

Inequality

Kathleen Lynch, Sara Cantillon and Margaret Crean

Introduction

The aim of this chapter is to analyse the impact of austerity policies on levels of economic inequality in the Republic of Ireland. Although the focus of the chapter is on economic inequality, the effects of austerity were not only economic; they were cultural, social, political and embodied (Coulter and Nagle, 2015). They found expression in anxieties and fears about unemployment, emigration, poverty and debt, all of which adversely impacted on emotional and mental health (Cronin, 2015, Mental Health Commission, 2011). The harms of austerity have been visible on the streets through increased homelessness and begging, in the distressed calls to national radio stations and help lines, in letters, comments and articles in newspapers and social media, and in Dáil questions and expositions. Thus, this chapter sets out to identify the inequality impact of the socializing of private debt arising from the collapse of the Irish banking sector. It will focus on how and why austerity impacted on living standards, especially among more politically powerless groups, highlighting increases in levels of economic insecurity that are not measurable by income alone.

The chapter begins with a brief overview of the concept of equality, introduces an intersectional approach to inequality (Anthias, 2013), and highlights how the political, cultural and the affective (care) domains of Irish social life interact with economic injustices, to exacerbate or mitigate their impact (Baker, Lynch, Cantillon and Walsh, 2004, Lynch, Baker and Lyons, 2009). It gives an overview of the key economic trends over the period 2008 to 2015 including income inequality, consistent poverty and deprivation indicators, and examines the distributional impact of budgetary policies in relation to tax, welfare and public service pay and provision. It also highlights the regressive impact of recent increases in indirect taxation. It examines the impact of austerity policies not only at an aggregate level but also in terms of household characteristics and in terms of the experience of particular vulnerable groups over the period of austerity. The final part of the chapter examines some of the ideological roots of Ireland's adherence to austerity policies, in terms of both distal and proximate causes. It explores the impact of anti-intellectualism, consensualism, neoliberalism and the ideology of charity in framing and legitimating Ireland's response to the crisis.

Conceptualising Equality and its relationship with Austerity

There is global recognition that inequality is not singular in its form or origin, that it is a set of relationships¹, and that there are at least four major social systems that can generate injustices relationally, the economic, the political, the cultural and the affective. All of these operate intersectionally to exacerbate or mitigate the impact of injustice (Baker et al., 2004, Lynch, et al., 2009). Within economic systems, addressing inequality is concerned with re/distributing wealth/income/resources justly. The resolution of injustice is through equalising the distribution and redistribution of income, wealth and resources. Within the cultural systems, addressing inequality is about ensuring there is respect and recognition of differences including differences in belief, gender, language, ability, sexuality, colour, age, marital/family status and ethnicity (including Travellers' ethnicity). The resolution of injustice is through ensuring respect in cultural institutions including media, legislation, education, the arts, symbols and emblems. Within political systems, addressing inequality is concerned with parity of representation in the exercise of power in formal politics, work organisations, schools, households, crèches, families and all types of non-governmental and voluntary organisations. The resolution of power-related injustices is through ensuring parity of representation, having a politics of presence (Phillips, 1995) so that those who are affected by key decisions are at the decision-making table. Within the affective systems, addressing inequality is about ensuring that people have equal access to love care and solidarity and that there is an equal sharing of the burdens and benefits of love, care and solidarity work between genders and other social groups. The resolution of affective injustices is through relational justice. What is significant about the interface between systems of inequality is that while inequality may be generated in one system for a particular group, the impact of this inequality is not confined to that system; it has secondary effects in other systems.

Table 1 shows the intersection of social systems in the generation and reproduction of inequality. For example, the economic system generates not only inequalities of resources, but also inequalities of respect and recognition, inequalities of power, and inequalities in people's access to relations of love, care and solidarity.

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Table 1: The intersection between key systems where in/equality can be generated and key dimensions of in/equality

Systems	Dimensions of Equality/Inequality			
	Redistribution (Resources)	Respect and Recognition(Cultural representation)	Representation (Power)	Relationality (Love, Care and Solidarity)
Economic System	Xx*	X	X	X
Political System	X	X	Xx	X
Cultural System	X	Xx	X	X
Affective System	X	X	X	Xx

Source: adapted from Baker, J. Lynch, K., Cantillon, S., and Walsh, J. (2004) * Two Xx symbolises the generative power of this system in promoting this dimension of equality/inequality.

What Table 1 shows is how four key dimensions of equality and inequality intersect with four major social systems. The taxonomy of dimensions can be used to investigate equality and inequality in each of the major systems, showing how systems and dimensions of justice intersect with each other. Power relations, for example, are at the centre of the political system but are also central to the operation of both large and small social institutions and organisations. At the crux of power relations is the question of who makes decisions and who influences or enforces decisions. For the most vulnerable groups in Irish society there is clear overlap between power-related exclusions and the economic, cultural and care inequalities that they experience. They were not the decision makers or the enforcers of austerity (Kirby and Murphy, 2011).

Having a more nuanced understanding of how dimensions of inequality operate for different social groups across social systems is critical to developing a holistic understanding of the impact of austerity policies on equality. An intersectional equality framework captures how austerity has adversely impacted on the most vulnerable groups thereby

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generating and reinforcing multidimensional experiences of inequality for those most powerless in Irish society.

The Economic Impact of Austerity

There was no soft landing following the extraordinary boom period of the Irish economy from the late 1990s to 2008. Mean annual equivalised disposable income per individual fell to €20,681 in 2013 and deprivation rates across all households more than doubled from 13.7 per cent in 2008 to over 30 per cent in 2013. These economic and labour market changes have had a stark impact on the standard of living across the Irish population. (Maitre et al., 2014).

