CORA Cork Open Research Archive
Cartlann Taighde Oscailte Chorcaí

Title	Ireland after the Celtic Tiger: A study in social injustice
Authors	Bufacchi, Vittorio
Publication date	2019-12-16
Original Citation	Bufacchi, V. (2020) 'Ireland after the Celtic Tiger: A study in social injustice', in Fischer, C. and Mahon, Á (eds) Philosophical Perspectives on Contemporary Ireland. New York: Routledge, pp. 88-108.
Type of publication	Book chapter
Link to publisher's version	https://doi.org/10.4324/9780429199332
Rights	© 2020, Taylor & Francis. All rights reserved. This is an Accepted Manuscript of a chapter published by Taylor & Francis on 16 December 2020 in Fischer, C. and Mahon, Á (eds) Philosophical Perspectives on Contemporary Ireland, available online: https://doi.org/10.4324/9780429199332
Download date	2026-11-03 22:49:20
Item downloaded from	https://hdl.handle.net/10468/11246

UCC
University College Cork, Ireland
Coláiste na hOllscoile Corcaigh

Word count: 8572

IRELAND AFTER THE CELTIC TIGER:

A STUDY IN SOCIAL INJUSTICE

Vittorio Bufacchi
Department of Philosophy
University College Cork
Cork, Ireland

The Irish economy is going strong again, or so we are told. GDP may not be growing at 26.3% (later revised to 34.4%) as it apparently did in 2015, a phenomenon ridiculed by Nobel Prize for economics winner Paul Krugman as Leprechaun Economics, but Ireland today has one of the best-performing economies in the EU.[1] The rhetoric coming from politicians in government is that Ireland has pulled through the highs of the Celtic Tiger and the subsequent lows of financial insolvency and austerity, and now we can once again afford to feel optimistic about our future.[2]

This optimism is ill-advised. Poverty and inequality in Ireland have reached unacceptable levels, as I will show in later paragraphs, and yet the current government seems to be blind to the scale of social injustice being inflicted on its present and future generation, pressing on with policies that risk taking the country towards another social and financial precipice.[3] The issues we currently face in Ireland are not the exclusive domain of technocratic experts, more often than not led by economists; these are problems with a distinctive philosophical dimension, which ought to be understood, analysed, and resolved with the help of philosophical tools. Or at least so I hope to show in what follows.

This chapter will appeal to key concepts in contemporary political philosophy in order to shed light on the current situation in Ireland, with three specific aims in mind. First, to

defend the political philosophy of egalitarianism from prioritarian criticisms. Secondly, to refute what is known in the literature as the Levelling-Down Objection, which is often invoked against egalitarianism and in favour of prioritarianism. Third, to suggest that levelling-down should not be seen as something objectionable, but merely as a much-needed correction.

Part 1 will provide a brief definition of four key terms which will form the basis of our analysis: poverty; domination; egalitarianism; prioritarianism. Part 2 will focus on the social injustice and inequality exacerbated by the years of the Celtic Tiger, which the current political parties in government risk reproducing. Part 3 will introduce the Levelling-Down Objection, often invoked in favour of prioritarianism and against egalitarianism. Part 4 will introduce the doctrine of Limitarianism in an effort to reject the Levelling-Down Objection, and therefore provide a defence for levelling-down. Part 5 will argue that things will not improve in Ireland unless those in power find the courage to embrace new radical ideas and make some fundamental changes, for example by introducing a maximum wage cap and reassessing its historical outlook on the right to private property as an absolute right.

1. FOUR KEY CONCEPTS

Here I will simply define, in very basic terms, four key concepts that will form the backbone of my analysis: Poverty; Domination; Egalitarianism; Prioritarianism. Some of these concepts will be familiar to the reader, but as they are terms-of-art in political philosophy it is advisable to start with a brief definition, in an effort to avoid possible future misunderstandings. Two other technical terms will be introduced in Parts 3 and 4 below, respectively the Levelling-Down Objection and Limitarianism.

POVERTY: Over the last century the poverty debate has witnessed a progressive broadening of the concept. A mix of low income and low consumption provided the basis of the historical definition of poverty. According to this now dated definition, poverty is conceived as non-fulfillment of basic needs, often measured in terms of insufficient dietary energy and poor health. This standard way of thinking about poverty has more recently been revised, and enriched, in part thanks to the ground-breaking work of Amartya Sen and Martha Nussbaum. Their Capability Approach emphasizes freedom to achieve valued 'functionings', and sees poverty in terms of the deprivations to our basic capability to satisfy certain basic ways of 'being and doing'.[4] One advantage of the capability approach is that it steered a shift in our understanding of poverty from physiological to social deprivation. Today when we talk about poverty we are not concerned exclusively with calories intake or inadequate sanitation and housing, but crucially also with marginalization and other forms of social exclusion, including inability to participate in one's cultural, social and political life. According to *Social Justice Ireland*, poverty is when "as a result of inadequate income and resources people may be excluded and marginalised from participating in activities that are considered the norm for other people in society".[5]

