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Lessons for Ireland from the Celtic Tiger

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Abstract

This paper expands on a presentation made at the UCD Geary Institute for Public Policy on 4th December 2025 at a seminar entitled 'Lessons from the Celtic Tiger: What next for Ireland's Economic Model?'. It represents the author's unique perspective on the key factors that drove Ireland's historic Celtic Tiger success, which saw employment double from 1.1 million people in 1987 to 2.2 million by 2007. These drivers include factors that are well rehearsed, such as low corporation tax and the investment of EU structural funds, but they also include a range of other factors that are overlooked in other analysis, such as the role of Social Partnership, education, demographics, communications and transport change, sound fiscal policy, state agencies and commercial state enterprises. Lessons from this analysis are applied to Ireland's contemporary economic challenges.

Keywords: Economic Policy; Industrial Strategy; Ireland; Celtic Tiger

Introduction

The Celtic Tiger period of economic progress was remarkable. In a 21-year period, Ireland's employment doubled and the take-home pay of the average worker also doubled. For the first 70 years after independence in 1922, total employment had been stagnant at c.1.1 million and mass emigration drained Ireland of economic vitality. But with the Celtic Tiger, employment rose, more than doubling in the 21 years from 1987 to 2007, and net emigration ended. Living standards rose, from well below, to average European levels.

I will briefly examine the drivers of this remarkable period to ascertain which of those may be relevant to confronting the problems that we have today. I will also discuss if Ireland's policies followed a free market or a more social democratic model. This is a personal view of the Celtic Tiger, of Ireland's economic collapse, of the recovery and current outlook, from a political economy perspective.

Why Write About the Celtic Tiger Economy?

Ireland's economic performance in the 1980s was poor because it followed a massive and disastrous give-away tax cutting budget in 1977, which led to large budget deficits of 12-13% annually, 1980-1986 inclusive. This curbed any potential for state-led investment or stimulus. There was very high unemployment, at over 18% annually between 1987-1989 inclusive, and a surge in emigration with a total of 208,000 persons leaving Ireland (Sweeney, 1998; p.37). In 1983, a group called the "Socialist Economists"[1] called for trade union participation in investment decision-making and, in 1985, they called for a type of social partnership to solve the economic problems. A 1986 report from the National Economic and Social Council, the tripartite government advisory body, also called for this (NESC, 1986). From 1986, Taoiseach Charlie Haughey met the employers and trade unions to say that he wanted to do things more cooperatively. This led to Social Partnership, which had a significant impact on economic development. This new focus on cooperation was also helped by the 1987 "Tallaght strategy", where the main opposition party, Fine Gael, supported a Fianna Fáil minority government on economic reforms.

In the mid-1990s, as a union financial advisor and economist visiting factories and workplaces around Ireland such as Pfizer, Apple, agricultural coops, pharmaceutical companies, Aer Lingus and others, and also as an employee director of a telecoms

[1] The socialist economists were P. Sweeney, R. Callender, E. O'Malley, A. Matthews and others. Key publications at this juncture included *Jobs and Wages* (1983) and *Jobs and Borrowing* (1985).

engineering company, I began to see that things were improving quite substantially on the ground. This led me, a “dirty-handed economist”, to examine the data. This confirmed remarkable progress in many areas and inspired me to write my first book on the Celtic Tiger (I followed this with two others on the subject). I wrote this book on what I believed was a remarkable positive economic and thus social transformation of a long-time poor country. I focused particularly on the reasons for Ireland’s economic take-off. I was not impressed by the government and opposition unicausal view, held by Fianna Fáil, Fine Gael, Progressive Democrats and Labour, that it was caused by low taxes, and I also disagreed with the narrative, argued by many especially in Britain, that it was largely due to EU funds.

The Tiger over 21 Years

There were three seven-year phases to the Tiger era, over 21 years:

1. Jobless Growth 1987-1993
2. The Roaring Tiger 1994-2000
3. The Bubble and Crash 2001-2007

After the 2008 crash, there was a slow recovery, beginning in 2013, as indicated in Figure 1 with the return to employment growth. This recovery has maintained the economy on a higher plateau than in the decades up to the beginning of the Celtic Tiger period in 1987.

The Reasons Underlying the Celtic Tiger

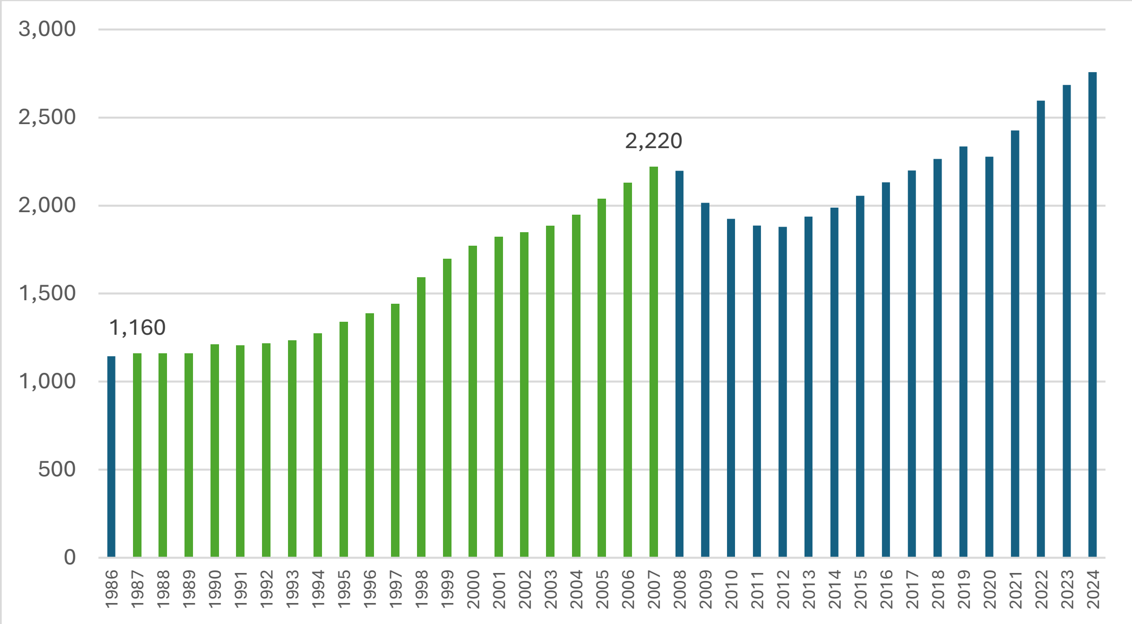
Some argued that the Celtic Tiger period was simply a delayed, belated convergence (Leddin and Walsh, 1997; Ó Gráda, 2002). The rise in incomes and growth in employment demonstrate that it was more than a simple catch-up.

