

TASC Reflections on Equality



Celebrating 21 Years
of **Analysis to Action**



Published by:

TASC

28 Merrion Square North
Dublin 2
Ireland

Tel: +353 1 616 9050

E-mail: contact@tasc.ie

Website: www.tasc.ie

Twitter: @TASCblog

© TASC 2022

With sincere gratitude to Sylvia Byrne for her years of service to TASC and her support in editing this publication.

The present report does not represent the collective views of TASC, but only of the respective authors. The responsibility of TASC is limited to approving its publication as worthy of consideration.

978-1-7397462-6-1

Contents



Introduction

Dr Tom Arnold

4

The Myth of Opportunity

Senator Lynn Ruane

6

Achieving A Flourishing Society – The Need for a Re-imagined Civil Society

Niall Crowley

9

The social consequences of the war

László Andor

12

Framing household over-indebtedness as a cause and consequence of social and economic inequality

Dr Amie Lajoie

15

Building on 'the pockets of the future in the present' – towards a flourishing society

Professor Mary Murphy

18

Breaking up cosy epistemic policy-making

Professor Peadar Kirby

22

How to live well together – Ireland's role as a wellbeing nation

Sarah Davidson

25

Beyond Capitalocentrism in Education – Care Matters

Professor Kathleen Lynch

28

Corporate tax avoidance – a “long-term romance” incompatible with climate justice

Clodagh Daly

32



Introduction

A 21st anniversary is an important moment for an individual or an organisation to take stock. Since its establishment in 2001 TASC has made a significant contribution to Ireland's policy and public discourse. It has consistently raised important questions about the nature and consequences of inequality in our society.

This set of essays is an important addition to TASC's legacy. They discuss how to improve the lives of the most marginalized in our society. In 2011, TASC articulated a vision of what constituted a 'flourishing society': these essays provide ideas on how this idea can be implemented in the world of the 2020s. These are valuable contributions relevant to the necessary political responses to the climate crisis and the opportunities for rethinking how society might be organised in the post-Covid world to better connect work, welfare provision and caring for each other.

Yet my overall sense in reading the range of essays is that an important framing context is missing: an acknowledgement of what has been achieved over the past 21 years, nationally and internationally.

There is not the space here to discuss the state of the world. There is much to worry and be despondent about, from Russia's unlawful and savage invasion of Ukraine to the threat posed by climate change to humanity's future. But another part of the story over recent decades is the gradual improvement in standards of living, health and education for billions of people. Read Hans Rosling's 'Factfulness'.

The corollary argument for Ireland can be made by reference to the Human Development Index (HDI). The UNDP created the HDI in 1990 as a statistic which combines life expectancy, education levels and GDP per capita. In 2001, Ireland was ranked 20th internationally; in 2021 it was 8th. Over the period 1990 to 2021, no developed nation has experienced such rapid advancement in its HDI as has Ireland.

My perspective on these issues has been shaped by my own experience over the past 21 years. In 2001 I became Chief Executive of Concern Worldwide and until 2013, when I retired, the main focus of Concern's and my work was to improve the lives of the poorest people in the poorest countries in the world. These poorest countries had many disadvantages ranging from the legacy of colonialism, conflict, poor health and education standards of their peoples, and, increasingly, the impact of climate change. But the single most important factor which explains their poverty and its persistence is the quality and honesty of governance and the capacity to implement consistent policy to improve living standards.



Since 2013 I have had a small role in contributing to a rapidly changing Irish society. I chaired the Constitutional Convention (2012 -2014) and the All Island Civic Dialogue on Brexit (2016 -2018).

The Constitutional Convention was a pioneering exercise in deliberative democracy and has been followed by four Citizens Assemblies. They have been part of a wider political process which has overseen and managed major societal change over the past decade, in association with the people, most notably in changing the Constitution to enable same-sex marriage (2015) and in repealing the Eighth Amendment to reform abortion law (2018).

Brexit was a major change in Ireland's external context. The All Island Civic Dialogue was a small part of a comprehensive political and diplomatic strategy to minimise Brexit's potential damage. That wider strategy involved developing a common approach with EU institutions and member states for the EU/UK negotiation on Brexit. From 2016 onwards, while the government of the day was primarily responsible for implementing strategy on Brexit, the main opposition parties have played an important role in shaping a coherent national policy on an issue of fundamental importance to the country's future.

The evidence of Ireland's steady improvement in its international HDI ranking; overseeing and managing major societal change; and dealing with such a major change as Brexit suggest that the Irish political system and the consistent policy framework it has implemented across a range of areas represents a considerable strength. That is not for a moment to minimise the huge challenges the country continues to face, most notably getting to grips with a housing crisis and actually delivering on the ambitious program necessary to meet our national climate targets.

The next 21 years will bring new challenges. There will inevitably be an increasingly active debate about the future constitutional order on the island of Ireland. The core principles of the Good Friday agreement must serve as a guide to planning that future with a clear recognition that there should be no return to the tragedy and waste seen over the 30 years of The Troubles. The recent Fiscal Advisory Council report identified three major issues for which increased planning and finances will be required: our changing demographics with the need for additional pension provision; migration; and climate change. And these are just the 'known unknowns'.

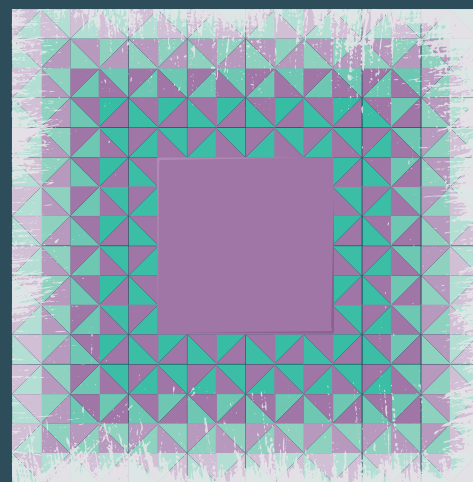
In all this, the need for continued advocacy for a fairer and more just society will be of central importance. TASC's future role will be ever more vital.

Dr Tom Arnold

Former CEO of Concern and Director-General of IIEA, agricultural economist and public policy advisor.

The Myth of Opportunity

By Senator Lynn Ruane



BIOGRAPHY

Lynn Ruane is an independent Irish politician, who has served as an Senator and deputy leader of the Civil Engagement Group in Seanad Éireann since 2016. Lynn is from Tallaght, an historically underserved and neglected community in Dublin. A long-time community and drugs worker, Lynn now champions the causes most close to her heart and community in Ireland's parliament.

An ardent legislator, Lynn tables progressive bills which respond to the lived experiences of those on the margins of society. To date, that has included pursuing harm reduction in drug policy, meaningful rehabilitation in criminal justice, a fairer child maintenance system for lone-parents, and the cessation of the misuse of non-disclosure agreements. Lynn also regularly seeks to amend Government legislation, to ensure it reflects the principles of human rights, social justice, equality, inclusion, and the empowerment of the marginalised.

In addition to legislative work, Lynn is a member of the parliamentary Committees on Justice, and Children, Equality, Disability Integration and Youth. Previously, she was vice chair of the Committee on the 8th Amendment, which examined Ireland's long-time constitutional ban on abortion, and an ordinary member on the Committee on International Surrogacy.

It is never easy to write about class, especially when some in society would like to tell you there is no class ('It's not like the UK', people say), there's just people who took opportunities and people who didn't. This consistent and persistent dismissal of class carves out the space for the illusion of meritocracy to take hold in all our minds. It allows for the idea that we all have access to opportunities to seep in so profoundly, we stop questioning it. But, opportunities are like bubbles; I sat once watching kids chasing giant bubbles across a courtyard in Barcelona. The man, dressed in a clown suit, used his large bucket of soapy water and two sticks to create the bubbles, off into the wind they would blow. The smiling kids would run after them; some bubbles got away before they could reach them, some bubbles burst in the air, some bubbles managed to reach their hands before exploding, and other bubbles burst right in their face. This scene played over and over and over. The numbers of kids dwindled the more tired they got of chasing bubbles that they couldn't keep intact; new kids would try and would also eventually become worn out, the smiles would fade, and the frustration set in. One little girl managed to hold a bubble for a little longer than the rest; she turned "Mama" and looked up to show her Ma, then, in a blink, it turned to suds in her hands. She stomped off. For me, and many I know, searching for these opportunities is like chasing giant bubbles.

When the environment strips you of access to achievement, it is disorientating. The effects of social class are disorientating, and sometimes we (the working class) can't fully explain what is happening. The world around us is middle class, the accents on tv, the radio ads and the literature. It's like a constant rejection, and it is numbing. I sit, and I think about articulating collective and unnecessary suffering. How my words can capture a shame we feel about the nothingness of our unachieved opportunities and why death is a welcome event for some. After a life that went un-lived and why addiction for many was better than the sensation of failure. Imagine knowing countless people that wished to have never lived, not wanting to hurry death, but to never have lived. In various ways, society says "if only they took the opportunities," but opportunity fails to recognise what we need. We keep trying, not knowing that opportunity is crafted by the middle class and placed firmly in someone else's periphery. They aren't our opportunities at all unless we abandon ourselves or are the lucky few that the system lets in to prove to themselves it works. People must become something else to avail of the opportunity, but that assimilation is not equity. Opportunity, how middle Ireland thinks of it, is a myth. The 'poor' have carried the sense of failure of genuine opportunity, which can only be achieved through equality of conditions.

As I write, I admire my mother's work, a decades-old blanket, the edges frayed, but the closer you are to the centre, the more perfect the blanket. The wool runs from red to yellow to white, carefully crafted into a much-needed blanket for the unheated houses of the 1970s'. Every crocheted green triangle creates the foundation of the following white or blue row. Each row is different, its own thing, but all very much part of making up this working-class craft to keep us warm. The trim of the blanket has as many colours and rows as the working class have experienced. The largest block sits at its core, the centre of warmth. Unlike the edges of the blanket, it's protected from actual harm, removed from repeated wear and tear. Its environment is different; even though it's part of the same thing, it doesn't drag along the ground as you move from room to room, and its edges don't get picked at and frayed; it remains, for the most part, in-tact. Protected.

Two and three feet from life at the centre looks different from the blanket's fringes. A foot from the edges is still a 'respectable' place to be, it still works, but with each-and-every turn of a needle, the difference between good and not so good begins to show. The societal needling becomes poorer quality and damaged from the environment, which diminishes its chances. The time and resources put into each stitch reduce, signifying society is purposely set up this way. Then the environment wears us down too.

It is colder on the edges, with its most extensive span and damage. The final row is in the harshest position of them all. It's completely exposed to the elements, with not even the respectability and wholesome narrative as the rows that are right next to it. Those last few rows are so close, yet so far in the psyche of the centrepiece.

If that blanket was the class system, then what we have is a society made of rows of the same thing, with the same essence, with the same potential, with the same hope, with the same desire and with the same aspiration, when taken as individual material, however, with intention, we are knitted into our place on the blanket. We are expected to try to unknit ourselves from parts of us that matter to find protection from the elements at the centre.

The blanket is a metaphor for the class structure. Of course, a blanket is an inanimate thing while a class structure, at the same time, largely invisible (at times of crises, the lines become apparent), is dynamic and reproductive of a system of positions and hierarchies where power, money and culture remain unevenly distributed between various groups and classes through multiple mechanisms such as the 'economy', the 'state', the 'education system' etc. Beneficiaries of such a system, with some notable exceptions in the radical and often revolutionary middle class

(Marx, Rosa Luxembourg etc.), usually attribute their success or doing well to themselves and their work ethic. In turn, many deny or do not understand how their privileged position within the class structure has given them numerous advantages and class-based expectations from birth. Even thinking about class as invisible is strange, as its impact is very much felt. Yet, the invisible shapes, mould, exclude, and in many ways destroys people. Yet, we try to explain it, and the words become invisible.