DOMINATION: Domination is an important concept in part because of its close relationship to inequality. In political philosophy we are concerned with inequality as a normative concept, not a descriptive concept. Inequality raises normative concerns because it is arguably the key source of domination, where the latter is defined in the following terms: "a condition experienced by persons or groups to the extent that they are dependent on a social relationship in which some other person or group wields arbitrary power over them".[6] There are two aspects of this definition of domination

worth emphasizing. First, that it is grounded on a social relationship between two (or more) social actors with different degrees of social power. Secondly, that those who enjoy more social power compare to others are in a position to perform their domination by exercising their arbitrary will on them.[7]

EGALITARIANISM: The fundamental principle behind egalitarianism is that everyone should be treated *as equals*, which may or may not imply that everyone should be treated *equally*. To be treated 'as equals' is to be treated with equal concern and respect, although there is still some disagreement amongst egalitarian philosophers as to what 'equal concern and respect' amounts to.

It is necessary to distinguish between instrumental and non-instrumental egalitarianism. Instrumental egalitarianism places the value of equality in relation to its *instrumental* ability to bring about other good outcomes. Equal access to resources, for example, is instrumentally valuable to the extent that it enables people to actively participate in market transactions, meet their welfare requirements, or engage in social and cultural activities. In this sense, instrumental egalitarian theory is pluralist, since different people will pursue different outcomes. On the other hand non-instrumental egalitarians view equality itself as intrinsically morally beneficial, and inequality as morally deleterious. For example, it is argued that equality of fair process, or procedural fairness, has an intrinsic value which is separate and independent from the outcomes of a fair process.[8]

PRIORITARIANISM: Prioritarianism is the view that priority should be given to ameliorating the disadvantage of the worst off in society. This term was first coined to explain the fact that social and economic inequalities are justified if, and only if, these

> inequalities are to the greatest benefit of the least advantaged. Closely associated with John Rawls's difference principle, the prioritarian view is captured by Joseph Raz in the following terms: "What makes us care about various inequalities is not the inequality, but …it is the hunger of the hungry, the need of the needy, the suffering of the ill, and so on. The fact that they are worse off in the relevant respect than their neighbours is relevant. But it is relevant not as an independent evil of inequality. Its relevance is in showing that their hunger is greater, their need more pressing, their suffering more hurtful, and therefore our concern for the hungry, the needy, the suffering, and not our concern for equality, makes us give them priority".[9]

These four concepts will form the basis of our analysis of the current state of affairs in Ireland, starting from the 1980s and the years of the Celtic Tiger.

2. POVERTY, INEQUALITY AND THE CELTIC TIGER

Inequality has always been a constant feature of life in Ireland, but this trend was accelerated during the 1980s with the top 10% in society securing 30% of all income, while the bottom 20% controlled only 0.5% of income. Inequality also intensifies social immobility: in 1982, 83% of young males whose fathers were manual labourers were either in manual labour themselves or unemployed. From the mid-1990s to the late-2000s Ireland experienced a period of rapid economic growth: 9.4% between 1995 and 2000, followed by 5.9% during the following decade until 2008. In these years Ireland also lived through the 'employment miracle', with a million new jobs being created and the Irish labour force almost doubling in the space of fifteen years.

All economic variables point to a period of unimaginable prosperity that made Ireland the envy of the industrialized world, which explains why some politicians today still argue that the neo-liberal policies introduced in the 1980s were miraculous, having succeeded in the space of 20 years to consign poverty and backwardness to the dustbin of Irish history. The story, or myth, being recited *ad infinitum* by neo-liberal inclined politicians and civil servants is that their policies stimulated high economic growth, and in the process reduced poverty across Ireland.[10] This version of events is not only simplistic, but false. A convincing counter-argument can be made to show that, contrary to popular perception and political spin, the Celtic Tiger did not solve the poverty problem in Ireland; it exacerbated it.

First of all, as we have seen, it depends on how poverty is measured. If defined in terms of standard economic variables (average income; home ownership; private car ownership; calories intake; dispensable income; leisure time) one could try to make the argument that the years of the Celtic Tiger reduced poverty, but as we have seen that's a narrow, antiquated definition of poverty. In terms of a more modern, broader definition of poverty as marginalization and other forms of social exclusion, the years of the Celtic Tiger were devastating for large sections of the population. By virtue of the fact that economic success disproportionally benefitted a small minority, the Celtic Tiger made the problem of poverty in Ireland worse, not better.