The external environment greatly helped, with a favourable trading environment, but this was to end by 1991. In 1999, I argued, in *The Celtic Tiger Ireland’s Continuing Economic Miracle*, that the boom in Ireland would continue even when recession hit Ireland’s main trading partners. In fact there was even greater progress; partially due to domestic demand and because Ireland’s main economic sectors, in computer-related goods and chemicals/pharma, grew faster than markets expanded, even with international recessions.

It can be seen in Figure 1 that total employment in Ireland doubled from over 1.1 million in 1987 to 2.2 million in 2007. In addition, the take-home pay of the average industrial worker also doubled in this period. The doubling of employment in 21 years exceeded even the substantial growth in the US after World War II, where it took from

1950 to 1987 for the employee workforce to double to 120 million (US Bureau of Statistics FRED). Ireland's growth in jobs also appears to exceed that of the original Asian Tiger, South Korea, whose growth in jobs from 1962 to 1984 was a substantial 69% total employment growth (Richardson and Kim, 1986).

Figure 1. Persons Employed in Ireland 1986-2024 (thousands), with the 'Celtic Tiger' period (1987-2007) highlighted. Source: IMF (2025).



To learn from the Celtic Tiger era, we need to analyse the drivers of the Celtic Tiger as they arose in each of the three 7-year phases set out above. In addition to what worked well, there are important lessons to be learned from the major policy mistakes made by the government in the third phase, 2001-2007. Its main mistake was counter-cyclical fiscal policy, giving many property tax breaks in a low interest rate property boom and with no or little regulation.

PART ONE

Drivers of the Celtic Tiger

I have identified 12 drivers or factors that, when taken in combination, offer a more complete explanation of the Celtic Tiger:

1. Low Corporation Tax
2. EU funds
3. The European Single Market
4. Globalisation and foreign direct investment
5. Educated workforce
6. Ireland’s small open economy model and the workforce
7. Social Partnership
8. The revolution in communications and transport technology
9. Fiscal reform and economic stability
10. Industrial policy, including an active state and genuine competitiveness
11. A demographic dividend and greater participation by women
12. Public enterprise commercialised but not privatised

The 12 reasons above are the broad reasons for the Celtic Tiger take-off. For another overview of the reasons, Eoin O’Malley’s book *Ireland’s Long Economic Boom: the Celtic Tiger Economy, 1986 to 2007* is excellent, particularly chapter 3, a review of the explanations for the boom (O’Malley, 2024). My own three books on the Celtic Tiger also cover these broad reasons (Sweeney 1998, 1999, 2008).

I will briefly discuss some of the more important reasons for the Celtic Tiger’s success before examining those that may offer relevant lessons for today.

1. Low Corporation Tax

For many years, the Irish Government and its agencies argued that the Celtic Tiger was based solely on low corporation tax, as the “cornerstone of industrial policy.” There was thus an implicit denial that the reasons for the success were more complex. There was logic in arguing for consistency in taxation policy and this was one of the drivers, but only one of many. For example, when I wrote *Tax Cuts Did Not Create the Celtic Tiger* in 2004, a Sunday Independent editorial entitled ‘Low-tax policies created the Tiger’ said that anyone who said “Ireland’s low-tax regime was not a cornerstone of our recent economic success must be living in some parallel universe.” (Sunday Independent, 2004). Had the editor read the document, he would have seen that the evidence demonstrated that the various tax cuts came after the Tiger success from 1999. The low taxes did help attract investment by multinational companies (MNCs), but it was after some years. The consistency of tax policy was important too.

2. EU Funds

The second popularly cited reason for the success of Ireland’s economy, particularly in Britain, was that Ireland benefited from a vast amount of EU structural funds and this led to our take-off. The role of the structural funds was important and they were invested well. But they were only one, albeit important, reason. O’Malley (2024) cites Barry et al. (1999) who concluded that the EU funds raised GNP by the late 1990s to about 4% above what would otherwise have been which was a contribution of about 0.5% per year to the GNP growth rate when the economy was growing at 8%. Matthews (1994) pointed out that Ireland’s receipts under the EU Common Agricultural Policy (CAP) were a good deal larger than its receipts of Structural Funds (including transfers from EU consumers paying higher prices for our exports). However, Ireland has been a net contributor to the EU since 2013.

3. European Single Market

Access to the European Single Market was one of the key drivers. The market did not work until the implementation of the Single Market Act in 1992, which eliminated not just trade barriers but also the considerable administrative barriers. When I interviewed Peter Sutherland about Ireland’s economic success, he argued convincingly that “the EU had been in paralysis”, but the Commission of which he was a member drove the Single Market in opening up Europe. He said the Single Market came into being in 1992 and “had the most profound effect of all. It changed attitudes everywhere.” He said “it was all that opening up which created a new dynamic which was very important and advantageous to Ireland.” (Sweeney, 2008; p.17 and p.24).

4. Globalisation and Foreign Direct Investment.

Globalisation has been very beneficial to Ireland. As a small open economy, Ireland has long been a major supporter of international trade and foreign direct investment (FDI). This support goes beyond just the corporation tax rate. A very active state promotion body, IDA Ireland, was superb at encouraging FDI into Ireland. The state body did fortuitously pick sectors that were growing such as pharma and technology, which proved to be extremely perceptive. It then sought out the best companies within those sectors and it attracted these companies to Ireland, where most remain. This was argued already in the late 1970s (McAleese and Counahan, 1979).

Globalisation also led to a substantial increase in incomes in the developing world. Milanović's *Global Inequality* based on hundreds of years of data shows that inequality has fallen quite dramatically among nations, with the rising middle-class in Asia and elsewhere, and substantial poverty reduction in emerging countries, driven by globalisation, while inequality has been rising within developed nations (Milanović, 2016).

5. The Educated Workforce

Donogh O'Malley, then Fianna Fáil Education Minister, announced (on his own initiative) and implemented free second level education for all in 1967. This was hugely popular and had a profound effect on future economic development. Public investment continued in education at all levels. There was massive expansion of capacity in the 1970s and 1980s (Sweeney, 2008; p.133). The ESRI found the changes to education to be revolutionary and said that rising educational attainment contributed around one percent a year to the growth in the 1990s (Duffy et al., 1997). The increased participation in secondary and third level was accompanied by investment in education and skills through the Future Skills group, FETAC and other initiatives, with a substantial supply of graduates in the appropriate disciplines to work in the multinational companies. Thus investment in education over time bore fruit years later and continues to do so.

6. Ireland's Small Open Economy Model and the Workforce

A number of authors have argued that Ireland had an exceptional boom because it was a small and open economy. This was not just about openness to foreign investment and trade, but the open labour market also meant that the return of immigrants and new immigration facilitated the boom preventing labour shortages from emerging (Krugman, 1997; Barry, 2002; O'Leary, 2011).