While the focus of this chapter is the impact of austerity over a short time-frame, the level of economic inequality in Ireland needs to be understood in its historical context. Since the 1970s the top 1% (those with incomes over €200,000 involving 18,741 tax cases) have had a rising share of gross income, while the share of the remaining 90% has fallen (O’Connor and Staunton, 2015: 30-31). Market incomes, that is incomes accrued before the impact of taxation or social transfers are calculated, show that Ireland is one of the most unequal country in gross income terms across the OECD reflecting both the low employment rate and high incidence of workless households. Ireland thus relies heavily on social transfers to reduce inequality. Cuts to welfare provisions, increases in indirect taxes that are universal in character, and reduced spending on public services can therefore be expected to have a greater impact on inequality in Ireland than in comparator countries where market income inequalities are not so substantial in the first instance.

Income Inequality

Measured in terms of the Gini coefficient, the aggregate level of income inequality did not alter significantly over the period of boom, bust and austerity.ⁱⁱ In Ireland it was estimated at 0.317 in 2007, widely regarded as the height of the boom, and at 0.312 in 2012, the latest available data point. There has been an increase, or a return, in the Gini coefficient to its “usual” 0.31 to 0.32 range since then (Callan et al., 2013). What Gini figures conceal however is the distributive impact of austerity across social groupsⁱⁱⁱ.

As Table 2 shows there were some significant shifts in the share of income going to different classes/groups over the period of austerity. In 2008, the poorest 10 per cent (decile) had 3.5 per cent of equivalised income and this was reduced to 3.2 per cent in 2013; in contrast the share of the top ten per cent had increased from 24.4 to 24.5 per cent. The fall in average income of the bottom decile at 18.4 per cent was the largest fall across the income

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distribution and implies a much sharper fall in the income of the bottom decile than the fall in average income. There were increases in some decile shares, especially the 9th decile (second wealthiest 10 per cent) where the share increased by ½ a percentage point, while others saw little or no change in their shares of overall income. Thus, while aggregate income inequality has not altered significantly, there has been a transfer of income to the better off from those who are poorest.

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Table 2: Changes in Share of Equivalised Income by Decile* Ireland, 2008-2013

	2008	2009	2010	2011	2012	2013
Deciles	%	%	%	%	%	%
1	3.5	3.6	3.2	3	3	3.2
2	5.1	5.2	5	5	4.9	5
3	5.9	6.1	5.9	6	6	6
4	6.8	7	6.8	6.9	6.9	6.8
5	7.9	8.1	7.8	7.9	7.9	7.7
6	9.1	9.3	9.1	9.2	9.1	9
7	10.4	10.6	10.3	10.5	10.5	10.4
8	12.2	12.3	12	12.4	12.4	12.3
9	14.7	14.8	15.2	15.2	15.2	15.2
10	24.4	23.2	24.7	24	24	24.5

*(Decile 1 represents the poorest 10 percent and decile 10 represents the wealthiest 10 per cent)

Source: CSO ¹ (SILC 2013) Statistical Release 2015 Table B:

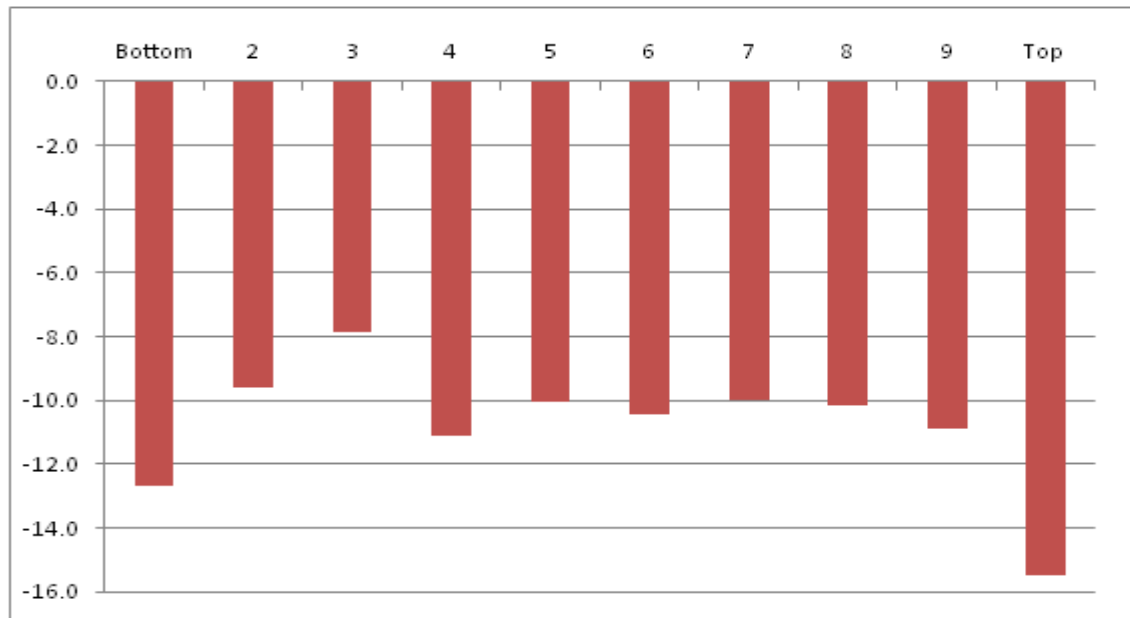
<http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2013/>

Budgets 2009- 2015

An analysis of the cumulative distributional impact of tax, welfare and public service pay policies through Budgets 2009-2015 shows substantial income losses at all levels (Keane et al 2015).^{iv} As Figure 1 below shows, over much of the income range, there were percentage losses in a fairly narrow range of between 10 and 11 percent. The greatest percentage losses were for the highest income group (about 15½ per cent) and the lowest income group (close to 13 per cent).