It's hard to talk about inequality because it's not random; it's purposeful. In talking about class, I must speak of the working class. In my insistence on not using the term under-class or welfare-class, I continue to misrepresent various lives and experiences. It sounds like a dirty word; the underclass and what it actually means, what are the underclass under, and why would anyone else in any other class category want a class of people under them. Stacked on top of each other like Russian dolls solid on the inside. Moulds. Using the lower-classes struggle as a measure of their own success. Someone shouldn't have to be barely surviving for another to be grateful for what they have "oh look at that poor soul, I am going to be much more grateful from now on" and walks on by, with no desire to help, just self-serving gratitude. The passer-by may work hard, but maybe they weren't striving for achievement while in quick-sand. Opportunities and working hard are not the driver of success; wealth, success, and opportunities were inevitable for many. Wealth and privilege are not a by-product of someone's hard work; the opportunity is the by-product of privilege.

At every turn, society and governments ignore conditions favouring individual talent and meritocracy. It is no longer the eighteenth century. Therefore, any narrative that assumes we are unequal by nature should be categorised as anything else that deems one group has a natural right over another and systems that create the conditions to ensure one class triumphs over another, often at the expense of another should be seen for what it is, oppressive and immoral.

So why is the centre of the blanket so determined to stay intact? Many might say greed, self-protection, or staying comfortable. Still, we have to also explore why there is such a lack of understanding as to why things are the way they are. The poor always gather in communities to find collective ways out of poverty. What would it be like to gather those with privilege and wealth in a room for them to discuss their own privilege rather than us discussing our poverty? That may never happen, but what is happening is people with power and privilege are learning the language of compassion.

When hard power no longer worked in the way it used to, the system changed its language, not because its ideals and agendas changed but because they realised 'progress' now required them to learn the vocab of 'caring'. Performing of care is capitalism gaslighting. Cynthia Cruz explains this succinctly in her book, *The Melancholia of Class*:

The worship of progress is nothing new, of course, and is, in its ideology, inherently anti-working-class. Progress is a middle-class ideology, an ideology of the status quo. Their idea of progress is superficial and anti-revolutionary. Instead of overthrowing the political system, middle-class liberals want to make cosmetic, and not systematic, changes to the system – without interrupting or engaging with structures of oppression.

This statement alone covers everything I could possibly say. Using ideas like Ireland is the Republic of Opportunity is inherently anti-working-class. Replace progress with "equal opportunity", and you will find the myth, the ideology of a system and its actors that want the poor, the working class to feel like it's all there. If people don't take it, that's on them. It's a myth, the marginalised are the outer edges of the blanket, cold and surviving, and equal opportunity is a fallacy. Those who say it isn't didn't have opportunities, they had givens. ●

Achieving A Flourishing Society – The Need for a Re-imagined Civil Society¹

By Niall Crowley



BIOGRAPHY

Niall Crowley is an independent equality and human rights expert, working with a range of European institutions, including the European Commission and the Council of Europe, and in a range of European jurisdictions. This work has a particular focus on equality and non-discrimination policy and legislation.

He is co-founder of Values Lab, developing and supporting values-led approaches to equality and human rights within public sector and civil society organisations in Ireland.

Formerly, he was chief executive officer of the Equality Authority in Ireland for ten years from its establishment in 1999, and before that worked in Pavee Point National Traveller and Roma Centre in a range of roles.

He is author of 'Civil Society for Equality and Environmental Sustainability: Re-imagining a Force for Change', published by TASC and St. Stephen's Green Trust in 2022.

A flourishing society is one where people have the capabilities to live lives they have reason to value, and where the material conditions for such capabilities to be realised by all groups in society, are provided for. As Irish society emerges from the COVID-19 pandemic, this vision of a flourishing society remains distant, and seems unattainable.

TASC marked its tenth anniversary in 2011 with a publication on advancing a flourishing society in the context of the financial and economic crisis that pertained. Pentony, in one essay, set out a vision for the economy of 'flourishing within limits', identifying the need 'to create a culture which values the collective as well as the individual, a culture of the common good that has equality at its core, and which assumes responsibility for inter-generational care of the planet'.²

Currently, the common good is corrupted by high levels of poverty, homelessness, and housing insecurity. Significant inequalities persist in all domains, the political, economic, social and cultural. Care of the planet is mocked by the failure to reduce greenhouse gas emissions and protect biodiversity. TASC marks its twenty-first anniversary in an Ireland that is failing to realise key elements for a flourishing society.

Change comes slowly in Ireland, if at all. There is a political lethargy or, at best, a prolonged and meandering incrementalism, in regard to progressing significant change. Our democratic systems have proven incapable of advancing the scale of change required for a flourishing society. We have what Unger refers to as 'a low energy democracy'.³

1. This article draws from a book by the author of this essay, published in 2022 by TASC and St. Stephen's Green Trust: https://www.tasc.ie/assets/files/pdf/civil_society_for_equality_and_environmental_sustainability_300622.pdf

2. Pentony, S., https://www.tasc.ie/assets/files/pdf/role_of_economy_flourishing_society.pdf in The Flourishing Society, TASC, 2011.

3. Unger R.M., <https://www.india-seminar.com/2001/506/506%20robert%20unger.htm> in Seminar 506 'Reforming Politics, a symposium on rethinking democratic institutions and practices', New Delhi, October 2001.

In a low energy democracy, democratic systems are governed by rules and arrangements that generate low levels of political mobilisation and slow politics down. Structural change is hindered by political parties being required to negotiate proposals for change with a small set of powerful vested interests. Low energy democracy cannot advance the transformative change required for equality, and environmental sustainability.

TASC, through a Democracy Commission established in 2003, examined the capacity of Irish democracy to be inclusive, participatory and egalitarian. This examination found our democratic systems wanting, due to equality issues of representation and under-representation for particular groups. The Democracy Commission emphasised that 'Equality underpins democracy. Inequalities in political participation lead to inequalities in political representation which reinforces wider social inequalities and in turn deepens inequalities in political participation'.⁴ When democratic systems exclude, by design and in practice, the voice of those exposed to inequality, they are left open to capture by those vested interests who seek to maintain a status quo of inequality and environmental unsustainability.

In such a context, civil society is central to any ambition for a flourishing society and the democracy required by such a society. 'Civil society' is that spread of organisations, networks, or groupings, that are outside of government and the state, and of commerce and the market. Civil society offers spaces for people to have a voice and to exercise some autonomy. In an era of unfettered markets that seem to dictate by whim, and of a bureaucratic state that seems unable to address people's needs, such spaces are vital.

Civil society organisations can bring forward and provide platforms for voices that would otherwise not be heard in the political system and that champion interests that would otherwise be ignored. These organisations can point to new ways forward for politics, the economy, and the environment, and can pressure the political system to take new directions, and hold it to account in this regard.

However, civil society organisations working for equality and environmental sustainability currently find their independence and effectiveness curtailed, such that their fitness for purpose as a driver for a flourishing society is in question. They operate in an external environment that undermines their independence, in terms of their 'purpose, voice, and action'. This external environment is interlinked with and formative of an internal disposition in many civil society organisations, that hinders their effectiveness, in terms of 'the ambitions set, the values prioritised, the choices made, and the confidence evident'.⁵

Civil society faces an external environment of political and administrative hostility, in advocating for equality and environmental sustainability. Its advocacy is corralled into a constrained space. A plethora of formal structures engage the statutory and civil society sectors in dialogue at national and local levels. These structures focus civil society advocacy on pursuing incremental rather than transformative change, and on doing so through persuasive argument, rather than mobilising a popular demand for such change.

Funding regimes have driven many civil society organisations into a narrow service provision role. In some instances, statutory funding is governed by service level agreements that preclude advocacy. In other instances, limitations are placed on the use of funding for purposes other than service provision, such as advocacy. Dependence on statutory funding is a deterrent to combative advocacy.

Legislative developments have placed an administrative burden on civil society organisations, that consumes their scarce human resources and stifles endeavour. These developments include

4. Edited by Harris C., Begg D., Bacik I., Barrington R., Hanafin J., Kennedy T., MacMahon B., Mortell M., Meehan E., Owen N., Toolan D., and Wilson C., https://www.tasc.ie/assets/files/pdf/harris_2005_democratic_renewal_final_-_tasc.pdf TASC at New Island, 2005.

5. Crowley, N. https://www.tasc.ie/assets/files/pdf/civil_society_for_equality_and_environmental_sustainability_300622.pdf TASC and St Stephen's Green Trust, 2022.

the Electoral (Amendment) Act 2001 with its definition of 'political purpose' that encompasses advancing or commenting on policy proposals, thus bringing civil society into the ambit and reporting requirements of the Standards in Public Office Commission. The Charities Act 2009, another example, confines registered charities from promoting a political cause that does not relate directly to their charitable purpose, and brings civil society into the ambit of the Charities Regulator with its onerous demands to demonstrate financial standing, governance arrangements, and charitable purpose.

An internal disposition is evident within many civil society organisations that is also constraining. Engagement with the state in a form of partnership or elite dialogue, is the dominant, and often sole, form of advocacy pursued by civil society organisations, thus limiting their repertoire. Such engagement involves participation in repetitive policy fora and preparation of endless submissions and policy positions. It consumes resources, allows the power holders to claim they have consulted, and rarely makes a significant impact.

The management of services requires leadership and skills that differ from those required for advocacy. Organisational values shift within civil society organisations as a result of the demands of being a service provider. A managerial culture dominates, with values of professionalism, efficiency, and value for money to the fore. Values motivating an equal and environmentally sustainable society lose priority.

Civil society organisations are consumed by a busyness. In many cases, this is because they are expected to do more with less resources, as service providers. This is also a result of their entanglement in multiple engagements with the state, and of the administrative burdens they must comply with. This is a busyness that leaves little room to reflect, explore alternatives, or pursue new ideas. A treadmill of activity is demanded by funders, regulators, and policymakers, that leaves little space to imagine new advocacy agendas or new approaches to advocacy.

There are civil society organisations that have overcome these external and internal barriers, to creatively re-imagine and expand the boundaries of the structure, strategy, and contribution of civil society to equality and environmental sustainability. These organisations have been valuable zones of experimentation, offering learning for future civil society endeavour. Four such initiatives stand out: the Right2Water movement and Right2Change which emerged from it; the Spectacle of Defiance and Hope; Claiming Our Future; and Extinction Rebellion.

A re-imagining of civil society advocacy is urgently required, drawing from this body of experimentation. This re-imagining needs to enable civil society to realise its potential to progress a flourishing society. Civil society organisations need to reflect on and re-imagine how advocacy is best pursued, and what it means to be an advocacy organisation. Civil society organisations need to invest in and engage with the task of building their power, and deploying this power behind their demand for a flourishing society.