7. Social Partnership

There is general agreement that the Social Partnership agreements from 1987 contributed to creating the Celtic Tiger phenomenon. The seven main Social Partnership Agreements are listed in Appendix 1. The OECD several times commented on it positively, for instance in its 1998 Economic Outlook it said the government should "retain the consensus based approaches to wage formulation." (OECD, 1998).

Partnership played a major role both in wage moderation and in facilitating a wider and deeper analysis of issues and obstacles confronting the Irish economy by government, employers, unions and other sectors. Social Partnership has been criticised by both those on the far left and right. All contributors to *Ireland's Economic Success*, including the three businessmen and the Taoiseach, found it valuable as a driver of the Tiger rise, with Bertie Ahern saying there was "nothing cozy" about it (Sweeney, 2008). After the financial crash of 2008 and the bailout of the banks, Social Partnership collapsed due to the unilateral pay cut by government, averaging 14% for all public servants between 2008-2011. The serious decline in trade union density in Ireland caused by structural changes in the workplace and difficulties trade unions have in accessing workplace because of legal constraints does pose a problem if Social Partnership was to be reinstituted, and more importantly for the growing number of workers without representation.

8. The Revolution in Communications and Transport Technology

The revolution in communications and transport, due to technology, meant Ireland's peripheral location was no longer an obstacle to economic growth.

To provide some examples. Ireland was one of the first European countries to fully digitise its telephone network. Motorway development started in the 1990s. Substantial upgrading and modernisation of port and airport infrastructure was undertaken. Refrigeration technology, including refrigerated shipping containers, allowed for cold-chain logistics which enhanced Irish food exports, especially dairy and seafood. And so on.

9. Fiscal Reform and Economic Stability

After the profligate 1977 Fianna Fáil budget, the economy was in very bad shape, especially the public finances. A reform programme begun by the coalition in the 1980s was implemented by a chastened Fianna Fáil in 1987, which reduced public spending. Current spending broke even and Exchequer surpluses were recorded later, in 1996 and 1997.

The fiscal reform from the mid 1980s, led by Ray McSharry, Finance Minister, and supported by Fine Gael, led to a stable economic environment. After the fiscal crisis in the 1980s, "Fiscal reform was very important" (Sweeney, 2008; p.114-5). Bertie Ahern said that there were "significant reductions in public spending", which meant that some control of our public finances would be achieved, and it was agreed with the unions that social welfare payments would be maintained (Sweeney, 2008; p.114).

10. Industrial Policy, including an Active State and Genuine Competitiveness

Industrial policy is not solely based on attracting FDI and encouraging indigenous industry, but for a small open economy like Ireland it includes a clear understanding of what competitiveness actually is: harnessing demographic change, Social Partnership, and nurturing companies in growing areas including commercial state-owned enterprises and other indigenous firms. Competitiveness, which had been seen for a long time as solely short-term movements in labour costs, was recognised in the 1990s as more complex when the National Competitiveness Council was established in 1997, as part of a Social Partnership agreement.

Ireland's industrial policy included an active role for the state, such as through agencies like IDA Ireland and Enterprise Ireland. IDA Ireland is internationally recognised for its ability to attract foreign investment into Ireland. All small open economies need a substantial proportion of foreign direct investment but the IDA managed to identify and then attract leading companies in growing areas. It formed clusters of similar industries like pharma in Cork, tech in Dublin and medical devices in Galway, and then used the clusters to attract other players in each field.

11. A Demographic Dividend and Greater Participation by Women

There was a substantial shift from agriculture to manufacturing and then services, which was accompanied by good educational policy. Ireland's population pyramid had not been like other countries for most of its history, with a thin waist of the middle, reflecting the waste of talent with high unemployment and emigration. As the boom began in the early 1990s, many young educated people were leaving education to work and also a large number of women joined the workforce.

12. Public Enterprise Commercialised But Not Privatised

Irish public enterprise was commercialised and not privatised (until the third phase). Commercial public enterprises "all dominated the domestic market in their respective products or services" up until the 1980s (Sweeney, 1990; p.8) and thus were important indigenous companies. Back in 1987, public enterprises were very important in the Irish economy, contributing 10.2% to GNP, 18.2% of fixed capital formation and the employment of 68,883 people or 6.3% of the total at work in that year (Sweeney, 1990). It was following on from that year that these companies became commercialised and much more efficient.

Many of them were privatised in later years, which took place after they had become efficient. The privatisation also took place when the Exchequer was booming and did not require the money/capital gained.

It is my view that the greatest inconsistency in supporting the growth and retention of indigenous companies was the substantial privatisation of commercial state companies. State enterprise policy sought these very type of company: substantial, profitable, large employers, Irish-based and controlled. But because they were owned by the state they were sold off, which was a deep inconsistency in policy and contradicted the aim of growing enterprises of size.

Another policy error has been the failure to retain a public stake in successful private Irish start-ups which have been helped by Enterprise Ireland and various other state funds (e.g. Stripe). “The policy to build and retain companies of substance here – and thus discourage foreign takeover – needs to be re-examined. Both of these policies are failing, I believe because an outdated view that private is better than public ownership,” (Sweeney, 2024). The support by the state for private firms, and the interdependency of public and private sectors, needs to be clarified in future policy. Policy should be reformed to achieved better, more inclusive outcomes as will be argued below in terms of empowering the state (Part Five).

PART TWO

Lessons from The Third Phase of the Celtic Tiger

The biggest lesson to be learnt from the economic success of the Celtic Tiger era is to avoid repeating what was done in the third phase. “The domestic boom from 2001 to 2007 inclusive saw surprisingly strong employment growth but it was based on domestic consumer demand, construction and strong borrowings” (Sweeney, 2008; p.2). Exports were lower in this period and the rapid rise in productivity growth had slowed. “Ireland’s crisis, which started in 2008, is still the costliest since the Great Depression in terms of the economic havoc it wreaked on the country,” according to a working paper by the International Monetary Fund (Molloy, 2012).

While celebrating Ireland’s economic success in 2008, I was worried and had hoped for a soft landing, saying that “a soft landing would be in everyone’s interest.” Yet I also warned that “when the downturn comes, which it will”, warning that construction had “a disproportionate share of the economy at over 12% of the workforce and a quarter of all output. It had low productivity and was funded by borrowing. The wealth effect with high house prices has boosted domestic demand" (Sweeney, 2008; p. 166). I also argued that "the domestic boom is funded by borrowing against property. This is not sustainable in the long run but has allowed the economic boom to continue for several years. If there was a crash in construction, the economy would be severely hit and unemployment would rise rapidly" (Sweeney, 2008; p.140).