¹ CSO refers to that national Central Statistics Office throughout

Figure 1 - Impact of Ireland’s Budgetary Policy 2009-2015 on Equivalised Income Decile



Source: Keane et al. 2015

Comprehensive as this cumulative distributional analysis is, it is confined to policy changes (that is, tax, welfare and public service pay) and so does not include the direct effect of the recession in terms of levels of unemployment, the distribution of forms of employment, falling self-employment and lower wages all of which resulted in higher than average losses for the bottom decile (Callan et al., 2013). Also, what must be added to the mix, albeit more difficult to estimate (Keane et al 2015), are the distributional consequences of cuts in services, the property collapse and related exposure to debt.

Relative Poverty, Consistent Poverty and Deprivation

An income-based measure of poverty is not particularly informative in periods of boom or recession as it does not capture the general rise or fall in incomes and the standard of living because the poverty threshold itself also rises or falls. This is because the poverty threshold is a relative measure and is calculated as a proportion (60 per cent) of median income at any given time. So looking at the changes in the “at risk of poverty” figures over the period of austerity is not going to aid in the assessment of impact on inequality. Instead we focus on two other measures, consistent poverty and deprivations indicators.

As Table 3 shows there has been a dramatically sharp increase in the basic deprivation indicator over the period of austerity. The proportion of the population experiencing basic deprivation increased from 13.7 in 2008 to 30.5 per cent in 2013. This was associated with an increase in the level of consistent poverty from 4.2 per cent to 8.2 per cent. The most severe deprivation was experienced by lone parents: their 63 per cent deprivation rate is nearly double that of 2008. Deprivation also increased among the unemployed (55 per cent, up from 37 per cent) and people not at work through illness or disability (53 per cent up from 36 per cent).

Table 3: Real Incomes and Risks of Poverty, Ireland 2008-2013

	2008	2009	2010	2011	2012	2013
Real Income - Equivalised disposable income per individual (Deflator base year 2012)						
	€	€	€	€	€	€
Mean	24,290	23,326	22,950	21,920	20,856	20,893
At risk of poverty threshold (60% of median income)	12,409	12,064	11,564	11,133	10,621	10,425
Poverty & deprivation rates	%	%	%	%	%	%
At risk of poverty rate	14.4	14.1	14.7	16.0	16.5	15.2
Deprivation rate (2 or more types)	13.7	17.1	22.6	24.5	26.9	30.5
Consistent poverty rate	4.2	5.5	6.3	6.9	7.7	8.2

Source: CSO SILC Statistical Bulletin 2015, Table A

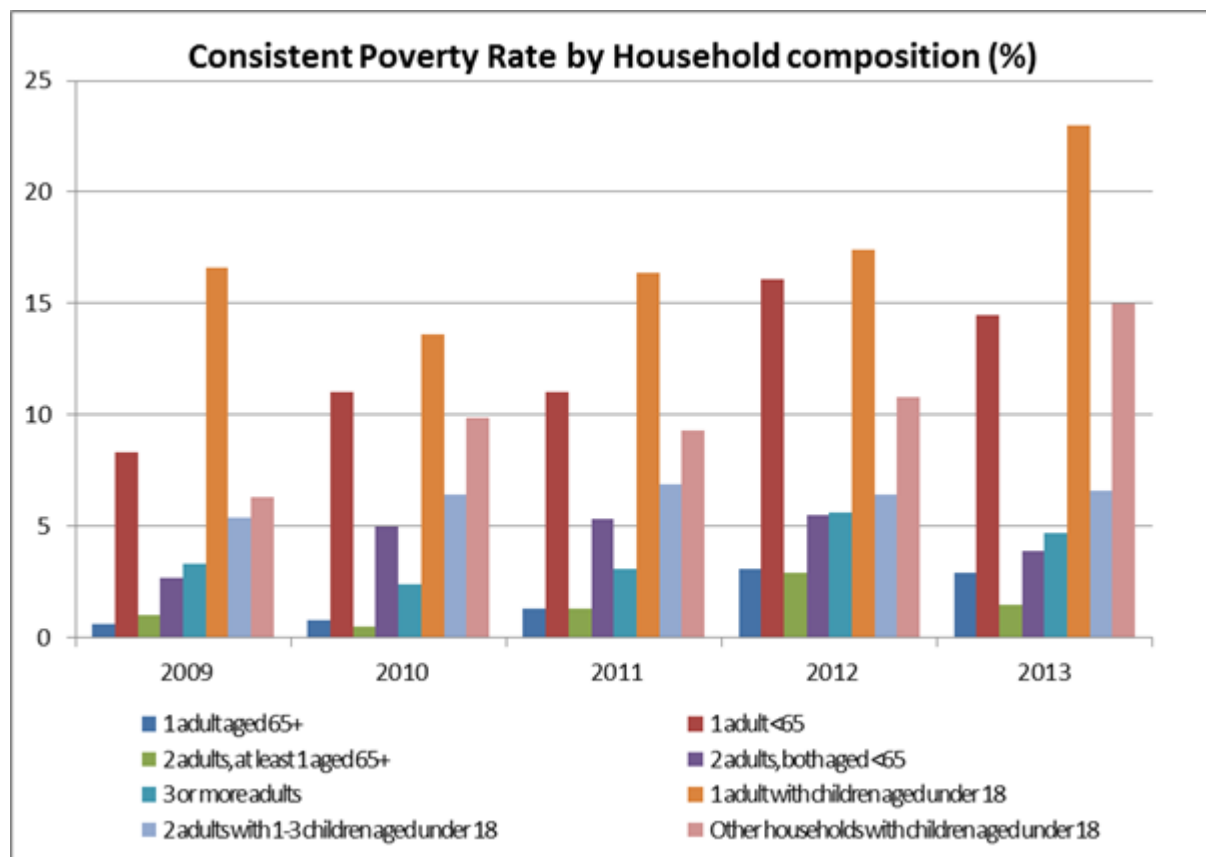
<http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2013/>