Building and deploying civil society power includes ideological power, in devising the elements of a new model of development for an equal and environmentally sustainable society and in communicating change agendas based on this. It involves associational power, in establishing new platforms and spaces for advocacy, and in organising people behind change agendas. It encompasses collective power, in brokering and forming alliances across different civil society sectors based on shared goals, and in engaging in collaboration and coordination to progress change agendas. Finally, it comprises creative power, in broadening the repertoire of tactics deployed, designing new tactics to advance change agendas. ●

The social consequences of the war

By László Andor



BIOGRAPHY

László Andor has been FEPS Secretary General since 2019. He is a former EU Commissioner for Employment, Social Affairs and Inclusion (2010-2014). Between 1991 and 2005, he taught political science and economic policy in Budapest, and was editor of the progressive social science journal *Eszmélet*. He holds a degree in Economic Sciences from Karl Marx (now Corvinus) University, an MA in Development Economics from the University of Manchester, and PhD from the Hungarian Academy of Sciences (1995). He was also a regular columnist for the weekly business magazine *Figyelő* and the daily *Népszava*. From 2005 to 2010, he was a Member of the Board of Directors of the EBRD (London), representing the Czech Republic, Croatia, Hungary and Slovakia. Since stepping down from the Commission, he was head of department of economic policy at Corvinus University (Budapest), Senior Fellow at Hertie School (Berlin) and a visiting professor at ULB (Brussels) as well as Sciences Po (Paris).

Russia's invasion of Ukraine has caused a tremendous loss in human life, but also in productive assets and physical infrastructure in the country under attack. On the other hand, the costs of military and humanitarian support are also felt Europe-wide, not least because the war has been accompanied by an unprecedented scale of economic warfare. Facing the consequences of war has become a major challenge for progressive policy in 2022.

War and human tragedy

It will take some time to establish exactly how many victims the 2022 Russia-Ukraine war has had, and reliable figures will only emerge once the war is over. Alongside military and civilian death, many survivors will have to live with life-changing injuries and trauma. The invasion might have been a shock in February, but many Ukrainians knew immediately that fleeing is the best way to save their lives. By the end of April, more than 12 million people were believed to have fled their homes. Close to half of that number left the country, with Poland having received just over half of all Ukrainian refugees.

Following the material destruction, discussions about the cost of reconstruction have started. The damage to infrastructure was deemed to amount to €60 billion by the World Bank in April, and such numbers were growing by the day. European Investment Bank (EIB) President Werner Hoyer voiced his view that the sums needed for the reconstruction – coming together from public and private sources – will be “beyond imagination”.

It has also been pointed out right after the beginning of the invasion that this will be a local war with global effects. First of all, there is the worldwide impact on food supply, threatening the return of famine in poorer countries that had been importing Ukrainian or Russian grain.

According to the World Food Programme, 276 million people worldwide faced “acute hunger” before the war began and another 27 to 33 million found themselves in that precarious position by the Summer. The UN brokered grain deal to allow Ukraine to export grain from Black Sea ports helped in this regard, even if the fragility of this deal was displayed when it was suspended by Russia following a drone attack on Sevastopol.

Supporting the Ukrainian fight for independence through aid but also sanctions on Russia puts a burden on the shoulders of many Europeans, with decision making often faster than the assessment of distributional effects. Even if EU countries themselves do not become directly involved in military conflict, a war in Eastern Europe can shift resources away from social policies and result in falling living standards, depending on how quickly a sustainable peace arrangement between Russia and Ukraine can be negotiated, probably under a new and broad security architecture in Europe.

The impact of the war on social policies is complex and hard to judge. European governments and EU institutions need to focus on defense and security much more than before, which raises concerns among stakeholders of climate and social policies, as well as advocates of the rule of law that these important policies and values that had been prioritised on the EU agenda would now be sidelined. At the same time, the shock of the war and the refugee influx it has triggered also gives rise to new energies of solidarity and potentially new examples of social policy innovation that point towards fostering rather than weakening cohesion.

The price hikes of war

The Covid-19 pandemic and the Russia—Ukraine war produced unprecedented disruptions in Europe. The combination of an economic downturn and rising inflation is a new experience for most Europeans, not least because much of this is an effect of a hot war on our continent. When countries engage in wars, the state drives economic activities towards military objectives, which means production of goods neither for consumption nor for investment but for destruction (or stockpiling). To tame inflation in times of war, market economies introduce price regulation, and face the risk of shortages and the need for rationing critical goods.

Expectations also matter. To show strength and solidarity, Europe from the very start of the war presented a great determination to engage in the fight, and expectations have been managed towards an “endless war” which will potentially lead to decapacitating Russia and making it unable to invade its smaller and greater neighbours again. Such messages change the strategies of households as well as business. Speculation begins on a small and large scale. The hoarding of goods is a natural reaction, and thanks to large-scale financialisation, the price effects can quickly be visible in a multiplied manner, disconnected from the actual volumes of supply and demand on the markets.

Part of the extra hike in oil prices is explained by the need to purchase oil through “third countries” like India, which remained open to trading with Russia despite the aggression, while the cautious approach of the US and its allies does not exclude them from world market circulation. The refusal of other major producers (Saudi Arabia, UAE etc.) to increase production (and help the efforts of the North-West this way) points in the same direction.

The post-pandemic recovery in any case would have been fairly inflationary, but the war increases the consumer price index in all countries. In Poland economists estimate that without the war the inflation rate would be about 8-9 percent, and this has been increased by the “Putin effect” by 50 percent to 13. In Estonia, one of the most belligerent countries of the EU’s Eastern periphery, the rate of inflation had reached as high as 23 percent by the Summer.

The current combined crisis delivers a greater inflationary kick for those for whom food and energy represent a greater share of total consumption. The war thus put Europe on a path leading to a social crisis, at least concerning poorer social groups and poorer countries. This is potentially the greatest organised drop in European living standards the current generations have seen (except for the East European transitions in the early 1990s).

However, not only does the war raise inflation substantially, the latter also may increase the risk of further international conflict. Especially in a stagflationary situation, rising prices push the misery index (the sum of unemployment and inflation rates) upwards, and in some political cultures the instinctive reaction of politicians is to look for a theater of action abroad where power can be displayed.

Looking for progressive answers

When more and more people face the risk of food and energy poverty week after week, the first task is the reinforcement of social safety nets. Just like the pandemic two years ago was the trigger for various minimum income schemes, the current crisis might be the one that creates momentum for universal basic services. These can take various forms and apply to varying circles of society, but ideally should not only cover the poorest, but also those parts of the working and middle classes which do not yet experience the greatest hardships but face the risk of it if reserves run out or further shocks or adjustment hit.

Governments, cooperatives and civil society organisations have to work together to provide In-kind support for those at greater risk of poverty and the most deprived. There can be many examples of this: free school meals and textbooks for children. The monthly rail pass at a symbolic price Germany has tested in Summer 2022 is another example of social innovation which at the same time encourages a more climate friendly way of travel. For similar reasons, the mayor of Budapest made public transport free for children under 14 during the pandemic, and the current crisis may be the time for spreading and widening such schemes.

Imposing price caps and windfall taxes has become a policy trend, especially in sectors where the circumstances and market power appear as sources of shareholder revenue. UN Secretary-General Antonio Guterres has recommended windfall tax on energy companies which experience extra profit in the war period. In the long run, stronger competition policy is needed against excessive market power, but most definitely this is not a short-term fix. And, if the problem is proven to be structural and not only temporary, nationalisation (in energy, water and similar network industries) as an option that cannot be abandoned either.

Much of the actions listed (fair taxation, price regulation, extending social services etc.) apply at a national level. But it does not mean that the EU has no scope for action. The stagflation should trigger an initiative for adding a second safety net following the successful roll-out of SURE (an EU loan scheme to save jobs by promoting short-time work arrangements) against the effects of the pandemic. Since the nature of the recession is different, i.e. it is expected to be more structural than the one expected in Spring 2020, *Kurzarbeit* is less helpful. This is the time to fulfil the commitment on genuine unemployment reinsurance.

Finally, the EU can also reconsider the strategy of economic warfare. Governments should have the opportunity to regularly review what works and what doesn't, and drop from the toolkit of sanctions when is proven to be counterproductive. An overall de-escalation strategy that eventually leads to peace and opens the door to Ukraine's EU integration can start with a normalisation of energy policy. Peace-skeptics have to appreciate that war is not only a military game, but also an economic issue, with massive social consequences. ●

Framing household over-indebtedness as a cause and consequence of social and economic inequality

By Dr Amie Lajoie



BIOGRAPHY

Dr Amie Lajoie is the Social Policy and Research Executive with Ireland's publically-funded debt support agency, the Money Advice and Budgeting Service (MABS). Prior to this role, she worked as the Senior Researcher in Social Inclusion at TASC for three years, where she led on a number of projects related to personal debt and the financial capability of low-income households.

Amie has completed legal and policy research in Ireland and internationally on issues across a range of socio-economic and cultural themes, including adult literacy, gender budgeting, employment, housing, the rights of Irish Travellers and more. She holds a PhD in Political Science from NUI Galway, and a MA in Human Rights from the University of York (York, UK). The thoughts and perspectives offered in this essay are her own, and do not reflect any organisation.

On September 28, 2022, at an internal conference in Dublin Castle celebrating 30 years since the establishment of Ireland's Money Advice and Budgeting Service (MABS), current and former clients of MABS gave personal testimonies about their experiences. The audience in attendance was comprised of MABS staff from around the country – some of whom have been with the organisation for over 20 years. One powerful quote (paraphrased) from a client testimonial consisted of the following:

“ While I originally sought help for my money problems, the impact was so much more than just financial... you really can't put a price on your quality of life.”

Since 1992, local MABS offices have delivered a free, confidential, non-judgemental and independent debt and money advice service that remains to this day one of the most reputable and robust of its kind [in Europe](#). The growth and development of MABS over the past three decades has involved a novel approach to tackling 'household over-indebtedness' (also referred to as 'problem debt') – the situation that arises when persons are struggling to meet debt repayments on a regular basis. MABS delivers a one-on-one casework model of support that both helps individuals cope with immediate debt burdens *and* develop broader money management and budgeting skills in order to become financially independent in the long-term. It deploys [a core ethos](#) that “debt problems emerge as a result of things that *happen to* people, rather than actions that are *done by* people.”

[Research](#) has consistently highlighted how personal debt, in particular over-indebtedness, has detrimental effects on mental health and personal wellbeing, and can affect across generations of families, children and wider society. In Ireland, there is much debate in public discourses

concerning the overall causes of over-indebtedness and what types of policies best address them. Some identify the problem as borrowers themselves, saying they have poor financial literacy and “feckless” spending behaviours. However, this narrow thinking ignores wider contextual drivers of debt and the social inequalities imbedded in access to financial services and affordable credit.

Household debt as a driver and consequence of inequality

[Research](#) has proven that “problem debt is a major risk factor both stemming from and driving a myriad of economic, social and health inequalities”. A report [published by TASC](#) in 2019 points to several major causes of over-indebtedness that span both personal and structural factors:

- Income inadequacy and high cost of living
- Sudden financial shock, due to an unexpected life event (such as job loss, illness, relationship breakdown, death in the family) or external event (such as the COVID-19 pandemic)
- Over borrowing and mismanagement of finances
- Types of credit taken out by households

The financial system is designed to penalise those who are low-income and without access to savings buffers necessary to address the impact of negative shocks, and forces many persons to borrow to cover even minor changes in circumstances. In addition, higher financial wellbeing is linked to educational advantage and early access to financial education, and [research in Ireland](#) shows that financially ‘secure’ households are six times more likely than ‘struggling’ households to report learning about money matters in school and college.

Access to credit is a fundamental right and essential to exist and function within modern society, and those on higher incomes with access to more capital and wealth are able to access loans that are typically more affordable than those who are low-income or reliant on social welfare. A great example of this is demonstrated through the fundamental [inequities in access to mortgage lending and the Irish housing market](#), and, in Ireland, household ownership remains a major [driver in wealth inequality](#). Due to today’s current housing crisis, receiving a mortgage to cover the cost of a home remains simply unaffordable and inaccessible for many first-time buyers; in particular, those trapped paying some of the [highest rates on record](#) in the private rental market.

