

Lynch, Kathleen, Cantillon, Sara and Crean, Margaret (2017) 'Inequality' in Roche, William K, O'Connell, Philip J. and Prothero, Andrea (Eds.) *Austerity and the Recovery in Ireland: Europe's Poster Child and the Great Recession*. Oxford: Oxford University Press. pp. 252-271.

Inequality

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, social-class related inequality, the effects of austerity were not only economic; they were embodied, lived out in physical and mental distress the 'ordinary suffering, la petite misère' (Bourdieu 1999, 4) of those who were impoverished and dispossessed (Bissett 2015). Inequalities found expression in anxieties and fears about unemployment, emigration, poverty and debt, all of which adversely impacted on emotional and mental healthⁱ (Mental Health Commission 2011; Corcoran et al. 2015). 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.

This chapter outlines the inequality impact of the socializing of private debt arising from both the collapse of the Irish banking sector and the concurrent fiscal crisis emanating from the narrowing of the tax base and an over-reliance on transient taxes from the construction sector (Keane 2015).

The chapter begins with a brief overview of the concept of equality, introduces an intersectionalⁱⁱ approach to inequality (Yuval-Davis 2006), 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 et al. 2004; et al. 2009). It gives an overview of the key economic inequality trends over the period 2008 to 2015 analysing changes in income inequality, consistent poverty and deprivation. It examines the distributional impact of budgetary policies in a range of areas and highlights the regressive impact of increases in indirect taxation. It investigates 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: it explores the impact of anti-intellectualism, consensualism, neoliberalism and the ideology of charity in framing and legitimating Ireland's response to the crisis.

Inequality and Austerity

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Inequality is not singular in its form or origin; it is a set of relationships, and there are at least four major social systems that can generate injustices relationally: the economic, the political, the cultural and the affectiveⁱⁱⁱ. All of these operate intersectionally to exacerbate or mitigate the impact of injustice (Baker et al. 2004, Lynch et al. 2009). Within the economic system, addressing inequality is concerned with re/distributing wealth/income/resources justly between social groups, especially between classes. 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 relations in 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 in power relations, 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 system, 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 primarily generated in one system for a particular group, the impact of this inequality is not confined to that system; it has secondary effects across other systems. Economic inequalities do not just have an economic impact; they impact on power relations, cultural and care relations: those who are working class are less respected and frequently powerless to influence decisions that affect them adversely (Kirby and Murphy 2011). They suffer disrespect for their lifestyle, housing and tastes, and are often seriously under-resourced and disrespected in their care and love work (Dodson 2013).

Having a more nuanced, intersectional understanding of how inequality operates relationally, within and between social systems is critical to developing a holistic understanding of the impact of austerity policies. It captures how austerity adversely impacted on the most vulnerable, generating and reinforcing multidimensional experiences of injustice for those most powerless in Irish society.

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The Economic Impact of Austerity

The extraordinary boom period of the Irish economy from the late 1990s to 2008 was followed by a period of intense recession. 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 (Keane et al. 2015).

While the focus of this chapter is on the impact of austerity over a short time-frame, the level of economic inequality in Ireland must be understood in historical context. Since the 1970s the top 10% (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). Measures of market incomes, that is incomes accrued before the impact of taxation or social transfers are calculated, show that Ireland is one of the most class-divided, unequal countries in gross income terms across the OECD. Ireland relies heavily on social transfers to reduce inequality. Consequently, cuts to welfare provisions, increases in indirect taxes that are universal in character, and reduced spending on public services 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.^{iv} In Ireland it was estimated at 0.317 in 2007, widely regarded as the height of the boom, and at 0.312 in 2012. 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 groups^v.