The government's fiscal policy was extremely regressive with many substantial tax breaks given to property investments. This was recognised too late by the Department of Finance, which hired consultants Indecon to examine each property tax break, which revealed them to be deadweight (Department of Finance, 2006).

The third phase, from 2001 to the crash in 2008, was one of sustained pro-cyclical economic policies driven by Finance Ministers Charlie McCreevy (1997-2004) and Brian Cowen (2004-2008). Mr McCreevy had boasted (2 December 2002) "when I have it, I spend it" of his boomtime economics. In addition to pro-cyclical fiscal policies, he boosted an overflowing Exchequer with the proceeds of all the state companies he privatised. He did this for ideological reasons, and at a time when the capital was not required by the public finances. Mr Cowen also further stimulated the economy in the Budgets of 2007 and 2008.

Honohan (2019) argued that the lack of banking regulation was more serious than the pro-cyclical polices. However, privatisation is often neglected by mainstream economists as are the large number of costly tax breaks given to wealthy investors in property. They were not just "deadweight" as found by belated consultant reports on them for the Department of Finance, but they further stimulated a booming property market. The €8,784 million from privatisation receipts under FF/PD government 1999-2001 (Department of Finance Monthly Receipts and Expenditures, 1999-2001) plus the major impact of the property tax breaks was used to further over-stimulate the economy and also caused a rise in inequality.

The Irish economy collapsed, and the Troika of the IMF, EU and ECB arrived in December 2010 to negotiate a bailout. It was a private sector-led property and banking collapse, not a public sector one of profligate spending on public services. Furthermore, the national debt had been reduced from 54.7% of GDP in 1998 to just 23.1% in 2007, and even capital investment programmes were being funded by current revenue and the tax surpluses from 1997 to 2007.

The government socialised the private debt of the banks which turned out to be vast for a tiny country. This was a serious error (Sweeney, 2011). The mistake of bailing out the banks was made on the 28th of September 2008 by the conservative Fianna Fáil and the market-fundamentalist Progressive Democrats without having any idea of how big the bank debts were. It also bailed out foreign bondholders' loans to the cost of €150 billion, of which €80 billion was from the ECB and the balance from the Central Bank. The EU could have rescued Ireland on its own, but it brought in the IMF because of its expertise. There should have been burden-sharing of the debt by the EU and ECB with Ireland.

Honohan said "The main cause of the Irish crisis was clearly the wave of reckless bank lending." And "The ECB's actions, though vigorous, failed at first to recognise and fully understand the severity of the unfolding crash. The steps taken both by the ECB and the Eurogroup ministers lacked clarity and persistence." (Honohan, 2019).

The recovery was fast because the 'main street' of the Irish economy was not heavily impacted, including agriculture, manufacturing, most services, multinational and most indigenous companies (those not associated with property or lending). Main street sectors soon recovered and therefore austerity, particularly aimed at workers and the poor, was not required, as the Irish Congress of Trade Unions (ICTU) argued in its submissions to the Troika (ICTU, 2012).

The level of austerity after the crash was unnecessary. There was another view: early in 2009, the Irish Congress of Trade Unions proposed a policy alternative to austerity called *There is a Better Fairer Way* (ICTU, 2009). ICTU proposed this and other alternative strategies to Government and to the Troika at meetings over the three years of bailout. Austerity ruined many jobs, businesses and hurt the poorest most. Privatisation fire sales of commercial state companies and public assets continued as part of the Troika programme.[2] The government and Troika could and should have acted more slowly. There also should have been burden-sharing, or burning the bond holders, saving Irish taxpayer much of the burden of bailing out the private banks. This was agreed by Christine Lagarde at a meeting with trade unions in the IMF in 2014.

The austerity programme totalled a hefty €30 billion, of which €18.8 billion was in cuts in public services. It is now more widely recognised (e.g. Blyth, 2013a; Blyth, 2013b; Ross, 2021) that austerity was not the best way to deal with the crisis. Even conservatives in the ECB argue that cuts can be made in benign times but not during a severe crisis (Born et al., 2014).

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[2] Fine Gael and Labour were forced to sell off "up to £2bn" of public assets by the Troika programme (*Towards Recovery: Programme for a National government 2011-16*, p15.) but this sum was exceeded by more than 50%, by privatising commercial state assets worth €3,059 million between 2011 and 2016 (Department of Finance Monthly Receipts and Expenditures).

PART THREE

The Irish Economy is Performing Well in a Crazy World

Today, despite Trump's tariff mercantilism, the Irish economy is in good shape with strong economic growth, strong domestic consumption, low unemployment (although it rose to 5.3% in November, 2025) and low inflation. However, public spending is rising faster than even the government itself had set out each year and capital expenditure is rising fast. Further, there has been renewed growth in employment since the crash in 2008 with a jobs recovery beginning in 2013, rising to a total of 2.81 million employed in Ireland (CSO, 2025).

The Central Bank said the rapid pace of growth in the post-pandemic period means that the overall size of the economy (GNI*) increased in real (constant price) terms by 27 per cent or €65 billion between 2019 and 2024. "Despite external headwinds and historically high uncertainty, the economy continued to grow steadily in the first half of 2025" (Central Bank of Ireland, 2025).

The European Commission says "Ireland's GDP is forecast to grow by 3.4% in 2025 and 2.5% in 2026 supported by a strong labour market. However, the high uncertainty and deterioration in global trading conditions are expected to detract from growth because Ireland's deep economic ties to the US pose notable downward risks in the context of rising protectionism." It also warns "The general government balance is forecast to remain in surplus, though significant risks arise from the uncertain outlook for corporate tax revenues" (European Commission, 2025).

PART FOUR

Lessons for Ireland's Major Economic Challenges

In *Future Forty*, the government posits that Ireland's major problems stems from our economic success. "Future Forty sets out a long-term economic and fiscal outlook for Ireland to 2065, examining, in 'Deep Dives', seven critical areas: climate change and the green transition, demographics, housing, healthcare, digitalisation, deglobalisation, and potential EU expansion." (Government of Ireland, 2025).

It is largely correct to say Ireland's major problems today arise from our economic success, such as climate change, housing, and increased demand for better healthcare and social services. Fortunately this success has given us the resources to deal with each challenge. However, we have the political problem of implementation, not just because of the electoral cycle, but also due to insufficient ambition and vision. The Department of Finance's scenarios are useful and now should be used as guidance to implementing a clear political vision by the politicians.

Climate and housing are the immediate issues. Climate, not even seen as a challenge in the 1990s, is now an existential threat. Housing policy has being failing for decades. There are a number of lessons from the Celtic Tiger years.

1. Sound Fiscal Policy and Investment

We must learn from the policies of the third phase of the Celtic Tiger, the neoliberal decade of spend, spend; boom, boom; and ultra-free, unregulated markets and privatisation. Milanović argues that "like communism, neoliberalism was defeated by the real world. Real world simply refused to behave the way that liberals thought it should" (Milanović, 2025). Yet adherents of this dead ideology live on in key positions, including government.