In terms of credit access, traditional financial lenders simply do not provide the immediate, small loans poorer people normally require at short notice. This directs these borrowers increasingly to [high cost moneylenders](#), who can charge up to 128% APR. In contrast, personal loans with banks and credit unions average at around 10% and 12% APR respectively. The reliance on high cost credit can propel these households into a ‘debt spiral’, reliant on further borrowing from high cost lenders in order to cover existing debts. Devising an alternative, affordable and accessible lending option for low-income households remains a persistent policy challenge, and one that is greatly needed here in Ireland.

Problem debt is also a [feminist issue](#) and greatly exacerbates gender inequality. For instance, the majority of those who borrow from high cost lenders are women. Women comprise the majority of those living in poverty in Ireland and globally, and [single parent households in Ireland](#) (predominantly women-led) are four times as likely to experience income poverty than coupled households, and five times more likely to experience material deprivation and consistent poverty. In addition, financial exploitation and abuse is a widespread form of domestic violence. [Research from the BPF](#) (Banking and Payments Federation of Ireland) published in 2022 found that a fifth of all women aged 18-34 do not have access to their own money.

In addition, once persons fall into problem debt, traditional financial advice and supports are not necessarily inclusive and accessible. Many of these services are expensive and are effectively

'[an extension](#)' of the financial services industry itself. They are not designed to support those on lower-incomes. This is where free, accessible money advice services can play a key role in alleviating personal over-indebtedness and its wider consequences.

Supporting those who are over-indebted in Ireland: A brief history of MABS

Perhaps unsurprisingly, MABS was originally established in response to growing concerns in the 1980s over the prevalence of moneylenders in Ireland and the reliance on high-cost credit by low-income families and persons on social welfare. In 1992, the Government allocated £260,000 (€330,132) to set up five pilot projects in Cork City, West Clare, Limerick, Waterford, and West Dublin (Ballyfermot), and these became the first five offices of the national service now known as MABS. These five offices are still in operation today. On 22 September 1992, then Minister for Social Welfare Charlie Mc Creevey officially launched MABS. According to Mc Creevey's [press release](#):

“ Under the new scheme... the emphasis will be on identifying approaches that succeed in reducing dependence on moneylenders over the long term and are capable of being replicated on a wider scale.”

These pilots consisted of a pioneering bespoke money advice service that provided step-by-step support for clients facing situations of arrears, including liaising with creditors and setting up payment strategies, while also working with clients to find ways to maximise their income and develop sustainable household budgets. Today, there are [58 MABS offices](#) and the service is located in every county in Ireland.

As alluded to in the original MABS pilots, a high percentage of clients in the 90s and early 2000s were low-income households facing moneylender and [other small debts](#), such as utility arrears, court fines, catalogue debts, credit card debts and so on. In the years leading up to and immediately following the financial crisis in 2008, however, [that profile began to shift](#) – and more persons facing larger debts including mortgage difficulties presented at MABS for help. At the end of the day, MABS is accessible to all, regardless of income-level. During the period following the financial crash, MABS saw a massive increase in clients approaching the service, with a peak of nearly 27,000 new clients in 2011 alone. Since 2009, MABS has supported nearly half a million Helpline callers and clients in total.

Over the years, the 'MABS model' [has been recognised positively](#) in international and European settings, with EU neighbours exploring the transferability of the MABS model in other jurisdictions. At its core, the principles of social justice and human rights underpin MABS work. This involves ensuring that people can live with dignity whilst dealing with their financial difficulties and repaying debts. It is this attitude that shapes MABS work not just in terms of assisting clients on the coalface, but also outlining key [social policy contributions](#) that seek to end poverty and to address the structural causes of over-indebtedness.

Conclusion

It is important to note that while such individual-level interventions, provided by organisations such as MABS in terms of money advice and support for personal financial management, are significant, they are largely insufficient in the face of insurmountable contextual challenges, such as those caused by today's energy and cost of living crisis. Civil society organisations such as TASC in turn play an indispensable role in contributing knowledge and expertise in Ireland's research and policy landscape, and provide the innovative, outside-the-box thinking required to combat these rising challenges. Irish society moving forward is going to continue to need TASC, and the people-centred and solution-orientated policy research and advocacy TASC provides, perhaps even more than ever before. ●

A full list of references for this essay can be located on the TASC website @ <https://www.tasc.ie/publications/>

Building on 'the pockets of the future in the present' – towards a flourishing society

By Professor Mary Murphy



BIOGRAPHY

Professor Mary P Murphy is Head of Department of Sociology in Maynooth University and has published widely on social security, welfare states, power and civil society and ecosocial welfare. An active advocate for social justice and gender equality, she was a Commissioner on the Irish Human Rights and Equality Commission (2013-2107) and in 2019 was appointed by President Michael D Higgins to the Council of State. She co-edited *The Irish Welfare State in the 21st Century* (with Fiona Dukelow, Palgrave 2016) and authored *Creating an Eco Social Welfare Future* (Policy Press, May 2023).

Mary P Murphy is professor in the Department of Sociology in Maynooth University where she lectures and researches social security, welfare states, power and civil society and ecosocial welfare. An active advocate for social justice and gender equality, her book *Creating an Eco Social Welfare Future* will be published by Policy Press in May 2023.

'We are on a highway to climate hell with our foot still on the accelerator,' said Guterres the UN General Secretary at the start of COP 27, in Egypt. Despite the ominous evidence, dire warnings and clear wake-up calls of the 2022 Intergovernmental Panel on Climate Change (IPCC) reports, we have not done enough. COP 27 ended on Nov 19th 2022 with Guterres warning that planet Earth is still in the emergency room and that COP did not address the urgent need to drastically reduce emissions. Human-induced climate change is causing dangerous and widespread disruption to nature at a faster pace than previously estimated and already affects 3.3 billion people. Those least able to cope are the hardest hit and are likely to be even more vulnerable as carbon emissions intensify, pushing global temperatures above the critical level of 1.5 degrees warming. Our window of opportunity for action is closing.

Many feel a loss of hope in these dark times, especially as immediate pressures for action are somewhat over-shadowed by the savage invasion of Ukraine by the Kremlin. However, IPCC and other reports also offer hope. Lessons from the pandemic, and even from wars, show that humanity is resilient and can survive significant change. The nature of a transformative pathway to balance is heavily debated. Global reliance on growth and profit-oriented capitalism is incompatible with a flourishing society in which people enjoy higher levels of wellbeing, equality, care justice, responsive democracy and ecological balance (Dukelow and Murphy 2022). Many theoretically agree with this analysis, but find it difficult to practically imagine or engage with the scale of policy transformation required to shift to a postgrowth society.

Post-growth approaches to social policy challenge majority assumptions that technological innovation-based 'green growth' will be sufficient to adequately respond to societal and

ecological need (Hickel 2019, Jackson 2020). Even many who agree with a post-growth analysis reject 'fuzzy' or 'utopian' notions of 'post-productivist' worlds asking, quite reasonably, who would work, who would pay taxes and how much freedom and choice would people really have? Those who believe in the need for flourishing societies remain challenged to bridge the gap, in the spirit of pragmatic realism or real utopia, to demonstrate how the transition to a more balanced future eco-social or sustainable welfare paradigm might happen.

As the climate crisis unfolds and as the care and inequality crises deepen inevitable transformative change will happen. Crises do not necessarily deliver positive forms of transformation. They often accelerate the momentum of change that is already unfolding (Hogan et al Howlett and Murphy 2022). This means, what is happening now in ideational debate, in policy and in practice, will determine the direction of change. A post-growth compass can guide us to survive crisis and create a new eco-social system that capacitates us to live flourishing lives (McGann and Murphy 2022).

A flourishing society as a sustainable alternative

TASC, the Think Tank for Action on Social Change, has done much over the last 21 years to popularise and promote the concept of a flourishing society, a world without harmful political, social, economic and political activity. 'The Flourishing Society' (O'Ferrall 2011), published by TASC, articulated such a vision, and identified strategic and practical steps in that direction. Written after the 2008 great financial crisis in the context of what many perceived (and hoped) would be the collapse of the 'neo-liberal' economic model, there was much talk about sustainable alternatives. My own book, co-authored in 2011 with Peadar Kirby, *Towards a Second Republic: Irish Politics after the Celtic Tiger* (Pluto Press) also focused on a sustainable alternative and promoted the eco-social state as a viable pathway to transformation and a more sustainable and careful economy, society and ecology. A 2013 special edition of the *Irish Journal of Sociology*, following the tradition of *Real Utopias*, developed an Irish perspective to the theme of transforming capitalism towards a post-growth future (Murphy 2013).

Since then we have witnessed a pandemic, wars, the climate crisis and ever more desperate migration, all of which are challenging contemporary welfare policy. We cannot afford to wait for more crisis. We must now exercise our collective welfare imaginaries to move toward an ecosocial system. In doing so we are not starting with a blank sheet. Contemporary welfare state values and policies can inform such an imaginary and help shift towards paradigmatic post-growth alternatives. The pandemic reminds us of how much moral sentiments such as care, trust, and friendship and values, the principles of mutuality, reciprocity, redistribution, and co-operation, enable us flourish in our economic and social lives (Higgins 2021 p 280). Humanity is open to greater balance and can accommodate creative tensions that open up virtuous circles, and enable a more flourishing society, economy and ecology (Jackson 2021 p96, Hirvilammi 2020 p 97).

Raworth's concept of the Doughnut (2017) provides direction in how it promotes balance rather than growth as the essence of prosperity (Jackson 2021 p 80). Meeting material needs is a central value, but so is meeting the needs of identity, affiliation, role, purpose, belonging, friendship, self-actualisation, love, psychological health, and emotional well-being (Jackson 2021 p 80). Raworth (2017), however, cautions against specific policy prescriptions or institutional solutions, arguing that the speed, scale and uncertainty of change means attempts to prescribe policy are 'fool hardy'. She believes the future can only be developed through experimentation and discovery about what works in an environment of constant change (p 30). While accepting this logic, it is still the case that all journeys must nonetheless begin with first steps towards a desired direction of travel. Identifying those steps and the direction of travel can be usefully informed by values, these can underpin a new welfare settlement.

We need big imaginative ideas about the direction of travel but also capacity to define the smaller first steps in traveling down that route.

First steps

We need to build institutions, networks and platforms that help accelerate and sustain change, such as adaptive, highly connected, flexible, porous, cultural and creative institutions can support innovation and transformation (Leicester 2020 108). Reimagination of welfare needs to reconsider social policies as instruments for transitioning to a climate-resilient future with necessary adjustments to norms, behaviours and attitudes (Hilamno 2022). Decommodification is a central ambition for a post-growth eco-welfare state, while we need to reimagine freedom as collective rather than individual freedom. Care is the center of a sustainable welfare state that seeks to decommodify people and to give back to people time and agency for democratic and ecological participation. However, decent work, freely chosen, is also part of sustainable welfare; the 'right to work' offers freedom from poverty and entrapment. We need to fundamentally rethink the role of care, work, income, and services in a post-growth eco-welfare state. Coote and Percy (2020) focus on collective provisioning of needs through universal public services. Income supports can complement universal basic services, support participation in socially useful activity, and promote social inclusion. A Participation Income can act as a form of income guarantee, that when combined with universal public services, becomes a Social Guarantee (Coote 2021). Imagining funding welfare without the assumption of economic growth is challenging, but if we tax wealth, pollution and high-value consumption, an ecosocial welfare regime is affordable and realistic.

