

**"We don't have a Madoff, but we have Anglo Irish:" Shane
Hegarty on the Celtic Tiger**

Interviewed by: Liam Sweeney

I met Shane Hegarty in the new Irish Times building, just off the Liffey. It was Summer of 2011. After the bursting of the property bubble Ireland was still trying to hit bottom, hoping after every headline that the momentum would shift.

Hegarty, Arts Editor of the Irish Times, had worked with the newspaper throughout the property bubble. He was part of the editorial team that chose to run Morgan Kelly's controversial piece that marked the beginning of the end for the Celtic Tiger. We met to discuss the looming austerity and public sentiment.

Interviewer

Can you tell me a little about what it was like working at the newspaper while Ireland experienced this "boom and bust" cycle?

Shane Hegarty

Oh well I mean as a reader you notice it, like you know, whether you're a journalist or not it was a narrative, as with anything a narrative is created about any country, and it's journey, and what happens is when things go wrong that flips very quickly and a whole new narrative is created. Media generally is all about narratives. A story emerged about a poor country emerging from the shadows of a colonial past to find a new confidence...eh...new generation free of the old civil war politics of the past, and then within that this idea of Ireland having used its own independence, plus its relationship with the European Union to create this particularly successful, runaway success of an economy. Plus you get the Celtic Tiger, which is a beautiful lovely and easy phrase, immediately recognizable to the rest of the world because of the Asian Tiger reference from before. So it's quite an easy tale to tell. You had journalists coming over here from the States or from Europe or wherever to

tell this story. If you were to go back I imagine you'd find the same sort of things, get in the taxi the taxi driver will tell a story about how they just bought a house in Spain. They drive into Dublin and it's all new buildings and cranes on the horizon, everybody's got money, prices in the shops have shot through the roof, etc. etc. etc. The likes of Anglo, the banking success, the property boom (which of course was a bubble), and at the time this is Fianna Fáil, Bertie Ahern, it's their sort of hands off approach to things. So these were the sort of things where if you go back and find those pieces you'd probably find that they follow a particular pattern whether the people are coming from Germany or whether they're coming from the States. So to take it a stage further what happened then is when it flipped that story flipped. So you have journalists come over they get in a taxi, immediately the taxi driver is telling them stories about how they can't pay their rent, how everything's going to the dogs or whatever. They come in through Dublin, empty buildings, emm, construction ground to a halt, it's all closed shops, yeh know. In some ways it's the flip side of that narrative.

Interviewer

And now Bertie Ahern is going down to Nigeria and getting paid for lectures on how to finance a boom. How much have the public officials had to own this failed model?

Shane Hegarty

So you have this strange situation in Ireland where you have a lot of people, small group in some ways but significant in others, who clearly were responsible for wrecking the economy. Em, and they certainly haven't taken blame in terms of the court. There have been occasional arrests and investigations but they're all ongoing. It's nothing like the States, where if you screw up, deliberately, if you deliberately defraud somebody you end up in jail. Yeh know, we don't have a Bernie Madoff as such, but we have Anglo Irish bank. But none of those people have ended up in

jail, in fact there hasn't even been a court case yet. Ireland was always in a strange situation even during the boom, where you have Tribunals for instance, which were looking at corrupt payments to politicians. And these things went on for years and years, and on the one hand you could view them as exemplars of a very democratic society where you could bring the Prime Minister of the country, Bertie Ahern, up in a Tribunal context in which the public could come in and have a look, and he would be subjected to embarrassing deep questioning about his personal finances, and yet at the end of it the reports come out and nothing really changes, nobody gets put away for it and it's more personal humiliation than anything else. It is a far more ambiguous reckoning. And what makes it interesting is in Ireland there hasn't been, as you've had in Greece and you've had in Spain, there hasn't been—you wouldn't say uprising cause that's not the same—but there hasn't been popular protest in the same way. The closest thing we had was actually through the ballot box, where Fianna Fáil got destroyed at the last election and replaced by a government which is attempting to legislate for a lot of the problems that have occurred in the past. That's the closest we've come to retribution.