Sound fiscal policy should be a given. The major challenges are maintaining fiscal stability, raising taxation equitably and broadening it out from its narrow base, and spending efficiently and investing well. While these are political choices, the practical broad social democratic economics of all major parties could serve Ireland better.

The government is aware that the large flow of corporate tax revenue from a few large MNCs is not certain. The policy issue of what proportion of the exceptional revenue should be put into the national savings funds and what proportion should be invested in necessary public services and infrastructure is a major debate. The capacity problems in investing have to be addressed, in addition to the major implementation deficits. Government is simply unable to get things done, as demonstrated by the cost over-runs in the National Children's Hospital, the €147 million already spent on the national maternity hospital on a site owned by a religious order (Wall, 2025), and the possible cost of €23 billion for a 19km Dublin metro (Kelly and Wall, 2025).

The Irish state had to struggle with exchequer deficits since the foundation of the state, until 1998 when a surplus of 1.4% was achieved the year after the Rainbow Government's term ended. Today, the public finances are in a remarkably strong position, running budget surpluses for many years. Ireland's corporation tax receipts have surged in the past decade. They are both a prize and a burden. A burden if we do not handle them well and a prize if we do. However as has been flagged by many, particularly the Irish Fiscal Advisory Council (IFAC), "Government spending is regularly going beyond budget-day plans" and "there is need for a clear guide or rules for fiscal policy" (IFAC, 2025).

Corporation tax is concentrated, with just three firms estimated to account for 38% of receipts in 2023. IFAC estimate that corporate tax revenues would have been, on average, 18% higher thanks to the new OECD 15% rate over Ireland's statutory 12.5% rate. Crucially, Cronin of IFAC finds that virtually all of this additional revenue would be "excess". In other words, it cannot be explained by underlying domestic activity. This would lead to Irish corporation tax receipts becoming even more concentrated among a relatively small number of large, foreign-owned multinationals. "These receipts could easily disappear. The Government should avoid using them to fund permanent commitments" he advises (Cronin, 2025).

The Department of Finance itself said in its plan that we are over-dependent on FDI corporation taxes. "The portion of corporate tax receipts currently deemed to be 'windfall' are projected in this analysis to decline between 2030 and 2040, significantly reducing corporate tax receipts, from 8 per cent of GNI* in 2025 to 4.5 per cent of GNI* by 2040" (Department of Finance, 2025a).

Capacity problems may drive the solution to the dilemma of how much of the surplus revenue should be put in the state's reserve funds and how much should be invested in capital projects. The ability to execute decisions is perhaps a more pressing issue and solutions are not being sought, particularly by the government. Capacity will be discussed in Part 5.

2. Climate Change

We can and should learn from the consensus under Social Partnership and the state's success in attracting in FDI which helped drive many aspects of the economic success, to deal with the biggest challenge, climate change. While climate change is currently being denied by the US leadership, the actions of China on climate repair are very impressive and hopeful. The breakdown in multilateralism, also by Trump's US, is a deep worry but China is now is achieving immense progress and reaching world dominance in green technology like wind turbines, battery storage, green patents, industrial electrification technology, heat pumps, etc. (Yang et al., 2025).

China is the world's second biggest economy and the largest polluter, accounting for almost 30% of global emissions. China is the world's biggest manufacturer and it releases more carbon every year than the US and EU combined. The only effective way to save the world from climate change is to make green energy as cheap as possible. China is already doing this. The price of solar photovoltaics per watt has decreased by

99.7% since 1976. The price of solar and batteries has been declining as output rises. China now accounts for over 70% of all the electric car production on the planet, and production is still growing fast (IEA, 2025). It produces most of the world's solar panels, batteries and electric cars and its trajectory determines whether the world will limit end-of-century warming to 1.5°C and avoid climate catastrophe. China is installing renewable energy at a record pace that far outstrips the rest of the world.

China has been the world's leading driver of clean energy growth for over a decade. It is expected to more than double the output of clean energy over the next 25-30 years. Clean power sources now supply around 15% of China's primary energy and will generate close to 75% of China's primary energy by 2060. While solar and wind power have been the main sources of China's clean power growth over the past decade or so. Nuclear power looks set to become the fastest-growing source of clean energy from now through 2040 (Maguire, 2025). In 2005, China only had two electric vehicle (EV) battery manufacturers. Twenty years later, it produces more than three-quarters of the world's lithium-ion cells. "China is the king of the industry indispensable to the world's 2050 net-zero goal. It produces more than three-quarters of all lithium-ion batteries worldwide and is home to six out of the 10 largest battery makers on the planet." (You, 2025).

Europe should pivot towards China, it is argued by some, including by Pisani-Ferry and Weder di Mauro (2025), who argue "China and Europe share a strategic interest in advancing the climate transition across emerging markets and low-income countries." Thus, "To that end, a pragmatic partnership between Europe and China could help not only Europe and China, but all current and future generations." Trump's US is undermining renewable energy and climate action. For example, in mid-October, 2025, the US unilaterally sabotaged a recently agreed International Maritime Organization agreement on reducing emissions from shipping (Arasu and McDermott, 2025). The US also did not attend COP30 nor G20. China, in contrast, is pushing ahead dramatically to repair climate. The case for pivoting is being made clearer.

Europe should consider cheap imports of EVs, solar panels and batteries from China to be almost "public goods" because they are so vital to climate repair. Any tariffs should roughly equal manufacturing state aid and no more. Rodrik urges that "Erecting barriers is the wrong response and distracts from the need for more targeted measures." He argues that countries should deploy "modern industrial policies that directly encourage investment and innovation through the provision of public input, coordination and subsidies, where necessary." In short, other countries should emulate China's own industrial policies, with state-led intervention, "though with appropriate adaptation to local economic political and institutional contexts." They should forget import protection, which is only "a temporary shield" (Rodrik, 2025a).

3. Housing

A lesson to be learned from the Celtic Tiger years is that when policies are not working they should be abandoned or changed, and it is easier to do this under a consensus Social Partnership programme without a change in government. However, for the foreseeable future, if the same policies continue, it is clear that housing will continue to be a major problem in Ireland.

In November 2025, the government announced yet another major housing programme, the fourth in 12 years. Housing shortage is a longstanding issue. Government is highly interventionist in the market economy but it is distorting it in a perverted way. The government itself knows that the lack of supply is the key issue yet there is still major public spending on demand side subsidies like HAP and STAR payments, cost rental loans, First Home, VAT cuts for builders, etc. It is recognised that the government cannot withdraw the payments for renters or the many subsidies to buyers, renters and builders, overnight, but it should begin to do so in a structured way.