Some of these values and related policies are already part of contemporary welfare – they are hiding in plain sight (Stamm et al 2020). We can identify 'pockets of the future in the present' (Leicester 2020) in pre-pandemic and pandemic era social policies that support care, democracy, equality and the nature of community and citizenship. We can build on these 'glimmers of hope' – remote working and four-day weeks, e-health, community-based reciprocity and mutual aid, a greater value of essential work and workers, and universal forms of income support that decoupled income and work (Gough 2020). These 'glimmers' are not fuzzy. They offer a tangible sense of what we might expect to find in a flourishing society. Existing values, knowledges, policies and practices can inform our transition to a world where work is decoupled from income; where care is shared equitably; where everyone matters and no one is left behind.

Combined, universal basic services, participation income and enabling institutions, can frame a new welfare settlement for a flourishing society (McGann and Murphy 2021). The changing nature of work requires the 'disarticulation of a whole complex of income, work, security, housing, pension that binds together contemporary welfare states' (Pierson 2021). There are generational and gendered challenges in determining who is cared for and who cares. Shifting the focus of welfare from redistributing the fruits of economic growth to ensuring that available resources are distributed equitably and used to enhance our capacity to live sustainably requires political imagination and courage. Configuring this eco-social welfare state means contestation: 'losses of privilege are always more keenly felt than rather generalised increases in well-being' (Pierson 2021 134). Given power is already stacked towards the wealthy, this will require considerable mobilisation from below and a high-energy democracy characterised by participative and deliberative democratic processes, the bedrocks of a flourishing world. ●

Mary P Murphy is the author of *'Creating an Ecosocial Future'*, forthcoming, Policy Press, May 2023

Bibliography

- Coote A (2021) Towards a Sustainable Welfare State: the Role of Universal Basic Services, *Social Policy and Society* 1-15 <https://tinyurl.com/2p8kr4jx>
- Coote and A. Percy, *The Case for Universal Basic Services*, London, Polity, 2020.
- Dukelow F. and Murphy M (2022) Building the future from the present: imagining post-growth, post-productivist ecosocial policy *Journal of Social Policy*
- Gough, I. (2017). Heat, greed and human need: Climate change, capitalism and sustainable wellbeing. Northampton: Edward Elgar
- Gough I (2020) In times of climate breakdown how do we value what matters <https://www.oupdemocracy.net/en/oureconomy/times-climate-breakdown-how-do-we-value-what-matters/>
- Hogan, J, M Howlett, MP Murphy (2022) Re-thinking the coronavirus pandemic as a policy punctuation: COVID-19 as a path-clearing policy accelerator, *Policy and Society*, Volume 41, Issue 1, March 2022, Pages 40–52, <https://doi.org/10.1093/polsoc/puab009>
- Higgins M.D (2021) Recovering Possibilities discovering the rich promise of amoral foundation to economy and society, *Irish Journal of Sociology* 29 3 274-281
- Hiilamo, H., and Komp, K. (2018) 'The case for a participation income: Acknowledging and valuing the diversity of social participation', *Political Quarterly*, 89, 2, 256–261
- Hickel J (2022) *Degrowth; less is more how degrowth will save the world* London William Heinemann –
- Hirvilammi T and Koch (2020) Sustainable Welfare beyond Growth: *Sustainability* 2020, 12, 1824; doi:10.3390/su12051824
- Hirvilammi T. (2020), The virtuous circle of sustainable welfare as a transformative policy idea, *Sustainability*, 12(1), <https://doi.org/10.3390/su12010391>
- Jackson T. (2021) *Post growth Life after capitalism* London Polity
- Kirby P and Murphy M.P 2011 *Towards a second republic Irish Politics after the Celtic Tiger* London Pluto
- Leicester G 2002 *Transformative Innovation A guide to proactive and policy for system transformation* , Milton Keynes Triarchy Press
- McGann M and Murphy MP 2022 Editors Introduction to Sustainable Welfare special issue of *Social Policy and Society*
- Michael McGann M and Murphy M (2021) Income Support in an Eco-Social State: The Case for Participation Income *Social Policy and Society*
- Murphy M (2013) Translating degrowth into contemporary policy challenges; a symbiotic social transformation strategy *Irish Journal of Sociology* 21 (2) 76-89
- O Ferrall F eds 2011 *Towards a Flourishing Society*, Dublin TASC
- Pierson C (2021) *The Next Welfare State: UK welfare after Covid 19*, Bristol Policy Press
- Raworth, K. (2017). *Doughnut economics. Seven ways to think like a 21st-century economist*. London: Random House
- Stamm M.A. Hirilammi T, and Narhi K (2020) Combining Labour Market and Unemployment Policies with Environmental Sustainability? A cross national study on ecosocial innovations. *Journal of International and Comparative Social Policy* 36 (1) 43-56
- Timms H and Heimans J (2018) *New power how it is changing the 21st century and why you need to know* Basingstoke: Pan Macmillan
- Ungar (2009) *The Left Alternative* London: Verso,
- Wiggan J 2017, 'Contesting the austerity and "welfare reform" narrative of the UK Government: Forging a social democratic imaginary in Scotland', *International Journal of Sociology and Social Policy*, vol. 37, no. 11-12, pp. 639–654. <https://doi.org/10.1108/IJSSP-04-2016-0050>

Breaking up cosy epistemic policy-making

By Professor Peadar Kirby



BIOGRAPHY

Peadar Kirby is Professor Emeritus of International Politics and Public Policy, University of Limerick and a visiting professor at the Universidad de Valencia, Spain. He has lived in Cloughjordan Ecovillage since 2009 where he served on the board of directors from 2015-19 and is currently coordinator of the education programme. His latest books are *Karl Polanyi and the Contemporary Global Crisis: Transforming Market Society in the Era of Climate Change*, Foreword by President Michael D. Higgins (Bloomsbury, 2021) and, co-authored with Tadhg O'Mahony, *The Political Economy of the Low-Carbon Transition: Pathways Beyond Techno-optimism* (Palgrave Macmillan, 2018). He is currently writing a book entitled *Athrú Treo: An Ghaeilge sa Trasnú go Sochaí Iar-Charbóin*.

TASC arrived like a breath of fresh air in Ireland's staid and predictable policy-making circles. It's difficult now to remember the safe neoliberal policy consensus that reigned at the time. Critical intellectual voices (from academia, the voluntary sector and beyond) were kept distant from influencing policy and where, through social partnership, such voices found their way within the policy-making tent, they were quickly and forcefully marginalised. TASC helped to change all that.

Of course, it wasn't the only critical voice. Social Justice Ireland, in its varied incarnations, had been a lone critical voice on social policy since the 1980s and the Nevin Institute was established after TASC with a more exclusively economic focus. While the work of all three think tanks has made a huge contribution in providing a much wider range of data and a more critical assessment of Irish policy thereby challenging the prevailing consensus, TASC has made a very distinctive contribution.

From its inception, TASC reached out to critical analysts and commentators, thereby drawing together and amplifying what up to then had often been rather isolated voices with little impact. Certainly, this was my experience; I still remember my excitement at the advent of the Progressive-Economy blog and the encouragement given to contribute to it. Issues were opened up in this forum that brought a new vigour and range to the ways that social and economic change were debated. In time, these were to emerge into different streams of activity, indicating the breadth of the agenda that TASC was willing to take on.

For me, of central importance was putting the focus on inequality and examining its corrosive social impacts. In a policy environment dominated by largely quantitative debates about poverty and its reduction, debates that had grown stale and predictable, TASC's interest in equality brought issues of power – economic, political and social – back into focus. The significance of this was that it allowed a critical focus on the structuring of society as a whole, something an exclusive focus on poverty had served to hide.

Perhaps the most ground-breaking expression of this focus was the H.E.A.P. (Hierarchy of Earnings, Attributes and Privilege) published by TASC in 2009 and supported also by the ICTU and the Social Sciences Research Centre at NUI Galway. This work, by the late Terrence McDonough and Jason Loughrey of NUI Galway, produced a series of charts representing the income distribution of Irish households broken down by household type and by occupation. It also focused on the effect of government benefits and taxation on inequality, the role of welfare payments, gender characteristics and the effect of education.

Published just as the Irish economy was dragging Irish society into its most severe recession in many decades, this work got to the heart of how inequality had contributed to the crisis. As the authors concluded:

Studies show that we did not use the benefits of the boom to reduce the level of inequality. On the contrary, the distance between those at the top and those at the bottom has widened. This widening inequality has played a role in our current crisis by encouraging the expansion of unsustainable consumption levels and debt, while tax rates have been cut below those which could sustain decent public services.

These few sentences exposed the essence of the Irish model, a model that over previous years had been lauded at home and abroad as a unique success case in the context of globalisation. Few remember now former Progressive Democrat leader Mary Harney presenting the option of Boston versus Berlin, shorthand for the Anglo-Saxon lightly regulated free market model versus the more stakeholder and better regulated model of continental Europe, with Ireland lauded as a stellar exemplar of the former. Never debated in any public fora but widely promoted by the media as evidence of our national success, its hubris was cruelly exposed by the financial crash.

What has remained unique about TASC is its ability to join the dots as it were between issues that may seem largely unrelated. An important example is Paul Sweeney's work on the contribution of state companies to the economy and to society, and the consequences of their privatisation. It is a testimony to TASC that it realised the importance of such analyses even when the prevailing ideological consensus was largely dismissive.

Valuing the public space and the institutional features that help strengthen and underpin it, flows directly from the shift in focus from poverty to inequality. For the former can sit very comfortably within a neoliberal paradigm promoting special focused programmes for different groups of the 'disadvantaged' or 'excluded' but lacking any critical awareness of the structural forces causing such disadvantage and exclusion. A focus on inequality forces one to lift one's eyes to society as a whole, bringing those sectors who benefit from its structuring into focus. More than any other group in Irish society, TASC kept this clear focus and backed it up with a wide range of different scholarly contributions.

This was very evident in TASC's *The State We Are In: Inequality in Ireland 2020*. Not only did it very tellingly critique the dominant measure of inequality, the Gini coefficient, for its failure to reveal who is gaining or losing over time, but it went on to expose some hard realities that characterise income inequality in Ireland. For it showed that behind the apparent stability in levels of inequality lies a significant growth in the share going to the top 1 per cent of income earners. This showed how important it is to shine a light on the very top of the income distribution rather than obsessing about the poor. As a result, the fact of Ireland's high levels of market inequality, namely the distribution of incomes before taxes and transfers, has for the first time come into sharp focus.

As well as a focus on the numbers, TASC's work has given us some important insights into the attitudes of the wealthy and how they perceive their place in society. Its comparative study of attitudes in Ireland, the UK, Sweden and Spain revealed high levels of economic insecurity among

the top 10 per cent of income earners here which raises fascinating questions about how even those who benefit most from a highly neoliberalised market economy still feel the insecurities it generates. This is perhaps most marked in Ireland due to the fact that it has never experienced a period of social democratic governance with a sustained focus on strengthening public provision.

Values are also to the fore in TASC's ground-breaking work on the care economy and how it contributes to gender-based inequalities. The contradictions revealed between the social valuing of care and yet the precarious pay and conditions of many care workers was striking, especially that Ireland relies more than any other European country on unpaid care work. This work shone a focus on the poverty of Ireland's public provision of care and the deeply gendered inequalities that result.

TASC's work on inequality has therefore grown and expanded since its inception, significantly broadening and deepening public awareness and debate. No longer can Ireland be credibly held up as a model of developmental success as was the case when TASC was established. Among the strengths of TASC's approach has been its placing of Ireland in a comparative context, greatly facilitated by its collaboration with the Foundation for European Progressive Studies (FEPS). While comparative data had previously been available, TASC has shown the value of comparative qualitative and quantitative studies.