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 distribution and implies a much sharper fall in the income of the bottom decile than the fall in average 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/>

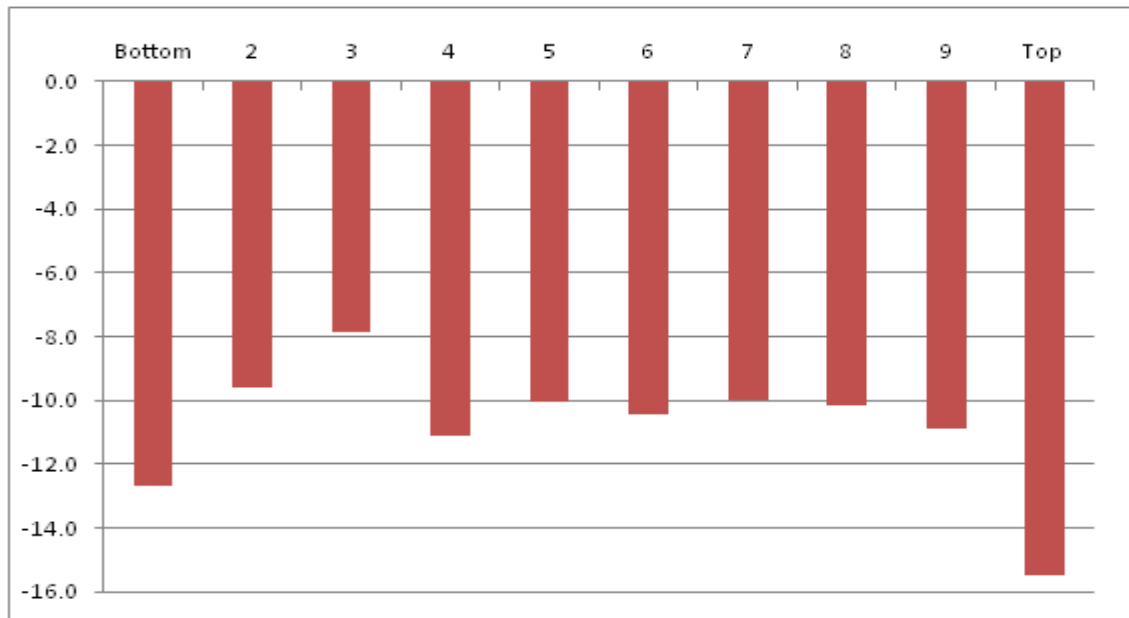
Budgets 2009- 2015

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).^{vi} 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

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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 measuring the impact of specific policy changes that is, tax, welfare and public service pay; it 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, rising rents, the property collapse and exposure to debt.

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Consistent Poverty and Deprivation

To assess the impact of austerity on the most vulnerable, we focus on consistent poverty and deprivations indicators below as these are the most sensitive measures.

As Table 3 shows, the proportion of the population experiencing basic deprivation more than doubled during austerity: it increased from 13.7 in 2008 to 30.5 per cent in 2013. And there was 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, Poverty and Deprivation Rates, 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