Households and One Parent families

Consistent poverty rates have also risen for all households across different age groups over the period of austerity (Figure 2). There has been a very notable (4.8 times) increase in consistent poverty among adults over 65 years living alone, from 0.6 to 2.9 percent between 2009 and 2013. Although the relative impact of austerity on households with children under the age of 18 years is not as great as that on older people (> 65 years) living alone, the absolute rate of consistent poverty for 'Other Households with children under 18 years'^v and 'One parent and children under 18 years' was high pre-austerity and is very high post-austerity: it is 15% for the former and 23 per cent for the latter. One parent families with dependent children have had and continue to have, post-austerity, the highest consistent poverty rate of all households. Given that 87 per cent of lone parent households are led by women (CSO, 2011), consistently high rates of poverty in this group is a strongly gendered issue.

Figure 2: Consistent Poverty Rates by Household Composition 2009-2013

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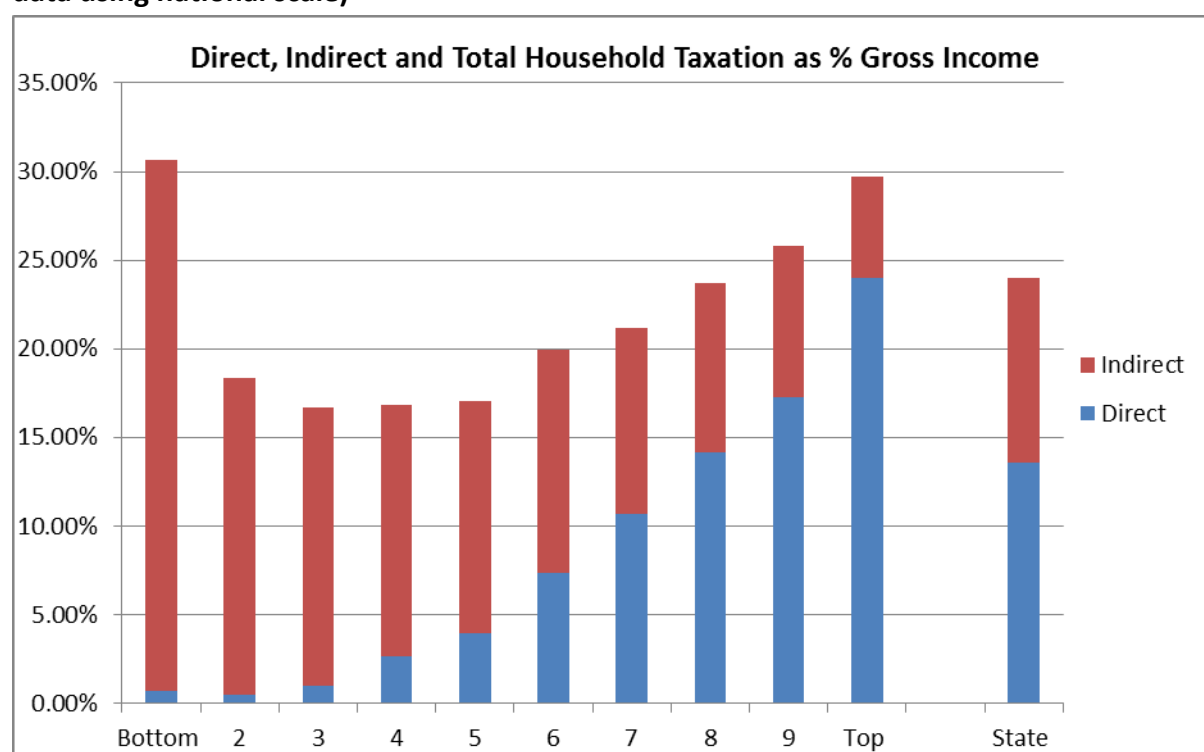
Source: CSO statbank, SILC data accessed via <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=SIA16&PLanguage=0> _October 12th 2015

Taxation and Inequality

While taxes on wages and salaries in Ireland are generally progressive, indirect taxation is highly regressive (CSO, 1995, Barrett and Wall, 2006, Leahy et al.2011). The poorest ten per cent in Irish society were heavily penalized through indirect taxes throughout austerity, and this continued post-austerity (Collins, 2014). While they pay a very low amount of direct taxation (due to their very low absolute incomes) they pay almost 30 per cent of their income in indirect taxation compared to 5.7 per cent paid by the wealthiest households. Moreover, they pay 30.64 per cent of their overall incomes on taxation compared with the 29.69 per cent paid by the wealthiest ten per cent (Collins, 2014: 19). The average for the remaining deciles is 20 per cent. The introduction of a higher rate of Value added Tax (increased from 21 to 23 per cent) in the Budget of 2012 was particularly regressive,

especially when combined with the introduction of other direct charges, such as prescription charges, property taxes and water charges.