From its inception TASC has been more than simply a provider of ground-breaking analyses and has itself fostered a broad community of activists, scholars, and political actors of different kinds (within politics, the NGO sector and the trade unions). As well as joining dots intellectually, then, it has created a unique network and helped draw politicians and policy-makers into debate in a way that had been rare. The attention of media, policy makers and political parties to the outputs of TASC's work is a testimony to its impact. ●

Peadar Kirby

*Professor Emeritus of International Politics and Public Policy, University of Limerick Education
Coordinator, Cloughjordan Ecovillage*

How to live well together – Ireland's role as a wellbeing nation

By Sarah Davidson



BIOGRAPHY

Sarah Davidson is Chief Executive at Carnegie UK, which seeks to improve the lives and wellbeing of people across the UK and Ireland, through influencing public policy and practice.

She joined the Trust in 2019 after a 25 career in the Civil Service, latterly in Director General roles in the Scottish Government.

Sarah was made a CB for public service in 2019 and is a Fellow of the RSA. She lives in Edinburgh and works across the UK and Ireland from Carnegie's UK base in Dunfermline.

It is something of a cliché to start an essay by saying that Ireland is at a crossroads. But right now, the world around us is changing in ways that mean the time is right to rethink what it means to be a successful nation.

As we celebrate twenty one years of TASC, we are also celebrating the coming of age of an idea that TASC and others in Ireland have nurtured for a generation: the idea that we can and must aspire to more than growth if we want our societies to flourish.

At Carnegie UK we call this flourishing 'collective wellbeing': put simply, this concept means everyone having what they need to live well now and in the future. Our model calls for a rebalancing of Social, Economic, Environmental and Democratic wellbeing (SEED) so that each is treated equally in policy considerations.

In doing so, wellbeing advocates actively challenge the growth model that has dominated economic and social policy for 40 years. This model has been associated with deepening inequalities and significant harms, for example the psychological impact of debt-based consumption. What is more, we know that events which negatively impact wellbeing, such as natural disasters, natural resource depletion, crime, and divorce, can impact positively upon GDP. With the recent shocks to our economic, health and financial systems coming on top of pressing ecological questions about the sustainability of our dominant development model, the debate about how we measure performance and support wellbeing and social progress has taken on a new urgency.

Internationally, there has been an evolving interest in, and analysis of, wellbeing and the social, economic, environmental, and democratic factors that contribute to it. Many, like the Wellbeing Economy Governments in Scotland, Wales, New Zealand and Iceland are taking steps to more closely align what they measure with policy design and outcomes. Ireland is taking its place

in this field too, setting out a Wellbeing Framework and exploring new ways of policy making¹. These are the first steps to embedding a wellbeing approach in governance.

Collective wellbeing in Ireland

Compiling statistics on social progress in a way that allows comparisons to be made across the traditional boundaries of professional and population groups allows for a more nuanced conversation to take place about whether things are getting generally better or worse in Ireland.

While it is always tempting to explore comparisons between countries, wellbeing data is best explored over time within the same country, as what wellbeing means is dependent on contexts of time and place. From the data available, we can see that there is a mixed picture in Ireland:

- In relation to social wellbeing, physical health, mental health, and life satisfaction have all been improving, although there are concerns about children and young people's happiness, and the rising murder and road death rates.
- In relation to the economy, again many of the indicators show positive change including those relating to poverty, unemployment, and earnings.
- In relation to the environment, only the indicator on energy efficient dwellings is improving. Those on pollution, water quality and greenhouse gas emissions are all going in the wrong direction.
- In relation to democracy, there is a steady level of satisfaction with democracy in the country, but more people report feeling discriminated against now than was the case five years ago.

No government's selection of indicators is perfect, but we note that Ireland has followed the trend of other countries of providing more 'space' within the framework for social and economic indicators (17 and 10 respectively), than for environmental and democratic ones (5 and 2 respectively). If Ireland is to truly rebalance decision making in favour of other considerations, some rebalancing of the framework indicators may be wise.

Similarly, these 'top line' statistics also tell us very little about how different groups experience wellbeing across the population. In future, far more attention will require to be paid to the differences between population groups, as the aggregate statistics can hide the extent of marginalisation and social exclusion experienced by those with protected characteristics and experience of poverty, particularly where these are intersectional.

Shifting the dial

The Government of Ireland clearly recognises that monitoring indicators is necessary, but not sufficient, to achieve a wellbeing approach to decision making. However, we wonder if those involved yet appreciate the scale of change that a wellbeing approach can entail.

Our work in Scotland and Northern Ireland, along with our international research, illuminate the long-term culture change required to embed wellbeing in policy practice. For example, so many tools employed by governments directly or indirectly call on civil servants to make assessments in terms of narrow cost-benefit calculations. Non-economic assessments of long-term costs and savings are viewed with suspicion, although we know the significant impact of failure demand on the public purse. Furthermore, a wellbeing approach requires more humility in policymaking; learning about what will improve collective wellbeing requires active co-production with communities, rather than top-down and one-size fits all solutions.

¹ <https://www.gov.ie/en/campaigns/1fb9b-a-well-being-framework-for-ireland-join-the-conversation/>

This is why the Welsh duties to report on and improve the wellbeing of future generations include statutory requirements to adhere to new 'ways of working'. From our own work, we have developed an evidence-based set of "Wellbeing Tests" that we apply to policies when asked to consider whether they will contribute to bringing about the conditions for collective wellbeing:

- Give people voice and choice: recognising that wellbeing cannot be 'done to' people, it has to be done by and with them.
- Recognise relationships: understanding the importance of human relationships and social connectedness.
- Promote dialogue: encouraging conversations and interactions between diverse communities, sectors, and professions.
- Support subsidiarity: advocating local decision-making which reflects the needs and priorities of people living in a place.
- Enhance transparency: opening up access to knowledge, data and evidence to support people themselves taking action on wellbeing.
- Tackle poverty: knowing that people need to have their basic needs met before they can improve other aspects of their wellbeing.
- Further equality: knowing that wellbeing cannot flourish when there is inequality between people and communities.
- Focus on long-termism: safeguarding the collective wellbeing of future generations.

These "Wellbeing Tests" are not things that can be 'bolted on' to the existing structures for policy making; the new approaches must be built into policy making from the outset.

When we worked with local government in Northern Ireland to embed wellbeing, we were struck by the fact that, given the choice, the Community Planning Partnerships focused less on discrete 'activities', and more on relationship building with each other and with their communities and citizens. These building blocks for successful later interventions are too often missed out of policymaking.

Embracing collective wellbeing

Our aspirations for Ireland over the next twenty years are that the government should fully embrace all dimensions of a wellbeing approach, supported by a community of interested partners including TASC and other non-governmental organisations.

As countries innovate in the wellbeing field, they are learning by trial and error, by iterating, and by sharing their experiences with each other and with the wellbeing movement. Ireland should take its place amongst this community, actively contributing to the development of a new approach to governance fit for the twenty-first century. ●

Beyond Capitalocentrism in Education – Care Matters



By Professor Kathleen Lynch

BIOGRAPHY

Kathleen Lynch is a sociologist, Professor Emerita of Equality Studies at University College Dublin (UCD), and an Adjunct Professor in the UCD School of Education. She has worked over many years to promote equality and social justice through research, education and activism. Her teaching and research are guided by the belief that the purpose of scholarship and research is not just to understand the world but to change it for the good of all humanity. She was awarded the President of Ireland prize for her scholarly work on equality by the Irish Research Council in 2019 and appointed a Commissioner of the *Irish Equality and Human Rights Commission* in 2020.

“Altruism does not emanate from our genes or fall from the sky. It is socially and culturally constructed, economically and politically reinforced.”

(Nancy Folbre: 1994: 250).

Unless scholars and policymakers pay attention to what conditions foster the development of human capabilities that underpin caring, cooperative and solidaristic relationships, concern for equality, social justice and sustainability cannot grow or develop either in public consciousness or in practice.

To bring a caring social-justice-oriented democracy to life politically (Tronto 2013, 2017) it must also be brought to life educationally, intellectually *and* habitually. People must become practised in living by social justice principles to become morally invested in them and motivated to act accordingly. To think in a *carecentric* and *social justice-oriented* way one must learn to practice care and solidarity, not just learn about it in theory. This is a major challenge in a global order where so much educational practice is guided by market rationality and competitive individualism, and where little thought is given to exploring how education could enable people to act in solidaristic or care-led terms. There is little attention given to how relationality and interdependency are endemic to the human condition, and the implications of this for both the theory and practice of education (Lynch, Cantillon and Lyons, 2007; Wals 2020).

Formal education is a public good, worthwhile in and of itself, not least because it is indispensable for realising other rights including the right to work, the right to contribute to cultural life and to engage in political participation. In a world where UNESCO (2022) estimate that 84 million children, adolescents and youth will still not be attending school by 2030, accessibility to quality education matters greatly.

But schooling and college life teaches more than what is taught on the formal curriculum. Schooling is a social practice, a habitual experience that frames young people's conception of themselves and their capabilities; it has a hidden curriculum (Lynch 1989). Students learn dispositions and values *implicitly* through habituation, the simple practice of repeating the same activities, and receiving the same 'framing' as a human being, every day for most of their formative years in school and college (Bowles and Gintis, 1976; Bourdieu and Passeron 1977).

Education for Neoliberal Capitalism

The belief that education's primary purpose is to produce human capital is deeply integrated into nation state policy-making, and the lexicon of global education (Mundy, Green, Lingard and Verger 2016). The OECD, the World Bank and the European Commission¹ have defined education as a mechanism for producing human capital²; The first citizen-to-be-educated is *homo economicus*. The goal is to produce a market-ready cosmopolitan worker, who will service the economy (Masschelein and Simons, 2002, 2015; Peters 2016). At the personal level, successful education is defined in terms of certified human capital acquisition, being skilled for the economy and becoming 'resilient' 'flexible' 'lifelong learners' who, in turn, become successful market producers and consumers, contributing to growth, regardless of the environmental destruction that incessant consumption and growth engender (Wals 2020).

The human capital model commands individuals to have a productive and entrepreneurial attitude to themselves. The concept of the 'entrepreneurial child,' displays the penetration of market logic into formal education, even at the primary level (Bergdahl and Langmann 2018: 310).

The Hidden Curriculum: Humans as Human Capital

In a human-capital driven education system, knowledge is defined as a private resource, a form of personalised credentialised capital that ends in a grade that has a defined market value in career terms. As children and young people are ranked and graded, ordered and stratified incessantly, in terms of how successful they have been in acquiring human capital. (Mau 2019), they spend most of their working time in school practising outcompeting others.

What has happened over time is that a pre-existing rationalist-individualist (Cartesian)³ model of the human person has been aligned with a human capital model of education, which has, in turn, been built on a meritocratic myth (Lynch 2022: 115-133). It is assumed that educational attainments (high grades) are pure indicators of individual talents and hard work, and that those who compete successfully for human (cultural) capital, namely educational credentials, should be rewarded most. This is in spite of compelling evidence from Ireland and elsewhere that it is the most privileged, economically and socially, who become 'meritorious': the owners of wealth and the owners and controllers of cultural and social capital in Ireland and elsewhere are deeply overlapping (Bourdieu and Passeron 1977; Bourdieu 1996; Courtois 2018; Kennedy and Power 2010; Mau 2015).