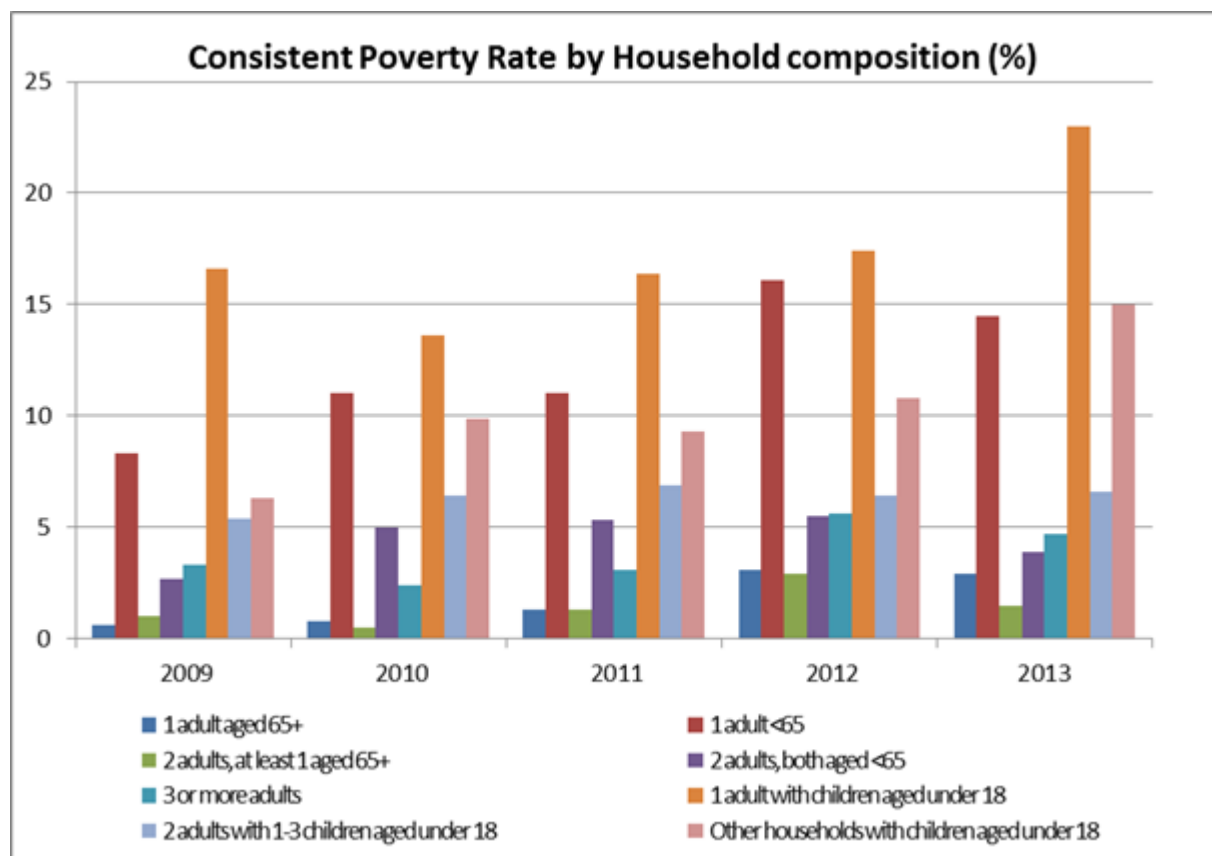
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<http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2013/>

Households and One Parent families

Consistent poverty rates also rose for all households across different age groups over the period of austerity (Figure 2). There was 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'^{vii} and 'One parent and children under 18 years' was high pre-austerity and very high post-austerity: it rose to 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 both a strongly gendered and classed issue.

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



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Source: CSO statbank, SILC data accessed via

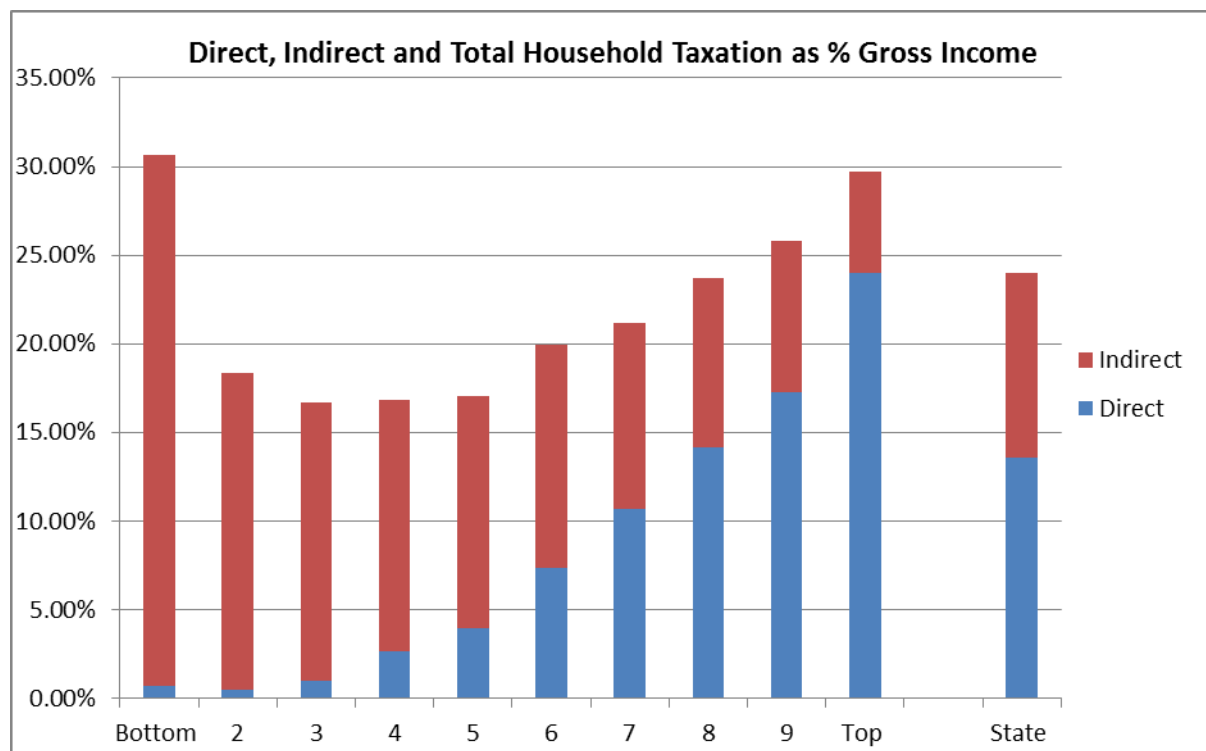
<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=SIA16&PLanguage=0> _October 12th 2015