Government has been buying homes in the market and crowding out first time buyers, but yet it plans to boost this action in its fourth programme. Government should get the private sector to actually build public housing directly. It should also cease selling off the housing stock at discounts of up to 60%.

A study of one of the largest privatisation programmes in Ireland, the privatisation of housing, analyses the history of the most prominent form of privatisation, tenant purchase schemes. They found that the expansion of tenant purchase schemes in the 1980s was the continuation of a long-standing policy, albeit on an unprecedented scale and level of generosity. The very sizeable discounts ensured that they constituted "a massive re-distribution of wealth from the state to former tenants." (O'Sullivan et al., 2024). The Housing Commission (2024) also recommended that the sales of local authority housing at substantial discounts relative to market value be ended and future sales should be at full market value of the dwelling.

4. AI and Big Tech

Ireland is the European headquarters of many big tech firms. These firms need to be radically reformed in the interest of the public. This can be achieved if government undertakes the task in a similar manner to how it dealt with these multinationals in the past. If a few refuse to reform, we must be prepared to accept their departure.

The inventor of the World Wide Web, Sir Tim Berners-Lee, has lamented that technology's original promise of generating a creative, collaborative and universal community of users has been despoiled. Yet he hopes the transformation of the web by artificial intelligence (AI) offers the chance to reinvent the web. In his latest book, *This Is For Everyone*, Berners-Lee hopes AI will bring about the greatest technological shift of our lifetimes — "and it's important not to mess it up." Too much of the online economy is dominated by giant corporations battling to capture and monetise our time. "Fortunately — and I'm very optimistic about this — the paradigm shift of AI offers us a unique opportunity to hit the reset button," he writes. Berners-Lee favours the Fediverse, a nascent network of interconnected digital services and social media, including Bluesky, Mastodon and Matrix, that rely on open protocols.

Martin Wolf argues "Meta and other similar platforms are accessories to fraud. The remedy is obvious. People should be allowed to sue the platforms for full reimbursement of costs they incur from being tricked by the fraudulent advertisements they publish. Once this is allowed, these advertisements will surely disappear. Fraud is a crime. Profiting from fraud must be stopped." (Wolf, 2025). Big Tech is destroying the mainstream media's journalism, investigative skills and reliability in holding power to account, by taking more and more of its advertising revenue, which was $276 billion worldwide in 2025 (Statistica, 2025).

5. Inequality

Inequality is high and is the root cause of many social and economic problems, within any country. Yet in spite of Ireland's high market inequality (the highest in EU), the tax and welfare system does much in reducing Ireland's market inequality from Europe's highest to the middle rank. The recognition of collective bargaining in Ireland would be very helpful in addressing market inequality, along with greater tax and welfare equity, as proposed by the Commission on Taxation and Welfare (2021). Wealthy inequality is high in Ireland and most wealth is in housing. As there is an enduring housing crisis, many older people will not own their own homes, which will put additional pressure on the state pension to pay rents, as the population ages.

There has been a big movement towards greater equality over the past two centuries but especially in the 20th century. The share of income going to the richest 10% fell from 50% before 1913 to 30 to 35% today and the share going to the poorest 50% rose from 10 to 15% to what is still a very small 20-25%, according to Piketty (2024).

6. Globalisation/Deglobalisation

There has been popular criticism of the type of hyper-globalisation dominant for decades. Trump's tariff policies have brought in protectionism rapidly. Ireland has gained from globalisation since the 1960s. Nonetheless, the deglobalisation (e.g. tariffs, protectionism, etc.) that is occurring, if changed to a better, more-managed type of globalisation where all or most of the benefits did not flow upwards to the owners and managers of capital, would bring greater benefits to more people.

The type of globalisation we have had has been rightly criticised by many, and by an increasing number of academic economists including Joe Stiglitz, Paul Krugman and Dani Rodrik, the latter who has long called for "managed globalisation." In essence, the winners of globalisation, particularly in recent times, have been the owners of capital and the very senior management, with too many losers. This is reflected in the growth of inequality in developing states (Sweeney, 2013a), huge share buybacks, the obscene wealth and power of the tech 'broligarchy', etc. "Hyper globalization has had significant ramifications beyond the economy too which threaten the fabric of democracy. The erosion and increasing economic insecurity of the middle class is a significant underpinning of what's happening in our democracies," Rodrik (2025b) points out.

7. Education and Training

Education policy has been successful but still needs continuous attention. Ireland is performing extremely well on the number of graduates from third level colleges (63% of 25-34 year-olds hold a qualification, above the EU-27 average of 43%) but we are not doing enough in training people with skills through apprenticeships and other courses. Female participation in the economy is still lower in Ireland than the EU average (60.1% in 2024 versus the EU average of 67.7%). More must be done on this issue and on upskilling and attracting skilled workers. Further, Ireland has one of the highest student-teacher ratios at third level, and spending has fallen since the crash in real terms, and this has to be addressed.

PART FIVE

Empowering the State to Deliver

An article by tech billionaire John Collison in the Irish Times on the inability of the Irish government to deliver on major projects and on many other areas of the state raised a lot of discussion. He correctly argued that a past era of corruption reduced people's belief in politicians, saying "The generation of leaders in the 1980s and 1990s have a lot to answer for. The legacy of the likes of Charlie Haughey, Bertie Ahern and Ray Burke was to permanently damage the public's trust in politicians." (Collison, 2025).

Yet he argued that that generation got things done, such as the IFSC, Temple Bar, housing, Terminal 2 at Dublin Airport, tunnels and so on. His argument was that there are now too many agencies and regulators which politicians hide behind. We now have the "constrained state," he argued. "We need to reverse the continued reassignment of power in Ireland – and many countries around the world – from elected politicians to the Civil Service and agencies." He suggests "simply that our leaders must step up and lead." Conversely, discussing the same period, the late 1980s, Professor Kieran Kennedy, Director of the ESRI, said in his introduction to a book that he was struck by the "the complete absence of long-term strategy." He said there was "little debate on policy", "little attention to facts and the analysis of facts" and there was "little attempt to learn in a systemic way from past experiences at home or abroad." (Sweeney 1990).

There is a case for the streamlining of some state bodies and for better regulation, but like most billionaire businessmen, Collison may not like regulators. Without regulation or with bad regulation, we would repeat the crash of 2008. He is correct on the need for political leadership, vision and execution.

I see four issues which need to be addressed in Ireland to empower the democratic state to deliver:

1. A clear political vision.
2. A first class civil service.
3. An Active State.
4. A radical overhaul of procurement for major investments.