As the amoral principle of competition is mandatory in a meritocratic system, documenting scores, educational attainment and rankings have become an industry in itself, an industry increasingly fed by private market tutoring (Muller 2018). The more successfully students hoard knowledge to excel in examinations, the higher their grades relative to others, and the greater their competitive advantage. As energy and time must be devoted to competing, and documenting institutional and/or personal achievements, student and staff idealism for working in the public interest rather than self-interest is diminished, (Lynch 2015).

1. The EU Reference Framework (2018) lists eight key competences for Lifelong Learning most of which are focused on employment-related skills <https://www.eurc.eu/BasicTexts/2018-09-D-69-en-1.pdf>

2. The value of investment in education is defined by the lifetime earnings of educated labour. (for a critique see Marginson, S. (2019). Limitations of human capital theory. *Studies in Higher Education* 44(2): 287-301. <https://doi.org/10.1080/03075079.2017.1359823>

3. René Descartes, *I think therefore I am*

Though the hierarchal ordering of people through examinations is task-specific, it has a universalising effect, defining the young person holistically as a greater or lesser human-type (A/D Grade, First/Second Class, top 1%/bottom 20%) thereby creating a hierarchy of human worth that is deeply class-divided. This fuels the myth of meritocracy and exceptional talent, fostering a mistaken belief that only a minority of talented (market-valuable) people exist (Sandel 2021). Apart from its impact on individuals, the myth of merit overrides and weakens other cultural and political values, crowding out debates about equality, human need and social justice (Mijs 2016: 23-6). In the longer term, it provides a rationale for unjustifiably high salaries, bonuses and rewards for a small number of already privileged people in later life.

The Moral Price of Capitalocentric Education

While not doubting the value of having competitions to incentivise people to improve their musical, artistic, literary, scientific or technical capabilities, pervasive and prolonged meritocratic competitions come with a high moral price.

When there are competitions, there are winners and losers. The meritocratic myth keeps the competition alive, encouraging many to compete in a game they cannot win; this leads to arrogance among the so-called winners, and humiliation and resentment among those who lose (Young, 1961; Sandel 2021).

While highly technically skilled people are produced in so-called meritocracies, most of those who qualify are not concerned with promoting fundamental moral and civic values (Sandel 2021: 192). Merit drives out solidarity producing the hubris of the elite and political disillusionment and disengagement among those who are 'failed' literally and symbolically. The political outcome of this systemic failing is evident in the rise of the new white right, drawn disproportionately from the ranks of the educationally disillusioned and dismissed (Hochschild 2016; Rossenbaum 2017; Sandel 2021).

Critical Education: Beyond Naïve Intellectualism

A critical and liberatory educational model is sometimes presented as an alternative to the neoliberal market-led model of education. While critical education is necessary, the rationalism underpinning the critical model, operating alone, also has limitations. It assumes that if the epistemic assumptions that people hold about truth and non-truth are altered, then their ethical and political dispositions will change. This reflects a naïve intellectualism, that you can create solidaristic, sustainably-minded, caring global citizens by just giving them the 'right ideas' (Medina 2013). Knowing fundamental moral and political principles does not mean people will regard them as absolute and universalizable (Ellsworth 1989; 316). Most importantly, if people are not rewarded, especially at a formative stage of life, for *living by* (not just knowing) values and principles such as care and social justice, allegiance to these will operate at an abstract level at best; it is unlikely they will become embodied and habitual dispositions (Medina 2013).

A purely intellectualistic approach to social change ignores the problem of habituation and how habit hard-wires people both to think and to be, by doing. People's conceptual framing of how the world works and what matters is not governed solely by neat cognitive framing. What people are hardwired to see, feel and notice about the world and its politics is not governed by reason alone (Lakoff 2008). Critical thinking is vital, but on its own is not necessarily empowering or enabling of social action. It may even cultivate a sense of hopelessness, apathy and powerlessness, something Freire (1970) highlighted in making the case for critical education as praxis (theory linked to action). As Wals has noted, 'If education only focusses on understanding, awareness and becoming critical, without creating possibilities to act, it can easily become doom-and-gloom education or education that prepares for the 'end of the world' which likely will cultivate hopelessness, apathy and even depression' (Wals 2020: 826).

Domain assumptions (how one lives) impacts strongly on paradigmatic (theoretical) assumptions about what matters. When winning competitively is a way of life, it becomes a mindset and a way of engaging with the world in one's own interest. Strong neoliberal subjectivities are developed *through habitually practicing* competitiveness in education, even if this is not intentional (Apple 2013, Peters 2016).

Changing the frames and concepts through which people know and interpret the world, and translating this knowing into action, is a complex process that is highly contingent and driven by strong emotions and by learned habits and dispositions (Ahmed 2004; Lakoff 2016 and Wehling). What people *feel* about a subject, a principle, or a value plays a key role in determining political choices. When voting, for example, poor people often vote for conservative politicians as the latter convince them emotionally that they have their best interests at heart, that they care for them even if their day-to-day policies contradict this. Voters often identify with the person emotionally (as white working class men identified with Trump (see Hochschild 2016), even if the policies he pursued did not serve their economic interests (Lakoff and Wehling 2016).

There is no linear progression from having reasoned knowledge about social (and environmental) injustices, defining these as subjects for action, and engaging in action to address the injustices. People may know intellectually what they could do to address social and political injustices, but this does not mean that they feel compelled to act on this knowing, even where action is feasible and within their means and capabilities.

The mistake intellectuals (in academia, media, policy and elsewhere) make is to think that by changing the epistemic, the ethical and the political will follow, whereas in fact people's concepts and cognitions may not control all their emotions, moral choices and political attitudes (Medina 2013: 85).

From Capitalocentric to Carecentric Relational Education

Dominant ontological and epistemological educational paradigms are built on problematic presumptions about the human condition: they presume an atomistic, rationalist and self-referential self, ignoring the endemic interdependency and relationality of being human (Fineman 2004; Puig de la Bellacasa 2012, 2017; Noddings 2013; Herring 2020). As schools and colleges treat the educational subject as a source of market potential, an embodied form of human-capital-in-the-making, young people are habitually hardwired to the market model of the self as a self-interested atomistic consumer who succeeds by outcompeting others.

Keeping human capital at the gravitational centre of meaning-making precludes alternative thinking (Gibson-Graham, Cameron and Healy 2016; Lynch 2022). It leads to a situation where the description of *what is* becomes a prescription for *what is possible*. Human relations become defined in transactional and instrumental terms; every encounter, including educational encounters, are measured in terms of loss or gain to one's personal stock of capitals.

Such a world view peripheralizes an appreciation of the necessary work involved in co-creating one another in our humanity. It blinds people to the importance of the *relational education* required to create and sustain people as *homo curans* (caring person). (Tronto 2017; Vandenberghe 2018; Wals 2020). There is a need to move beyond a model of education that makes children and adults instruments of capital, where the role of moral judgement and concern for others is marginalized in educational thinking, in organisational norms, and in assessment practice. Students need to learn how to think *and to act* relationally, in a deeper and more caring way, be it in terms of other humans, other species or the environment (Wals 2020). ●

Corporate tax avoidance – a “long-term romance” incompatible with climate justice

By Clodagh Daly



BIOGRAPHY

Clodagh Daly is an environmental justice researcher and campaigner based in Dublin. She holds a Master's in Public Policy, with a focus on Environmental Policy, from University College Dublin, and acted as campaign coordinator in the successful 'Climate Case Ireland.'

In 2016, following findings by the European Commission that Ireland granted “illegal tax benefits” of \$13 billion to Apple,¹ the company's CEO, Tim Cook, told Irish radio audiences “*We've been committed for 37 years, we have a long-term romance together and I'm pretty confident that the Government will do the right thing.*”² Though the Irish Government supported Apple's ultimately successful appeal against the European Commission's decision, the case generated a renewed sense of urgency around discussions to address corporate tax avoidance. As a result, Ireland endorsed the OECD's 15% global minimum corporate tax rate in 2021, which is expected to come into effect in 2023.³ However, multinational companies can continue to avail of loopholes in Ireland's corporate taxation regime to reduce their tax liability. As the climate crisis accelerates, governments need sustainable revenue to meet their human rights obligations by financing a just transition. Yet corporate tax avoidance undermines efforts to remain within a (swiftly approaching) 1.5°C temperature threshold and diminishes states' capacity to transition - in Ireland and abroad. Ireland's “long-term romance” with multinational capital is accordingly incompatible with climate justice.

Ireland, the “Wild West of European Finance”

Ireland has been recognised as a tax haven by the European Commission⁴ and bodies within the US Congress.⁵ Globally, an estimated \$245 billion per year is lost to corporate tax avoidance,⁶ and Ireland is estimated to be the number one profit-shifting destination “accounting for more than \$100 billion alone.”⁷ The primary mechanisms for corporate tax avoidance occur within:

- a) **Transfer of Intellectual Property (IP) to Ireland:** Intellectual Property assets, such as copyrights, patents, and trademarks, can be assigned to a subsidiary company registered in Ireland, while the company is operated from elsewhere. The company pays its subsidiary for use of the Intellectual Property and capital allowances can be claimed against 80% of the income generated by those assets during the year. (Companies that transferred Intellectual Property assets to Ireland prior to 2017 can claim capital allowances against 100% of the income generated by IP assets during the year).⁸ In 2015, thirteen of the highest-earning companies in Ireland paid less than 1% in corporate tax, and eight companies claimed a 0% rate.⁹

b) Bilateral tax treaties: Ireland has signed 73 effective tax treaties with nations around the world, including Malta. Through the “Single Malt” a company’s sales income can be transferred into Ireland and then relocated to Malta, where international corporations pay 5% corporation tax - the lowest corporation tax rate in the EU.¹⁰

It is perhaps worth noting that there is little evidence to support claims that tax cuts attract investment. For example, the World Economic Forum (WEF) produces an annual Competitiveness Index report,¹¹ which ranks 144 countries based on 12 pillars of competitiveness, including institutions, infrastructure, health and primary education, and higher education and training. The merits of country “competitiveness” aside, the majority of the 12 pillars require significant public investment – i.e. tax. Corporate tax avoidance doesn’t make Ireland more “competitive” – it redistributes wealth upwards at the expense of essential public services such as schools, public transport, social housing, the judicial system, and hospitals.

Undermining efforts to remain within 1.5°C

Climate change is ultimately a crisis of wealth inequality. According to Oxfam, the wealthiest 1% of the world’s population is responsible for more than double the emissions of the poorest half of humanity.¹² As Jessica Green notes, “increased corporate wealth means increased emissions.”¹³ This is because increased corporate wealth can be leveraged to undermine climate policy and legislation,¹⁴ invest in carbon-intensive activities,¹⁵ or increase shareholder wealth at the expense of frontline workers¹⁶ (thus reinforcing inequality). Furthermore, certain multinational companies based in Ireland contribute disproportionately to the climate crisis. For instance, Microsoft and Google, which contribute little to Ireland’s corporate tax receipts¹⁷ have deployed their technologies to enhance the innovation and profitability of the fossil fuel industry.¹⁸ In addition, the Coal Marketing Company, while domiciled in Dublin, is responsible for the global sales of coal from the contested Cerrejón coal mine in Colombia.¹⁹ In 2017, the company paid €9.2 million in tax in Ireland. Were it located in Colombia, where the corporate tax rate is 34%, it would have paid closer to €25 million.²⁰

Undermining Ireland’s capacity to transition

Ireland’s 2021 Climate Action Plan²¹ estimates that investments of €125 billion will be required by 2030 to finance the transition - about €14 billion per year. Ireland’s budgetary watchdog, the Irish Fiscal Advisory Council, has warned that the government is not budgeting for climate action.²² Yet, it is estimated that Ireland’s current approach to corporate tax costs the exchequer **\$14 billion per year**.²³ It is evident that a progressive corporate taxation regime could finance Ireland’s transition to a completely decarbonised economy and society. Moreover, significant public investment to progress Ireland’s transition is dangerously overdue. Ireland has one of the highest levels of greenhouse gas emissions per capita in Europe, and contrary to the long-standing recommendations of the Intergovernmental Panel for Climate Change, Ireland’s emissions continue on a rapid upward trajectory.²⁴ However, inequality *within* countries (as opposed to *between* countries) now represents two-thirds of global emissions inequality.²⁵ This global trend is reflected in Ireland, where responsibility for emissions is deeply uneven - the top 10% of the population contributed about a third of Ireland’s cumulative carbon emissions between 1990 and 2015.²⁶ It is essential therefore that comprehensive social protection policies are sustainably financed throughout the transition to protect the rights of those who have contributed least to the climate crisis. Upscaling public investment, via corporate taxation, can catalyse deep, rapid, and sustained reductions in emissions, while reducing wealth inequality and protecting those most vulnerable.