Figure 3 Direct, Indirect and Total Household Taxation as % Gross Income (Equivalised data using national scale)



Source: Collins, (2014: 19, Table 8) *Total Direct and Indirect Tax Contributions of Households in Ireland: Estimates and Policy Simulations* NERI WP 2014/No 18

Austerity in a Care-less State

The governments in power during the austerity era in Ireland allowed and enabled economic inequalities to rise. While there were economic costs for all classes and groups, those who were already impoverished prior to the crisis became more impoverished during it. Ireland was and remained a care-less state in the sense that the government disregarded the needs of some of its most vulnerable and powerless citizens during the austerity period, especially if they were unable or not sufficiently resourced, and/or not politically powerful enough to exercise political influence. Their lack of numerical strength, their age, their lack of standing as full citizens, and/or their prior low social status facilitated the marginalisation of several groups in the austerity era.

There are many groups for whom austerity heralded an increase in marginalisation, including people relying on disability support services, children, carers and the physically and mentally ill, especially if they were reliant on public services (Age Action, 2014, Burke,

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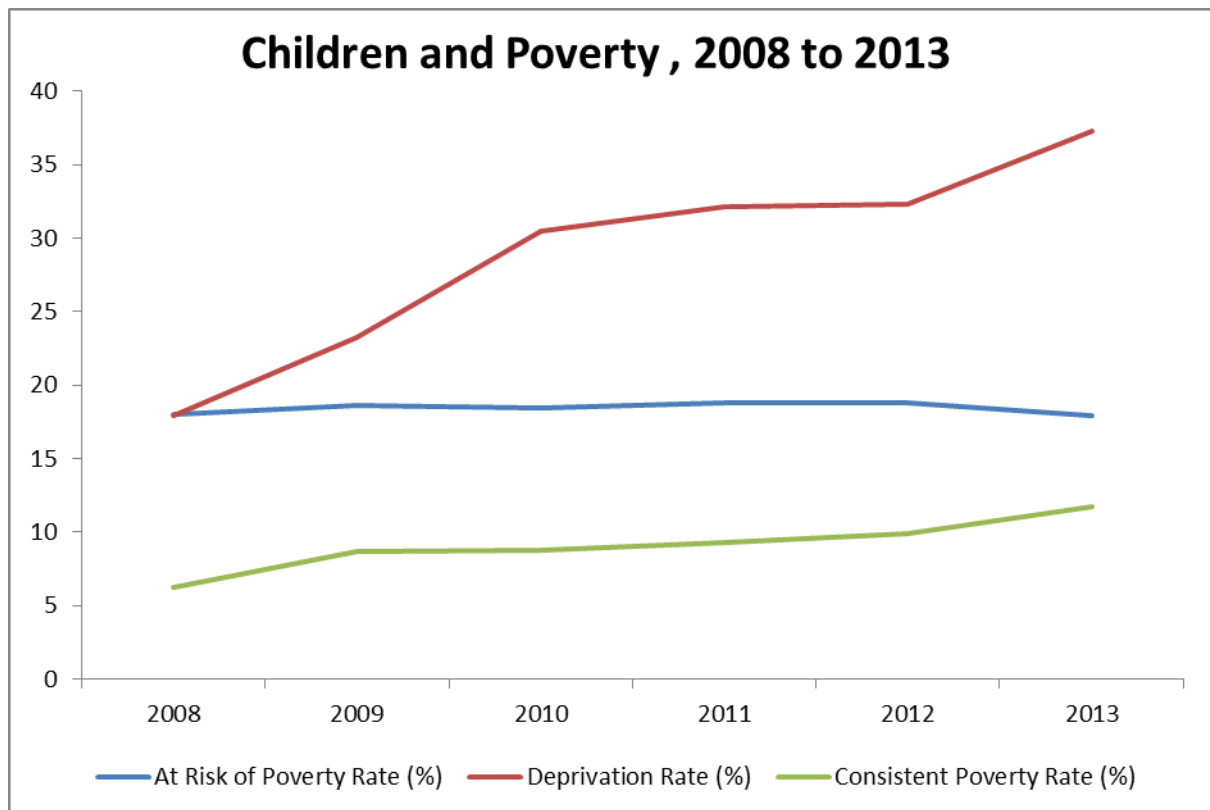
2014, McKeogh, 2012, Mental Health Commission, 2011, NESC, 2013, Oxfam, 2013, UNICEF, 2014). Because it is not feasible to analyse the impact of all those adversely affected, the forthcoming discussion will highlight the injustices experienced by children, certain immigrant groups, Travellers and youth, as these are among those who have had to pay a heavy price for the state's decision to impose austerity on its citizens.

Children

Children in Ireland (0-17 years) have been especially adversely affected by austerity. While consistent poverty among adults (18-64 years) almost doubled, rising to 8.2 per cent in 2013, consistent poverty among children also almost doubled from 6.2 per cent in 2008 to 11.7 per cent in 2013. Thus, the proportion of children in consistent poverty remained 50 per cent higher than that of adults after six years of austerity.

Figure 4 Children and Poverty, 2008 to 2013

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Source: CSO (2015) *Income and Poverty Rates by Age Group, Statistical Indicator and Year: 2008-2013*

Not surprisingly, the rise in poverty was evident in a rise in enforced deprivation. The proportion of Irish children experiencing enforced deprivation more than doubled during the austerity period so that 37.3 per cent experienced enforced deprivation of basic items such as good clothing, heat and nourishing food in 2013 compared with 17.9 per cent in 2008.

