

# **Famine, Finance, and Adjustment to Environmental Shock: Microcredit and the Great Famine in Ireland**

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Tyler Beck Goodspeed\*

## **Abstract**

The Great Famine of Ireland from 1845-51 ranks as one of the most lethal of all time, claiming approximately one eighth of the country's population. Utilizing local Famine Relief Commission reports to develop a micro-level dataset of blight severity, I find that districts more severely infected by blight are estimated to have experienced greater population declines, permanent reductions in acreage under potato crop, plot consolidations, and long-run substitutions toward grazing livestock than less infected districts. Using annual reports of the Irish Loan Funds, I further find that access to microfinance credit strongly correlated with non-demographic adjustment to blight. Districts with at least one active microfinance fund during the Famine are estimated to have experienced substantially smaller population declines, larger increases in buffer livestock holdings during and immediately after the Famine, and greater permanent reductions in acreage under potato crop, than districts without a fund.

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