Undermining developing countries' capacity to respond to climate change

The United Nations Framework Convention for Climate Change formalised the international environmental legal principle of "Common But Differentiated Responsibilities" which established that all countries are responsible for addressing climate change, yet are not equally responsible. In 2009, developed countries, including Ireland, committed to (collectively) providing \$100 billion per year to developing countries by 2020. Yet developed nations have fallen far short of the \$100 billion pledge.²⁷ In 2019, Ireland contributed over €93 million in climate finance,²⁸ while the Overseas Development Agency estimated that Ireland should contribute \$364–900 million a year (depending on which metric is used to attribute fair share).²⁹ However, corporate tax avoidance in Ireland vastly overshadows Ireland's estimated fair share of climate finance contributions. The Tax Justice Network calculates that Ireland's corporate tax regime inflicts losses of over \$19 billion per year on other countries. This represents a significant dispossession. Such losses undermine the capacity of developing countries to raise revenue and invest in public services and infrastructure, such as insulated housing, efficient energy systems, and public transport. By compromising the capacity with which states are able to respond to the challenges of the climate crisis, Ireland's approach to corporate taxation represents a "legal recoding of colonial plunder."^{30 31}

“Fairness in corporate taxation is not a corporate responsibility; it is the responsibility of the nation states.”³²

Tax policies reflect society's regard for values of reciprocity, solidarity, and distributive justice. Ireland's "long-term romance" with multinational companies engaging in tax avoidance reinforces and reproduces inequalities, threatens our prospects of remaining within 1.5°C, and diminishes the capacity of Ireland and other states to transition. Addressing corporate tax avoidance through a unified approach to transparency,³³ country-by-country reporting, and the establishment of a United Nations tax convention³⁴ are essential preconditions to achieving climate justice. Like climate change, no country can address corporate tax avoidance alone – but Ireland contributes disproportionately to the problem, and must play its fair share. The global race to the bottom of corporate taxation serves no one – our focus must instead lie on the race to zero emissions while protecting the rights of all. ●

References

- European Commission. 2019. 'State aid: Ireland gave illegal tax benefits to Apple worth up to €13 billion.' https://ec.europa.eu/commission/presscorner/detail/en/IP_16_2923 accessed 23 October 2021.
- Morning Ireland. 2016. <https://www.rte.ie/radio/radio1/morning-ireland/programmes/2016/0901/813358-morning-ireland-thursday-1-september-2016/?clipid=2272973#2272973> accessed 23 October 2021.
- This rate only applies to companies with consolidated revenue of €750 million in at least two of the preceding four years. Companies outside of that threshold can continue to avail of the 12.5% rate. The global average corporate tax rate is 25%, and some countries apply rates above 30%.
- European Commission, Decision of 30.8.2016 on State Aid SA.38373 (2014/C) (ex 2014/NN) (ex 2014/CP) implemented by Ireland to Apple: https://ec.europa.eu/competition/state_aid/cases/253200/253200_1851004_674_2.pdf
- US Senate Permanent Subcommittee on Investigations, Hearing on Offshore Profit Shifting and the US Tax Code (20 September 2012), <https://www.govinfo.gov/content/pkg/CHRG-113shrg81657/pdf/CHRG-113shrg81657.pdf>
- <https://www.christianaid.ie/news/tax-abuses-robs-poor-countries-more-400bn-year> Accessed 9 October 2021.
- Tørsløv, T. R., Wier, L. S., Zucman, G. 2020. 'The Missing Profits of Nations.' National Bureau of Economic Research, https://www.nber.org/system/files/working_papers/w24701/w24701.pdf
- Taylor, C. 2017. 'Tax break on intellectual property changed to raise funds.' *The Irish Times*. Available at: <https://www.irishtimes.com/business/economy/tax-break-on-intellectual-property-changed-to-raise-funds-1.3251422>
- Lima, V. 2021. 'Tax Losses and Good Tax Governance in Ireland.' *PublicPolicy.ie* <https://publicpolicy.ie/papers/tax-losses-and-good-tax-governance-in-ireland/>
- Grech, H. 2017. 'Is Malta really Europe's 'pirate base' for tax?' BBC, available at: <https://www.bbc.com/news/world-europe-40026826>
- In its 2020 report, the WEF calls for countries to 'focus on shifting to more progressive taxation, rethinking how corporations, wealth and labour are taxed.' See: https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf
- Oxfam. 2020. 'Confronting Carbon Inequality.' Available at: <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621052/mb-confronting-carbon-inequality-210920-en.pdf>
- Green, J. F. 2021. 'Beyond Carbon Pricing: Tax Reform is Climate Policy.' *Global Policy*. doi:10.1111/1758-5899.12920
- Green, J. F. 2021. 'Beyond Carbon Pricing: Tax Reform is Climate Policy.' *Global Policy*. doi:10.1111/1758-5899.12920
- Maitland, A., Lawson, M., Stroot, H., Poidatz, A., Khalfan, A., Dabi, N. 2022. 'Carbon Billionaires : The investment emissions of the world's richest people.' *Oxfam International*, available at: <https://oxfam.app.box.com/s/1rp15j9uivmvsai1mwaa00vvc6ic437>
- Between 2020 and 2022, company shareholders grew \$1.5 trillion richer, while workers got less than 2% of that benefit. See: Kinder, M., Bach, K., Staeler, L. 2022. 'Profits and the pandemic: As shareholder wealth soared, workers were left behind.' *Brookings Metro*, available at: https://www.brookings.edu/wp-content/uploads/2022/04/Pandemic_Profits_report.pdf
- Microsoft's Irish subsidiary made a profit of \$315bn in 2020 but paid no corporation tax as it is a resident in Bermuda. Google shifted \$75.4 billion in profits out of Ireland in 2019. See: <https://www.theguardian.com/world/2021/jun/03/microsoft-irish-subsidiary-paid-zero-corporate-tax-on-220bn-profit-last-year>, <https://www.siliconrepublic.com/business/google-75bn-out-of-ireland-double-irish>, (c) <https://www.theguardian.com/technology/2021/may/04/amazon-sales-income-europe-corporation-tax-luxembourg>
- Greenpeace. 2020. 'Oil in the Cloud.' <https://www.greenpeace.org/usa/reports/oil-in-the-cloud/>
- See information on the mine and community resistance strategies from Fuerza de Mujeres Wayúu at <http://www.notiwayuu.com/> and @MujeresWayuu on Twitter.
- Christian Aid. 2019. 'Undermining Human Rights: Ireland, the ESB, and Colombian Coal.' https://www.christianaid.ie/sites/default/files/2020-02/Cerrejon%20Report_0.pdf
- At the time of writing (November 2022) the publication of Ireland's Climate Action Plan 2023 is awaited.
- Irish Fiscal Advisory Council. 2021. 'Managing the recovery.' <https://www.fiscalcouncil.ie/wp-content/uploads/2021/11/Fiscal-Assessment-Report-December-2021-Managing-the-Recovery.pdf>
- The Tax Justice Network. 2019. 'The State of Tax Justice 2020: Tax Justice in the time of COVID-19.' https://taxjustice.net/wp-content/uploads/2020/11/The_State_of_Tax_Justice_2020_ENGLISH.pdf
- One-third of Ireland's legally-binding 2021-2025 carbon budget period has already passed, yet Ireland's emissions rose by 5% last year and may increase in 2022. See: <https://www.mare.ie/wp-content/uploads/2022/10/Prospects-for-Sectoral-Emissions-Ceilings-October-2022.pdf>
- Chancel, L. 2022. 'Global carbon inequality over 1990–2019.' *Nat Sustain* 5, 931–938 <https://doi.org/10.1038/s41893-022-00955-z>
- Oxfam Ireland. 'Confronting Carbon Inequality in Ireland.' https://www.oxfamireland.org/sites/default/files/oxfam_ireland_media_brief_confronting_carbon_inequality_in_ireland_embargoed_21_september_2020_1.pdf
- Quite how far developed countries have fallen short of the \$100 billion pledge remains disputed. The OECD claims that \$80 billion was transferred in 2020, but developing countries have contested this, particularly as many financial transfers are provided via loans.
- Minister of State for Overseas Development Aid and Diaspora, Colm Brophy, T.D., launches Ireland's Climate and Environmental Finance Report 2019. http://merrionstreet.ie/en/category/index/environment/climate-change/minister_of_state_for_overseas_development_aid_and_diaspora_colm_brophy_t_d_launches_irelands_climate_and_environmental_finance_report_2019.167709.shortcut.html
- Colenbrander, S., Cao, Y., Pettinotti, L., Ouevedo, A. 2021. 'A fair share of climate finance? Apportioning responsibility for the \$100 billion climate finance goal.' *ODI Working Paper*. London: ODI https://cdn.odi.org/media/documents/ODI_WP_fairshare_final0709.pdf
- Ogle, V. 2020. 'Tax Havens: Legal Recoding of Colonial Plunder.' <https://lpeproject.org/blog/tax-havens-legal-recoding-of-colonial-plunder/>
- Mercier, S. [@sineadmercier] "I am continuously baffled as to why Ireland, a country with 800yrs experience of colonialism refuses to stand in solidarity with Global South countries that have endured it for 500yrs. Colonialism is central to the fossil fuel industry - time to end both." Twitter, 5 November 2021. <https://twitter.com/sineadmercier/status/1456576544437047303>
- De Wilde, M. F. 2015. "Sharing the pie": Taxing multinationals in a global market.' Doctoral dissertation, Erasmus University Rotterdam.
- Tax Justice Network. 2022. 'Governments can recover billions from tax havens by publishing withheld transparency data.' Available at : <https://taxjustice.net/press/governments-can-recover-billions-from-tax-havens-by-publishing-withheld-transparency-data/>
- Tax Justice Network. 2022. 'G7 countries cost the world \$115 billion in lost tax – African finance ministers call for a UN tax convention.' Available at : <https://taxjustice.net/press/g7-countries-cost-the-world-115-billion-in-lost-tax-african-finance-ministers-call-for-a-un-tax-convention/>

TASC is an independent think-tank whose mission is to address inequality and sustain democracy by translating analysis into action.

TASC's Constitution presents its main objectives as:

- Promoting education for the public benefit
- Encouraging a more participative and inclusive society
- Promoting and publishing research for public benefit



Rialtas na hÉireann
Government of Ireland



pobal
government supporting communities



Think-tank for action on social change



The Scheme to Support National Organisations is funded by the Government of Ireland through the Department of Rural and Community Development