Taxation and Inequality

While taxes on wages and salaries in Ireland are generally progressive, indirect taxation is highly regressive in class terms (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 the poorest ten per cent pay a very low amount of direct taxation due to very low absolute incomes, they pay almost 30 per cent of their income in indirect taxation compared with 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 and water charges, and property taxes.

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

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Source: Collins, 2014: 19 (based on 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 social-class-related economic inequalities to persist in some cases, and to rise in others, through the imposition of indirect taxes and charges that did not discriminate between rich and poor. 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.

Austerity heralded an increase in marginalisation for many, including people relying on disability support services^{viii}, children, carers and the physically and mentally ill, especially if they were reliant on public services (Burke 2014; European Foundation Centre 2012; Mental Health Commission 2011; NESC 2013; Oxfam 2013). 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. Being

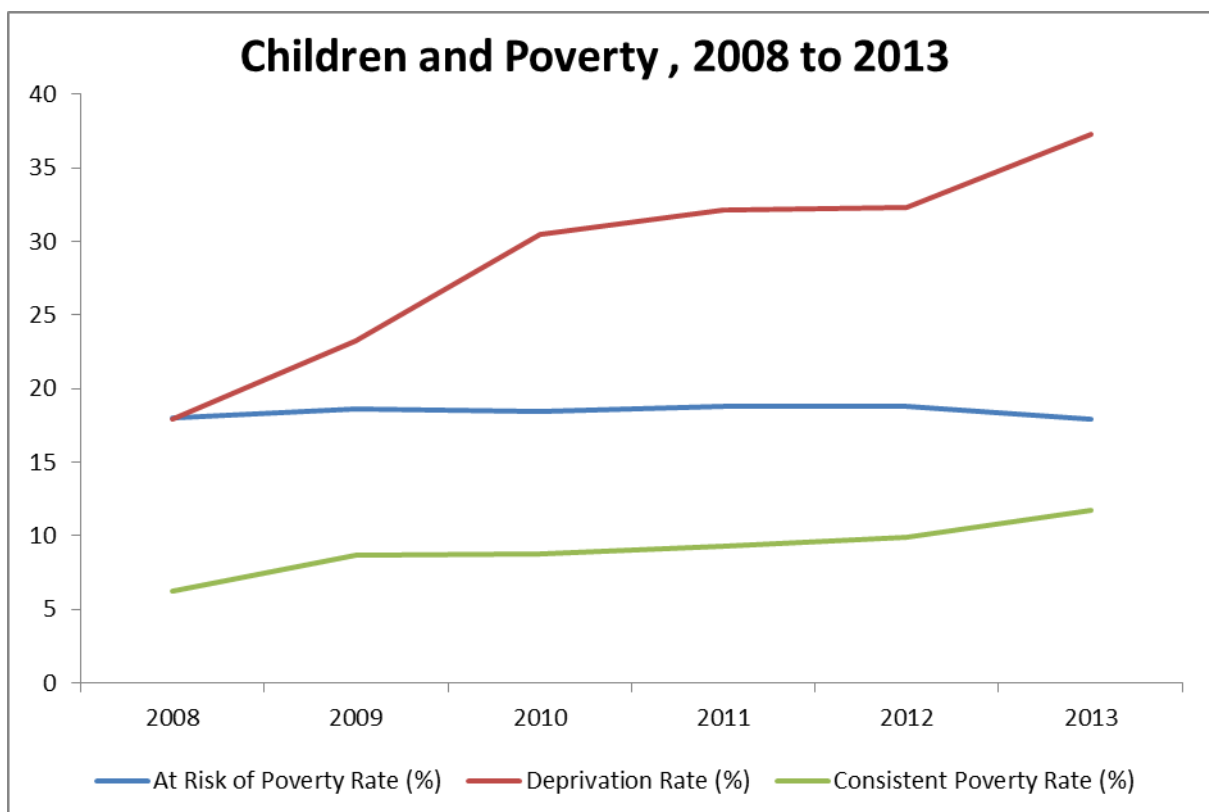
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among the most vulnerable, their experiences during austerity exemplify the care-less attitude of the government to powerless citizens during the crisis.