1. Clear Political Vision

Political leadership is usually guided by the one of the dominant political philosophies in Europe: Conservatism, Christian Democracy, Social Democracy and more recently Libertarian right and far-right politics. A clear understanding of the broad political philosophy usually gives a clearer path to execution for government leadership in Europe. Irish politicians were proud to be pragmatic, except in the period when right-wing neoliberalism took hold with the Fianna Fáil/Progressive Democrats governments during the third phase of the Celtic Tiger. Today, Ireland's political parties are coming closer to mainstream ideologies, which should help guide them to make more coherent decisions, consistent with mainstream European political thought. Ireland needs politicians with vision, not strong leaders.

2. A First Class Civil Service

The Irish civil service should be constantly retraining, upgrading and innovating. It is small, not corrupt, nor bureaucratic by international standards. However there is general agreement that there appears to be a serious deficit in implementation of policies, especially on some major projects, and also that policies are not clearly worked out in advance. It also seems that training, particularly at the top of the civil service, is passive.

There have been some good initiatives. There have been improvements in e-government, such as Revenue's online service and even the HSE finally rolling out an app for each patient. Much of the health service is excellent. An overdue reform was the establishment of the Irish Government Economic and Evaluation Service (IGEES) as "an integrated cross-Government service to enhance the role of economics and value for money analysis in public policy making" and the establishment of a Public Procurement office, as well as the publication of *Future Forty*. The National Broadband Plan is being delivered on time and budget (although it probably would not have been necessary if Eircom had not been privatised in 1999). It should also be said that many public investments and services work very well and thus we do not hear of them.

It is clear that the government ministers and departments have a positive attitude to training, as seen in answers by Ministers to a series of Parliamentary Questions from Ged Nash TD on training in 2020-2023. However, the lack of response by some departments to questions on total numbers being trained indicates that there is more that could be done. It also appears that the initiative for more training may lie more with the individual civil servant than any driving force within the lead Department of Public Expenditure, Infrastructure and Public Sector Reform (sic) and Digitalisation. Much of the outsourced training should be brought back in-house to a reconstituted Civil Service Training Centre with a coherent plan, which should take a leadership role in the oversight of top quality training especially in the execution of major projects as part of a re-activated state.

In short, the top of the whole civil service also has to be reformed so that civil servants, particularly senior staff, take ownership of the areas and issues with which they deal. 'Hierarchical promotions', where skilled public servants with knowledge and expertise in one area are allowed to remain (promoted) *in situ* to execute major projects and policies, instead of moving elsewhere to secure promotion, might be considered, among other reforms.

3. An Active State

The ideas of Mariana Mazzucato, the leading economist analysing the frontiers of engagement between modern states and the private sector, should be heeded by the Irish administration. In *The Entrepreneurial State* (2013) and *The Value of Everything* (2018), she demonstrates that states are extremely valuable sources of innovation. The creation of value needs to be better protected by more active governments. This agenda is supported by many examples from advanced technology and pharmaceuticals. The state played a major role in the development of some of the most innovative of the products of Microsoft, Apple, Facebook, Amazon and Meta/Facebook while they adapted and monetised public innovation, she says.

Mazzucato pointed out in *The Entrepreneurial State* that the US military's Defence Advanced Research Projects Agency (DARPA) has been behind some of the best inventions around the iPhone. She demonstrated that it was not the hugely profitable and tax-avoiding tech firms that were the key innovators of key technology. These firms did marketize these publicly-funded innovations and improved them too. DARPA is a publicly funded multibillion dollar programme, which has been operating for over 50 years, and provided key research for the internet, Microsoft Windows, stealth fighters and GPS (Mazzucato, 2013).

The Irish government should examine this work and encourage all public servants to take a more proactive role, following a major systemic examination. Former Minister, Pascal Donohue said, when Minister for Public Expenditure and Reform, that "*The Entrepreneurial State* and also *The Value of Everything* are exceptional works of economic insight" but he did not try to execute any of Mazzucato's ideas, regrettably.

The greatest problem in efficiently investing our surplus Exchequer funds is our lack of capacity. The stop-go investment policies must also be addressed by senior government officials to ensure that they no longer occur. For example, when the first Luas lines were completed, investment should have already begun for similar tram lines in Dublin or in other cities. As soon as one major project has ceased, the next should start, so that the expertise, machinery, technology and workforce could be shifted to a different part of the country. Similarly with major investments in bridges, power lines, water, and trains; when a project is finished, another should begin. This would give builders and skilled employees more security, and help deliver projects on time and within budget.

4. A Radical Overhaul of Procurement for Major Investments

Implementation is not just an Irish issue. "If Europe is to implement the European green deal, it needs state capacities—the institutional and administrative capabilities which allow governments to develop evaluate policy effectively. Currently, public institutions often lack the capacity and capability to manage the transformation process effectively" (Wixforth and Soder, 2025). They point out that 60% of EU public procurement (14% of EU GDP and €2 trillion/year) was based on the lowest cost. These tenders were not awarded on quality or strategy.

Wixforth and Soder (2025) argue "A proactive public sector that coordinates and implements both supply-side and demand-side instruments to guide innovation, investment and production toward socially and ecologically desirable outcomes is essential to achieving a green and digital industrial revolution. By aligning public action with private initiative, the state becomes a market-shaping force that steers the economy toward long-term goals including decarbonisation, technological sovereignty and social inclusion."

Mariana Mazzucato, in an interview with Cliff Taylor, said that we must rethink "what governments are for: rather than simply fixing market failures when they arise, they should move towards actively shaping and creating markets to take on society's most pressing challenges. They should also ensure that partnerships with business involving government funds are driven by public interest, not profit". Mazzucato continued, "when private companies ask for bailouts from governments, we must consider the world we want to build for the future, and the direction of innovation that is needed to get there, and add conditions to these bailouts accordingly, to benefit public purpose, not just private." (Taylor, 2020). It turned out many companies in Ireland received far more in COVID subsidies than they needed because there were no conditions (such as repayment if they paid dividends) imposed by the government (Deegan, 2022; Hyland Johnson Keane, 2024).

Similarly, Mazzucato has been working in the area of public sector empowerment for many years. In one book, *The Big Con*, she has been highly critical of the outsourcing of much critical work of the public sector to the private sector, which results in the hollowing out of the public sector, although she doesn't rule out using consultants (Mazzucato and Collington, 2023). This year the Irish government will spend over €77 million on private consultants (Department of Finance, 2025b).

Mazzucato also warns that "the economics profession doesn't adequately account for this kind of state-led activity, but only warns of governments 'crowding out' private business or failing at picking winners." I have argued above and elsewhere that the Irish state has an active record, specifically the IDA, in being entrepreneurial (Sweeney 2018a, 2019).

An international study, *Rethinking infrastructure design from component failure to systemic resilience*, challenges conventional approaches designing and managing critical infrastructure in interconnected systems (Dulin et al., 2025). This kind of thinking should be used by senior Irish public servants in the future, in a coordinated way.