There's a question of collective guilt, which may feed into it, because you did have a situation in which a lot of people bought second properties, third properties fourth properties. A lot of people engaged in...you know that sort of neoliberal thing wasn't simply something which happened among the banks. A lot of people engaged in it, a lot of people talked incessantly about how much money they made off their house or could make off their house or what it was worth. There was a national mania and that has fed into everything. Because for all the people who say "Oh I didn't see the Celtic Tiger," there is clearly a kind of subconscious guilt in the Irish population, collectively, generally, in the broadest sense. There's anger but the anger tends to be diffused rather than centered at anybody and there hasn't been a reckoning.

Interviewer

So do people view this as a failed system then? Rather than a corrupt group of individuals?

Shane Hegarty

I think people see...it's seen more as a kind of a Ponzi Scheme which is only really a phrase which emerged here after the Maddoff thing but a Pyramid scheme is the way it would traditionally be called here. And there's a very definite sense of a pyramid scheme about it. Em, The thing is we're at the top of the pyramid. And while people might initially see it as being the builders and the bankers, actually it's the financial system itself, and this whole area, which frankly most people don't understand. And it became clear at a time that actually people in the financial system here didn't understand it. So it becomes difficult to focus anger in a way. Most of the anger, the genuine anger, went toward the politicians. Fianna Fail, the party seen as the natural party of the state since the foundation of the state, effectively got destroyed. And they did face genuine anger on doorsteps and the streets. Em, but again it's a very Irish sort of anger. It didn't take to the streets the way it has in Greece or Spain, despite the fact that, em, that it's been very, very hard on a lot of people.

Interviewer

What accounts for the mild Irish reaction to Austerity?

Shane Hegarty

Irish system is a parochial system, its parish prone politics. Everybody has access to their local TD. Everybody sees their local TD regularly. If you still go to mass you'll see the TD's regularly enough. If you go to funerals you'll see the TD. The TD's work so you have four or five per constituency. They work on a very very kind of a ground level. You see them at

sporting occasions. You see them at GA matches, which is the biggest sort of social cohesion thing outside of the church, and the Catholic church still has a social cohesion. Em, and so you see your TD all the time. So it's not, I don't know what it's like in the States, but I get the sense in the States where you just have much bigger systems, where the scale of the geography is just completely different to Ireland (which you can drive across top to bottom in what, six hours?). When you know your TD, when you can see your TD, when in some cases you'd get on the same train your TD was getting on every day, people feel far more connected to the system.

Part of the reason the system, in terms of planning or local government, doesn't work is because people are sort of beholden to their constituents, they don't think of the broader thing. The problem with the ministerial situation in Ireland is that a lot of ministers are picked based on where they're from rather than their expertise because you're trying to cover all the places. Em, again I get the sense that compared to the States it's very different. Most people here and I would guess in the States as well don't really know the names of a lot of the secretaries who work in the government, you know, Barack Obama's government, would that be fair? But here the ministers would be very well known personally and would come out to bat for the constituency a lot of the time, and it would be seen as quite prestigious to have a minister from your area and it would be quite good for you and you'd tend to get looked after. So the whole nature of the political system means that you're far more connected to it and have far more of a voice in it.

Interviewer

With all the volatility of financial speculation, could it be said that the Irish Times played a role in the creation of the truth rather than the discovery for the truth? Both in bursting the bubble (the Morgan Kelly piece) and in it's actual creation?

Shane Hegarty

Was the Irish Times and any other media a cheerleader for a system that turned out to be broke? We've taken flack for not questioning, for instance, the property market or for participating in the property bubble. Everybody made money off property advertising. It was an enormous well of revenue in a way that I don't think is replicated in the States in any way. American newspapers have suffered from the collapse of classified advertising to the likes of Craigslist. We didn't have classified ads, they weren't big here but property advertising and recruitment advertising were the two main sources of revenue. Sometimes the property supplements were bigger than the rest of the papers themselves. A lot of the coverage has been accused of inflating the value both in literal terms but also figuratively, in terms of how we talked about property.