Children

While consistent poverty among adults (18-64 years) almost doubled, rising to 8.2 per cent in 2013, consistent poverty among children (0-17 years) also almost doubled, but from a higher base, 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



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

Not surprisingly, the rise in poverty was exemplified in a more than doubling of enforced deprivation: 37.3 per cent of children 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

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Much of the infrastructure for monitoring and addressing racism in Ireland has been removed since the crisis (Baker et al. 2015). The absence of same has been noted by the *European Commission against Racism and Intolerance* (ECRI 2013). It has listed a number of serious failings on the part of Ireland in relation to addressing issues of racism, including Traveller and Roma-related racism.

Because of the absence of appropriate monitoring mechanisms, measuring racial and ethnic-related inequalities both pre and post-austerity, is difficult. What we do know however is that Black Africans and EU nationals of minority ethnicity were particularly likely to experience discrimination prior to the crisis, and that this pattern continued post-crisis (McGinnity et al. 2013, 2014; Kingston et al. 2013). Racial stratification is a persistent feature of the Irish labour market (Joseph 2015).

Although Travellers are recognised as an extremely marginalised ethnic minority in Ireland, cuts in funding for services and supports for Travellers exceeded that enforced on most other groups by several multiples during austerity (Harvey 2013). While the overall reduction in government current spending between 2008 and 2013 was 4.3%, the same period saw an incomparably large disinvestment in the education, welfare and health of Travellers. Traveller education experienced an 86.6 per cent reduction in expenditure from 2008 to 2013; 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.

Youth

The Eurostat Dashboard of EU Youth Indicators shows that Ireland had a persistently high percentage of 15 to 24 year-olds (19 per cent from 2009-2012), not in education, employment or training. Yet funding for youth work services was cut by almost 30 per cent over the austerity period from €73.1m to €51.4m². Cuts to unemployment assistance payments were also disproportionately targeted at people under 25 years of age. And there has been a substantial rise in student poverty: 22.7 per cent of students were at risk of poverty in 2010 compared with 31.4 per cent in 2011³.

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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Emigration, has also affected young people disproportionately: 49.3 per cent of those who emigrated in 2011 were 24 years of age or younger, while 46.7 per cent were in this age group in 2012 (CSO 2012). And Ireland had 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 experienced the emigration of at least one member since 2008 (Glynn, et al. 2013). The social and emotional costs of involuntary 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, and it was not unique to Ireland (Coulter and Nagle 2015). It was a way of rationalising 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. In many ways austerity was a ruse, a charade that secured the privileges of the wealthy and powerful while purporting to offer economic security to the poorest at some indefinable future time in return for suffering in the present (Clarke and Newman 2012).

However, there are uniquely Irish factors that contributed to the deeply inegalitarian austerity policies implemented in Ireland, arising in particular from both historical and contemporary 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.

