue that much has been done to deal with problems in our business, political and societal institutions, but also that much remains to be done. They also point out that, although Ireland's recent prosperity brought great benefits to society as a whole, it has also brought other problems in its wake, including issues of corruption, a lack of accountability, and those sections of the community that were left behind during the era of prosperity.

In Section III, Chapters 13 to 18, the overall theme is partnership and participation. Since 1987, a series of tripartite agreements, usually of three years' duration, have been reached between the government and the social partners — the primary economic interest groups in Irish society. While these agreements were initially seen as a means of correcting the serious fiscal imbalances that had arisen within the economy during the late 1970s and early 1980s, they subsequently took on a broader character, encompassing social policy and addressing issues of equality in society and social justice. These chapters give an overview of: the impact of economic crises on the changing influence of trade unions in Irish society; the
workings of the enterprise-level partnership model; the various forms of partnership governance in Irish social inclusion policy; the co-operative approach to business; the role that emotional intelligence plays in resolving workplace conflicts; and, finally, how the law deals with the workplace and industrial relations. The authors of the first three chapters of this section provide a macro, as well as a micro, examination of aspects of the Irish social partnership, how it has evolved, and what the future might hold for it. The latter three chapters examine how society develops its own businesses when public and private interests fail to do so, and how conflicts in the workplace can be resolved by a variety of means.

The book then moves on to considering international issues of relevance to Irish business and society in Section IV, which runs from Chapter 19 to Chapter 24. As Ireland is a small open economy, the international environment has had a huge impact on relations between Irish business and society. In light of the fact that the domestic market is so small, all major Irish companies must export in order to grow, and, in so doing, they must compete with international rivals who are usually from larger economies wherein economies of scale are more easily achieved. The development of the global corporation and the increasing integration of Europe have all impacted upon Irish society. These chapters examine: the position of Ireland in the EU in the wake of two Lisbon referendums, and an EU of twenty-seven member states; the changed relationship with Northern Ireland; the issue of how Ireland presents itself and its culture to the world; the challenges and opportunities presented by the internationalisation of careers, in the context of an increasingly multicultural workforce and society; the economics of migration in Ireland, from both a historical and current perspective; and, finally, rounding out the section, and linking with the section’s opening chapter, is a discussion of the Europeanisation of Irish public policy.

The final section of the book, Section V, which comprises Chapters 25 to 31, looks at interests and concerns in contemporary Ireland. Interest groups, and their input into policy making, constitute a vibrant, vital and integral part of contemporary Irish liberal democracy. In Ireland, in the era of corporatism, interest groups have become part of the policy-making process. They provide another channel by which citizens can present their opinions to government. However, of crucial importance is the strong influence on policy decisions of concern to the whole of society by groups that do not necessarily speak for the broad populace. In particular, these chapters examine the role played by interest groups in Irish society; how civil society operates and its relationship with the state; the changing role and composition of the women’s movement in Irish politics; the issue of alcohol advertising and how it is regulated; the issue of advertising aimed at children; the use of high-technology communication devices in business, and their implications for the development of a surveillance society; and, finally, the place of spirituality in the modern workplace.

In all, we feel that these sections, and their chapters, encompass a great range of issues that are of critical importance to understanding contemporary Irish
business and society. That there is overlap between some of the chapters, despite the fact that their authors come from different disciplinary backgrounds, and in some cases are based outside Ireland, highlights how a modern society is a highly complex and integrated entity. Thus, issues of political concern are also of economic and social concern, and vice versa, highlighting the value of an interdisciplinary volume such as this.

CONCLUSION

In compiling this volume, our aim has been to fill a gap that has existed too long in Irish academia, drawing together, as it does, business and social science research to provide a multi-dimensional set of perspectives on our country at the start of a new century filled with opportunities and challenges. Although there are a range of business, economics, sociology and politics texts that look at Ireland, none is as broadly interdisciplinary as this. The absence of a volume such as this has meant that some third-level courses on business and society have been taught using either British or US texts. While those books are fine, and present the reader with a comprehensive understanding of contemporary issues in British or US business and society, they are not ideal for an Irish audience. Although Ireland is a western liberal democracy, like Britain and the US, the fact remains that it is also different from both of those countries for a host of reasons. Such differences can only be fully addressed through a dedicated volume. Thus, we have produced this book to provide the reader with a critical analysis of what is currently taking place at the nexus of a variety of aspects of business and society in Ireland.

The chapters in this book are grouped into related sections, but each contribution is also a self-contained unit. In this way, readers can, by examining just one chapter, gain an insight into a contemporary issue in Irish society. The general reader can dip into the book, while the student or academic is provided with the opportunity to familiarise themselves with a more comprehensive understanding of the broader issues at play.

Of course, none of these chapters are presented totally value-free, devoid of a wider impact. The nature of each chapter – its structure, arguments and point of view – is influenced by the perspective of its author or authors. Thus, certain chapters are written from a left-leaning perspective, while others come from the right of the political spectrum. This will provide for a more balanced appreciation of the issues set out, while also offering insights into how perspective influences understanding of a topic. Our hope is that readers from across a range of backgrounds, political persuasions and interests will find this a useful volume in assisting them to gain a more comprehensive understanding of Irish business and society. In summation, our intention is not to be prescriptive and, while contributors point to the implications and possible solutions to the issues raised in their chapters, there is space to re-imagine our past and present into a qualitatively different, and potentially better, future.
References