Immigrants and Travellers

Although there is evidence that immigrants did not experience any higher rates of discrimination than Irish natives during the crisis when seeking employment, and O’Connell and Glynn’s chapter in this book suggests that wage penalties and discrimination in looking for work may have declined during the recession, there is a danger in classifying all immigrants as a singular category. Well-educated white immigrants from the UK, US and other English-speaking countries, and well-educated, white, multilingual Europeans, are likely to have very different experiences of the Irish labour market to those who are Black and/or those who do not speak English. The fact that Black Africans and EU nationals of minority ethnicity were particularly likely to experience discrimination prior to the crisis, and

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that this continued after the crisis (McGinnity et al., 2013, 2014, Kingston et al., 2013), suggests that there is a serious issue of colour, nationality and ethnic-based racism in employment patterns in Ireland (Joseph, 2015).

Although Travellers are recognised as a very vulnerable and marginalised ethnic minority in Ireland, cuts in funding for services and supports for Travellers exceeded that enforced on most other groups by several multiples and across many areas (Harvey, 2013). While the overall reduction in government current spending between 2008 and 2013 was 4.3%, the austerity period represented a massive disinvestment by the State in the education, welfare and health of Travellers specifically. Traveller education experienced an 86.6 per cent reduction in expenditure from 2008 to 2013, while spending on Traveller accommodation was reduced by 85 per cent, and there was a 29.8 per cent cut in funding for Traveller Youth Projects. Given that Travellers are heavily reliant on state supports in health, education, housing and welfare, the cuts to their services were especially pernicious.

One of the major problems in generating a complete picture as to how immigrant status, colour and ethnic origins impact on levels of inequality both pre and post-austerity is the absence of appropriate monitoring institutions. The European Commission against Racism and Intolerance (ECRI, 2013) has noted a number of serious failings on the part of Ireland in relation to addressing issues of racism, including Traveller and Roma-related racism, in recent years. One of the first agencies closed by the government during the crisis was *The National Consultative Committee on Racism and Interculturalism (NCCRI)* (December 2008). Its functions were transferred to the Office of the Minister for Integration so the expertise gathered by the NCCRI, the bridge between authorities and the civil society, and the unique reporting system about racist incidents were lost. In addition the *National Action Plan Against Racism* (2005-2008), adopted as a follow-up to the United Nations World Conference Against Racism held in 2001, has not been renewed. With much of the infrastructure for monitoring and addressing racism has been removed since the crisis (Baker et al., 2015), the impact of austerity on small and very vulnerable groups is difficult to measure.

Youth

The Eurostat Dashboard of EU Youth Indicators shows that Ireland has the largest number of young people under 18 in the original EU15 who are at a high risk of poverty; it also has the 4th highest percentage in the EU (18.4 per cent), of young people aged 15 to 24 years not in education, employment or training. Yet funding for youth work services supported by the Department of Children and Youth Affairs, was cut by almost 30 per cent over the austerity

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period from €73.1m to €51.4m². Cuts to unemployment assistance payments have also been disproportionately targeted at young people under 25 years. And there has been a substantial rise in student poverty: while 22.7per cent of students were at risk of poverty in 2010 almost one third, 31.4per cent were at risk of poverty in 2011³.

Emigration, has also affected young people disproportionately: 49.3per cent of those who emigrated in 2011 were 24 years of age or younger, while 46.7per cent were this age in 2012 (CSO, 2012). Moreover Ireland has the highest level of emigration of any OECD country with 17.5 per cent of people over the age of 15 who were born in Ireland residing overseas in 2014 (Arslan et al., 2014). And it has higher levels of emigration per capita than other Western European countries affected by the Eurozone crisis. In rural areas alone 25 per cent of families have experienced the emigration of at least one member since 2008 (Glynn, et al., 2013). While people migrate for a host of reasons, there is no doubt that much of the emigration of young people was involuntary. The social and emotional costs of emigration for individuals, families, communities and wider society are not fully captured by economic analysis of loss or gain.

Ideological roots of Inequality

Austerity, as both ideology and practice, was promulgated throughout Europe in response to the financial crisis. It was a way of rationalizing the impoverishment and suffering of large groups of people on the grounds that prosperity would come at some unspecified time in the future to unspecified persons (Clarke and Newman, 2012). Austerity was a ruse, a charade that guaranteed the privileges of the wealthy and powerful while purporting to offer economic security at some indefinable future time in return for suffering in the present.

Understanding why Ireland implemented austerity policies in the inegalitarian manner that it did, especially in relation to very vulnerable groups, needs to be examined in the context the wider cultural and political framing of equality issues. Thus, this final section of the paper examines some of the ideological roots of inequality in distal and proximate terms. It explores the ways in which anti-intellectualism, consensualism, charitable ideology, and the rise of neoliberalism, contributed to legitimating inequality in the public mind.

² Public Expenditure Report 2013, Department of Public Expenditure and Reform, December 2012

³ http://www.cso.ie/en/media/csoie/releasespublications/documents/silc/2011/silc_2011.pdf accessed March 12th 2015

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Anti-intellectualism and Consensualism

Equality in Ireland was only ever promoted in its weakest form, in terms of a liberal equality of opportunity framework, and even then only when governments were required to uphold it by EU law, and/or when it did not challenge the deep-rooted economic inequalities (Baker, Lynch and Walsh, 2015). Ireland's resistance to equality and social justice as principles of public policy has long-standing foundations in religious conservatism and anti-intellectualism in the socio-political sphere. The post-colonial elite who laid the foundations of the State were known for their deep-seated conservatism, being defined as 'the most conservative revolutionaries who ever lived' (Fanning, 1983: 52). In post-independent Ireland, communist, socialist, and even social democratic politics were demonized as dangerous by leaders of church and state especially in the 1930s (Allen, 1997; Lee, 1989: 184). A deep-seated anti-intellectualism, founded in religious conservatism, actively promoted social and political consensualism (Inglis, 1998). Feminism was an inadmissible intellectual and political subject, so invisible it did not even merit demonization for most of the 20th century (Connolly, 2002). Its lack of impact was reflected in how women's status was defined by motherhood in the constitution, confining many women to a life of economic subservience and child-bearing in male-dominated households (O'Connor, 2000). Policies for people with disabilities were largely those of tolerance and segregation, laced with charity (McDonnell, 2007), while those who were lesbian or gay had to fight for their basic rights via the courts (Gilligan and Zappone, 2008; Rose 1994), and children's rights were poorly protected both in law and in practice (Garrett, 2012).