There are many ideas about developing greater efficiency and motivation within the state and rebalancing the state/private sector dynamic within a systemic public sector reform, with a dominant democratic state. Social Partnership, a driver of the Celtic Tiger era, should have a role in developing a more active, entrepreneurial state and addressing the other challenges. This means moving from the current almost exclusive focus on cost, towards missions which are collectively agreed by Social Partners committed to achieving the green agenda, to quality, to good design and to inclusiveness.

PART SIX

The Irish Model: A Mix of Laissez Faire and Strong State Intervention

The Irish economic model in the Celtic tiger years was a mix of laissez faire economics and strong state intervention, followed by a period of intense right-wing neoliberal economics from 1999 to 2008. That third phase ended with disaster, with one of the worst crashes ever, exposing hard lessons some of which clearly have not been learned. For example, the recent restoration of bank ownership to private elites. The neoliberal phase was a period of intense tax cutting, of property tax breaks, of deregulation or no regulation, and of privatisation.

In my opinion, Fianna Fáil was a Catholic populist party with social democratic tendencies until after the Haughey era, when it became more conservative, whereas Fine Gael was a straightforwardly Catholic conservative party, but less progressive than European Christian democrats. Only the Labour Party was guided by a political philosophy or ideology within social democratic thought.

Industrial policy has always been important. A massive state intervention shortly after Independence was by a conservative government, with the £5.3 million investment

(€432 million today) in the hydro-electric plant at Ardnacrusha. This big investment, and the establishment of the ESB, still one of the largest companies operational in Ireland, was followed by the establishment of many more commercial state companies. As well as many commercial state companies, successive earlier governments built large volumes of social houses directly, despite relative national poverty. *The Economist*, a conservative magazine, proclaimed that Ireland's Celtic Tiger success in 1997 was the result of state intervention, of "the Visible Hand, this time in the form of industrial policy" (The Economist, 1997).

Ireland is the only European country which has never been led by a socialist or Social Democratic party. Governments have more recently built up a welfare state, while being the only country with a two-tier private-public health system. Current health spending per head is third highest in Europe at €6,000 in 2022 (Eurostat, 2024). Ireland has also the highest market inequality in Europe, but its tax and welfare system works well enough to reduce this very substantially to mid-range (TASC, 2025).

It is my view that political parties should follow more closely their dominant European political philosophies to ensure coherence in their policy response to emerging issues. Fianna Fáil and Fine Gael have both become closer to European groupings, with Fianna Fáil now in the centre-right, pro-European Renew group and Fine Gael in the EPP, a conservative/Christian Democrat group. Labour is the closest to its EU party affiliation in politics, the Party of European Socialists. Sinn Féin presents as left-wing and is in the Left (GUE/NGL) group, but is also very right-wing on important tax policies and is, at core, a nationalist party. From the 1990s, many European Social Democratic parties moved away from solidarity to focus on education and on 'merit' as Piketty and Sandel (2024) argue. Sweeney (2018b) argues that the roots of the Social Democratic collapse was the uncritical embrace of unmanaged globalisation, of financialization, deregulation, privatisation and a slow response to climate change.

Overall, Ireland's politics today are quite Social/Christian Democratic with a fairly well developed welfare state. While there is a two-tier health system, it does ultimately give access to those who need it. The overall level of public spending as a percentage of national income is lower than in Europe but the Irish tax and welfare system has lifted the state from being the most unequal market economy in Europe to being in the middle.

Even when it comes to attracting multinationals, the Irish government has been always a hand-holder of the companies and a purveyor of substantial subsidies and grants. In my view, there is a lack of clear, political ideological coherence in most of Ireland's political parties' enterprise policies. They have tended more to be a giver of "subsidies" than “incentives.” In short, the lack of a political philosophy leads to lack of clarity and dullness in political decision-making and implementation.

The recent publication by the government of *Future Forty* is welcome because it does attempt to look to the future in a long-term way. The vision and path forward is one for politicians to take. A clear political outlook would assist in formulating the vision, combined with a radical reform by the conservative parties of their attitude to the state. They have been reactive state interventionists but must move to develop an Active State.

We cannot assume that the rapid recovery from the Crash of 2008 would lead back to the Celtic Tiger success. We are in a more hostile world, and Ireland today has poor policy formulation and execution.

Appendix 1: The Social Partnership Programmes, 1987-2009

1. Programme for National Recovery (PNR) (1987–1990)
2. Programme for Economic and Social Progress (PESP) (1990–1993)
3. Programme for Competitiveness and Work (PCW) (1993–1996)
4. Partnership 2000 (P2000, 1997–2000)
5. Programme for Prosperity and Fairness (PPF) (2000–2003)
6. Sustaining Progress (SP) (2003–2006)
7. Towards 2016 (T2016, 2006; pay provisions renewed in 2008, and the overall process continued until 2009 when it collapsed due to the unilateral pay cut averaging 14% made by the Government for all public servants on 4th December 2009, during the fiscal crisis)

Appendix 2: Parties in Government 1980 to 2024

- 1980–1981: Fianna Fáil (single-party minority government led by Charles Haughey, continuing from December 1979).
- June 1981–March 1982: Fine Gael and the Labour Party (minority coalition government led by Garret FitzGerald).
- March 1982–November 1982: Fianna Fáil (minority government led by Charles Haughey).
- December 1982–March 1987: Fine Gael and the Labour Party (coalition government led by Garret FitzGerald).
- March 1987–July 1989: Fianna Fáil (minority government led by Charles Haughey) supported by Fine Gael's Tallaght strategy.
- July 1989–January 1993: Fianna Fáil and the Progressive Democrats (coalition governments led first by Charles Haughey, then by Albert Reynolds from February 1992).
- January 1993–December 1994: Fianna Fáil and the Labour Party (coalition government led by Albert Reynolds).
- December 1994–1995 (continuing to 1997): Fine Gael, the Labour Party, and Democratic Left (known as the "Rainbow Coalition", led by John Bruton).
- June 1997–May 2007: Fianna Fáil and the Progressive Democrats (coalition governments led by Bertie Ahern).
- June 2007–January 2011: Fianna Fáil, the Green Party, and the Progressive Democrats (until their dissolution in 2009).
- March 2011–May 2016: Fine Gael and the Labour Party (coalition government led by Enda Kenny).
- May 2016–June 2020: Fine Gael (minority government with the support of a number of independent TDs and a "confidence and supply" arrangement with Fianna Fáil).
- June 2020–January 2025: Fianna Fáil, Fine Gael, and the Green Party (a historic coalition with a rotating Taoiseach role between Micheál Martin and Leo Varadkar, then Simon Harris).
- After the general election on November 29, 2024, a new government was formed consisting of Fine Gael and Fianna Fáil, with support from Independents or smaller parties.

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