Anti-intellectualism and Consensualism

The closing down of dissent is one a powerful mode of censorship and anti-intellectualism in public life. As Ireland's fledging state infrastructure for monitoring and highlighting inequalities was removed in considerable part during the crisis (Baker et al. 2015), the impact of austerity on many vulnerable groups is difficult to measure.

What we know however is that equality was only ever promoted in its weakest form, in terms of a liberal equality of opportunity framework, and even then only when Ireland was required to uphold it by EU law, and/or when it did not challenge the deep-rooted economic inequalities (Baker et al. 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

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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 demonised 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 demonisation 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 strong 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 (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 simple negotiation, something that did not happen (Kirby 2002; Allen 2007; Doherty 2011).

And in the later 1980s, there were also new political voices arguing for the legitimisation of economic inequality, particularly the neoliberal Progressive Democrats Party (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). It gave rise to a form of 'neoliberal corporatism' that was deeply class-based and inegalitarian

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(Dukelow and Considine 2014a, 418). 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).

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 et al. 2012). Neoliberalism 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, low wealth and income-related taxation reduced the tax base providing a strong rationale for downsizing public services and reducing dependency on state welfare services and supports, even when necessary.

The most strategic organisational 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 legitimisation of austerity in Ireland was also enabled by the deep-rooted 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

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traditions, it found political expression in Ireland 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 heavily reliant on means-tested provisions with a focus on poverty alleviation rather than universal provision^{ix}. 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 et al. 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 in Ireland 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.^x And it is equally ironic to attack those on social welfare as non-tax-payers^{xi} 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

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

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reducing economic inequality, was not a major objective of government policy, either prior to or during the period of austerity.

Using an intersectional egalitarian approach (Anthias 2013), the chapter shows that those most adversely affected by austerity were people who were relatively powerless politically and/or already impoverished and marginalised: they were more likely to be working class than middle class, children and youths rather than adults, and Travellers rather than settled. Lone parents, disabled people, carers and certain immigrant ethnic minorities were also strongly affected.

The role of ideologies in legitimating inequality both prior to and during the crisis 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 neoliberal concepts of individualised responsibility to denigrate dependency on public goods and services. Basic economic and social rights were increasingly reframed as forms of state benevolence that had to be withdrawn to save the corporate whole. Health, welfare and educational services were represented 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.

While it commenced prior to austerity, the practice by government departments of defining users of state services in market language, as 'customers and clients', gathered a pace during the crisis. Public services were defined increasingly as being available on a market basis rather than as a human right; they were framed 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).

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ⁱ Male suicide rates were 57% higher by the end of 2012 than if the pre-recession trend continued. While female suicide rates were almost unchanged, there was a 22% increase in female self harm and a 31% increase in male self harm between 2008 and 2012. Data is based on those presenting in hospitals. (Corcoran et al. 2015)

ⁱⁱ Intersectionality is a sociological term denoting the fact that, while each social division has a different ontological basis irreducible to other social divisions, because human beings are indivisible, all social divisions

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are interconnected (Anthias 2013). Experiencing inequality in one social position, for example, as a working class person, is interwoven with other social divisions, including gender, ethnicity, age, immigrant, care, or disability status. Moreover, as institutions and social systems are also intersecting sociopolitical realities, the injustice experienced in one social system, for example in the field of economic relations, impacts on all other system relations simultaneously, including the political, the cultural and the affective.

ⁱⁱⁱ 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 and how systems-based inequalities intersect see Baker, Lynch, Cantillon and Walsh, 2004: pp. 21-46, 57-72.

^{iv} 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.

^v *The Gini coefficient does not show the relationships between those on high, low and middle income. The same 'level of inequality', as measured by the Gini coefficient, could be found in countries with quite different relationships between high, low and middle income earners* (O'Connor and Staunton, 2015: 34)

^{vi} 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.

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

^{viii} Between 2008 and 2010 the proportion of people with disabilities at risk of poverty rose by 26.16% in Ireland (European Foundation Centre 2012: 5)

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

^x 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

^{xi} *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