The absence of a critical left and feminist analysis of public policy over an extended period of history was not unrelated to the fact that the post-colonial elite in economic, political and cultural life, actively subdued dissent politically and intellectually '...religious and socioeconomic organizations such as trade unions, business, parts of the bureaucracy and the churches defended their turf in ways that effectively preserved a status quo' (Garvin, 2004:3). Moreover, a deep-seated consensualism dominated intellectual life (Lynch, 1987) that had roots in Catholic corporatist values. Within this frame, it was assumed that society comprised an organic whole, sharing common goals, no matter how divided it was in social class, gender and racial or ethnic terms. Given the centrality of Catholic social teaching in the organisation of Irish social and cultural life (Inglis, 1998), it was not surprising that consensus-led corporatist thinking found institutional expression in the social partnership system devised in response to the financial crisis of the 1980s. Whether one agreed or not with social partnership, consensualism had serious consequences for trade unions and community groups (Allen, 2010; Meade, 2005): it created a social myth that those who benefited from economic and social inequalities would concede their benefits through

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simple negotiation, something that did not happen (Kirby, 2002; O'Hearn 2003; Allen, 2007; Doherty, 2011).

And in the later 1980s, there were also new political voices arguing for the legitimization of economic inequality, particularly the neoliberal Progressive Democrats (PDs). Given that neither of the two major parties of the state, Fianna Fáil and Fine Gael, were ideologically very distant from the PDs, and that they had actively implemented policies that promoted economic inequality, on occasion with the compliance of the Labour Party as a minority coalition partner (Allen, 1997; Murphy and Kirby, 2011), a new neoliberal consensus grew built on 'consumer capitalism' rather than 'Catholic capitalism' (Inglis, 2008: 13-22), a form of 'neoliberal corporatism' that was deeply inegalitarian (Dukelow and Considine, 2014a: 418, citing Boucher and Collins, 2003). Although there was a brief interlude in the 1990s when the election of Mary Robinson as President heralded a shift in public policy towards openness and dissent, a new intellectualism, and a move towards equality, such a movement did not survive her departure from office (Kirby et al., 2002, Moane, 2002).

Neoliberalism

Because consensualism became a virtue and dissent a vice, it created a political and intellectual void that was readily filled by a virulent, globally-powered neoliberalism in the 1990s and 2000s (Phelan, 2007, Lynch, Grummell and Devine, 2012). The most strategic example of institutionalised neoliberalism was the Public Service Management Act (1997), designed to 'modernise' the entire public service. The new legislation, and its related accountability systems, instituted a market-led technicist approach to operating public services that was strongly driven by business rhetoric and logic. People became customers in a market, rather than citizens with rights (Collins, 2007: 31).

Thus, when the financial crisis came, there was no major forum of intellectual dissent to resist the ideology of austerity; indeed the government itself adopted a deeply neoliberal position (O'Rourke and Hogan, 2014). The potential loci of dissent, be these in trade unions, civil society or the academy, had been either incorporated into the state machinery (Meade, 2005, Allen, 2010) or were silent in an increasingly market-led academy (Lynch, 2006). Moreover, the ideology of the 'customer citizen' provided a strong rationale for individualising responsibility, exonerating the State from having a duty of care for its citizens. Religious conservatism and consensualism had paved the way for a market-led neoliberalism. A neoliberal vision evolved 'where ethical actors are confined to contemporary versions of Victorian charitable works' (Merriman, 2005).

Charity

The legitimization of austerity in Ireland was also enabled by the deep-rooted belief and practice of responding to inequalities through charitable acts rather than institutional reform. While responding to injustice through voluntary charitable acts has deep roots in many religious traditions, it found expression historically in Ireland in the setting up of 'voluntary' schools and hospitals, and in the prolonged resistance by the Catholic Church to the state control of health, welfare and education services (Lee, 1989). Welfare-as-charity also framed the wider state project as Ireland implemented welfare regimes in the post-war era that were heavy reliance on means-tested provisions with a focus on poverty alleviation^{vi} rather than universal provision. This strong allegiance to charity was evident during the crisis as the language of *generosity* framed the terms of the debate about social expenditure. Welfare was characterised as a form of unsustainable benevolence:

In keeping with the framing of the crisis as a crisis of public expenditure, 'generosity' became a new term in the semantic field of social protection. Political debate about the generosity of the system emerged as a justification for its retrenchment, especially in the early stages of the crisis. (Dukelow and Considine, 2014b: 59).

As charity-defined welfare also leads to social judgement, between the deserving and undeserving, it provided a moral rationale for cuts and indirect taxation on particular groups, especially when the so-called 'undeserving' were demonised through media misrepresentations (Devereux, Haynes and Power, 2011). Thus, the prevalence of a strong charitable ideology in Ireland provided political and moral justification for cuts in social expenditure.

