FYS 525, Topic 7: The Irish Potato Famine

Background: In 1846, a blight destroyed Ireland's potato crop. the country was heavily dependent on the potato lacking other major sources of food. A major famine ensued resulting in the severe reduction of Ireland's population both through starvation and migration.

Core Concepts:

1. Diversification. There is risk associated with any individual activity. Crops are at risk of failure, assets are at risk of price drops, etc. Diversification refers to reducing this risk from any individual activity by doing many different types of them. One crop may fail, but famine can be avoided if farmers produce many types. One firm's stock may crash, but financial failure can be avoided by holding a diverse portfolio.

2. Risk Aversion and Risk Pooling. Most people are risk averse meaning that they prefer a certain outcome to an uncertain one. As a result, strategies that mitigate risk are of great importance. These include diversification and insurance.

3. Migration. Migration refers to people moving among regions, either internally or externally. Migration is often driven by economic factors, although political, social, and religious motivations also occurs frequently. Migration is often seen as costly to the country losing population, especially if migrants are highly skilled. In some cases, however, it may be a benefit.

Big Questions:

1. The potato crop failed in many places besides Ireland. Yet the famine was far worse in Ireland than anywhere else. Why?

2. For decades, historians have argued whether the government response is also to blame. Was it a failure to pool risk?

3. What were the long-term implications of the famine?