What is ironic about the construal of social welfare as charity is that there are multiple social expenditures that are not classified as welfare but are effectively the very same as welfare in redistribution terms: the very generous tax relief on pensions that accrue an income of over €60,000 per annum; the wide range of tax reliefs for leasing agricultural land and the extensive EU payments under the Common Agricultural Policy; and the multiple tax reliefs for businesses including the Employment Investment Incentive scheme of tax reliefs for business expansion, the Research and Development system of tax credits, the three year Corporation tax exemption scheme and the Seed Capital Scheme.^{vii} And it is equally ironic to attack those on social welfare as non-tax-payers^{viii} given the high proportion of their income, 27.37%, that is paid in indirect taxes alone (Collins, 2014: 13), a proportion that is more than twice the corporation tax rate of 12.5%.

Conclusion

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The huge debt imposed on the Irish people by the global financial and political powers (ECB, EU and the IMF) through socializing the private debt of banks was morally indefensible. However, the burden of the austerity programme that ensued was based on political choices and ethical decisions of the Irish government not the troika.

Those who were most adversely affected by austerity in Ireland were those who were relatively powerless politically and/or already impoverished and marginalised. What austerity did was to exacerbate social and economic marginality, especially among young people, including unemployed youth, children, and minority groups who were vulnerable such as lone parents (who are mostly women), Travellers, disabled people, carers and ethnic minorities.

The role of ideologies in legitimating all of these inequalities both prior to and during the crises must not be underestimated. Austerity was not only practised, it was preached as a moral virtue and a cure for impoverishment, ‘...the population were told that if they took pain for a short number of years, they would reap rewards later. It was almost as if there had to be atonement for the party years of the Celtic Tiger.’ (Allen, 2012: 428). Those exercising power also drew on metaphors of charity and individualised responsibility to denigrate dependency on public goods and services. Health, welfare and educational services were represented increasingly as burdens on ‘taxpayers’, ignoring the simple fact that all people pay tax indirectly if not directly, and that public services are used by the great majority of people in Ireland.

Government departments such as health, education and welfare, started to define services in market language, referring to people as ‘customers and clients’, implying that services were available on a market basis rather than as a human right. Public services were represented increasingly as a form of state benevolence that had to be withdrawn to ‘save’ the country during the crisis; and dissent was peripheralised through the promotion of an ideology of inevitability (Ryan, 2003). Nowhere was this more evident than in the media where the myth that Ireland’s entire taxation system was progressive was sold by journalists and politicians to legitimate tax cuts and privileges for the better off (O’Toole, 2015)^{ix}

The neoliberal turn that had taken root in Ireland in the late 1990s bore fruit for the very wealthy, including corporate wealth: it institutionalised the ideology and practice of low taxation as Ireland’s selling point for global capital investment. Correlatively, it provided a strong rationale for downsizing public services and reducing dependency on state welfare services and supports, even in times of crisis. The moral justification for cutbacks and

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austerity were reinforced through an ideology of charity that defined economic and social rights as forms of state benevolence that had to be withdrawn to save the corporate whole.

Promoting a more equal distribution of wealth was not a major objective of Irish government policy, either prior to or during the period austerity.

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ⁱ In/equality is about relationships, between two or more people or groups of people, regarding some important aspect of their lives. For a full discussion on the meaning of equality see Baker, Lynch. Cantillon and Walsh, 2004: pp. 21-46, 57-72.

ⁱⁱ The Gini coefficient is a summary measure of income distribution and the most commonly used measure of inequality. The Gini coefficient is a number between 0 and 1 where zero equals perfect equality in income and 1 equals perfect inequality.

ⁱⁱⁱ *The Gini coefficient does not show the relationships between those on high, low and middle income. An economy with low levels of inequality between those on middle incomes and those on high incomes, but much greater gap between those on middle incomes and those on low incomes, might have the same Gini coefficient as an economy where there is more equality between those on low and middle incomes, but high levels of inequality between the middle and the very richest. In this instance, their income distributions would be very different, but they could have the same 'level of inequality' as measured by the Gini coefficient, despite being very different economies with different dynamics.* (O'Connor and Staunton, 2015: 34)

^{iv} This analysis includes a wide range of measures taken over the seven years including the main changes to income tax, including cuts to income tax credits and the width of the standard rate band; the introduction of Universal Social Charge and subsequent revisions; the elimination of the PRSI ceiling; the net changes in welfare payment rates over the period, with pension payment rates retaining the increase awarded in October 2008, and working- age payments ultimately reduced below their 2008 levels; net reductions in Child Benefit payment rates, with cuts in earlier years only partly offset by an increase in 2015; reductions in Jobseeker's Allowance for the young unemployed; the impact of the public sector pension levy (Pension Related Deduction, PRD); explicit cuts in public service pay in 2010 and in 2013; reductions in public service pensions; the introduction of the Local Property Tax; abolition of the Christmas Bonus in 2009, and its partial restoration in 2015 and cutbacks in certain elements of the Household Benefits Package.

^v This includes households with two adults and four or more children, or those with 3 or more adults and 4 or more children

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^{vi} In 2008 for example, 25.2% of all social protection payments were means-tested compared to 11.1% for EU27 (Eurostat, 2012).

^{vii} http://www.djei.ie/enterprise/businesssupport.htm#_Tax_reliefs,
<http://www.teagasc.ie/advisory/eupayments.asp>
<http://www.knowyourtax.ie/services/farmers/>

accessed 6/3/2015

^{viii} *It’s impossible to deliver relief with tax cuts to people who don’t pay tax,*” Minister Michael Noonan October 14th 2014 – post-budget comment

^{ix} In his Opinion column, September 29th 2015, Fintan O’Toole gave a list of media commentators who repeatedly claimed Ireland has the most ‘progressive tax system’ in the OECD, Europe and/ or the world, despite the empirical evidence to the contrary.