According to *Social Justice Ireland*, old age pensioners were particularly badly hit: "in 1994 only five out of every 100 old age pension recipients were in poverty. In 2001 this had increased ten-fold to almost 50 out of every 100. The experience of widow's pension recipients is similar".[11] Viewed from a broader public health perspective, the Celtic Tiger did a lot of damage to Irish society, with poverty in old age increasing by 18%. Elizabeth Cullen suggests that a common error is to assume that standards of living and quality of life are the same thing, or at least closely correlated. That is not the case. During the years of the Celtic

Tiger, while for many people the standards of living went up, at the same time their quality of life went down. That is because while there are fewer people living in absolute poverty today compared to the 1950s, the gap between the rich and the poor is widening. Income inequality is as harmful to people's lives as alcoholism and smoking. Because of the Celtic Tiger, life became more stressful in Ireland, with people working longer hours to the neglect of their families, and more people suffering from depression. Between 1989 and 1999, alcohol consumption increased by 40%, and the percentage of babies born with low birth-weights increased by 20% between 1993 and 1999.[12]

The strong correlation between the economic policies that made the Celtic Tiger possible, and the ensuing inequality across society, is not accidental.[13] The years of the Celtic Tiger contributed to Ireland recording higher levels of income inequality compared to most other prosperous OECD nations.[14]

Apart from raising doubts concerning the accuracy of the claim that the neo-liberal policies of the Celtic Tiger years were necessary and instrumental in diminishing poverty in Ireland, the debate on the merits or shortcomings of the Celtic Tiger can also fruitfully be analysed through the lenses of the debate in political philosophy between prioritarians and egalitarians. Absolute poverty is a problem, as prioritarians would argue, but perhaps inequality and relative poverty is an even bigger problem. That is why the merits of the prioritarian position need to be re-evaluated. In *Why Social Justice Matters*, Brian Barry explains the imperative of fighting inequality as follows: "I do not in the least deny that poverty, defined as lack of basic necessities, is a great evil……I want to insist, however, that the whole idea of a standard of poverty unrelated to the incomes of others is nonsense. There is a commonplace view (accepted without question, for example, by Rawls) that, as long as you stay in the same place materially, you cannot be made worse off by falling further and further behind the majority of your fellow citizens. Against this, I maintain that becoming

relatively worse off can make you absolutely worse off, in terms of opportunities and social standing".[15]

Barry argument is that poverty is not an absolute but a relative concept; whether you are poor or not depends on the quality of life of people around you, not whether you are above or below some arbitrary, objective 'line'.[16] Barry's position is also radically different from Raz's. We saw before, as part of our definition of prioritarianism, that according to Raz while the fact that some are worse off in the relevant respect than their neighbours is relevant, it is relevant not as an independent evil of inequality. *Contra* Raz, Barry argues that disparity can be an independent evil of inequality, since relative and absolute deprivation are intrinsically linked. Strictly speaking, having perfectly aligned teeth or a private means of transportation, being able to exchange gifts or buying a round of drinks at the pub, are not basic necessities. Yet in societies marked by vast inequalities in standards of living, these are the sort of issues that can no longer be ignored. Barry also gives the example of televisions, reminding us that being able to follow what people are talking about used to require a radio; now it requires a television set. An updated example would be having a smart-phone: strictly speaking it is not a necessity, but many would rightly feel they are at a considerable social disadvantage without one.

Barry is not alone in defending the view that tackling inequality across society is at least as important as abolishing poverty, and often more so. One of the most influential contemporary moral and political philosophers, Thomas Scanlon has recently reignited the debate on the potential harm that inequality causes. There are many different reasons why reducing or eliminating inequality is desirable. These include relieving suffering or deprivation, avoiding unacceptable forms of power and domination, and restricting the threat to procedural fairness. Furthermore, eliminating inequality across society is necessary for

another key reason, perhaps the most important reason of all: to prevent stigmatizing differences in status.[17]

The fact that some people earn many hundreds of times more than others has a potentially detrimental effect on the self-esteem of those at the lower end of the pay scale. We live in a world where the value of a product relates directly to its price. People value and desire luxury goods not only because of their higher performance, but also because of their price: they want to be seen with something that is expensive simply because it is expensive. Humans are not immune to this perverse logic. The value of a person is determined by how much others are prepared to pay for their labour, and while it is a mark of one's success to be paid well, nothing undermines one's self-esteem more than being perceived as value-less. If we are serious about 'socially pernicious' environments, we need to look no further than the growing and excessive levels of inequality in our society.[18]

The financial meltdown that followed the reckless exuberance of the years of the Celtic Tiger is well documented.[19] A bailout arrangement of €46.7 billion, equivalent to 17% of 2016 GDP, was agreed with the EU, the European Central Bank and the International Monetary Fund, but on the conditions that the shock-therapy of severe austerity be introduced. As a result of these uncompromising measures, in the space of a few years many thousands of jobs were lost, and many more Irish people were forced to do the unthinkable: they followed in the footsteps of their ancestors by migrating away from Ireland in search for jobs and a livelihood.

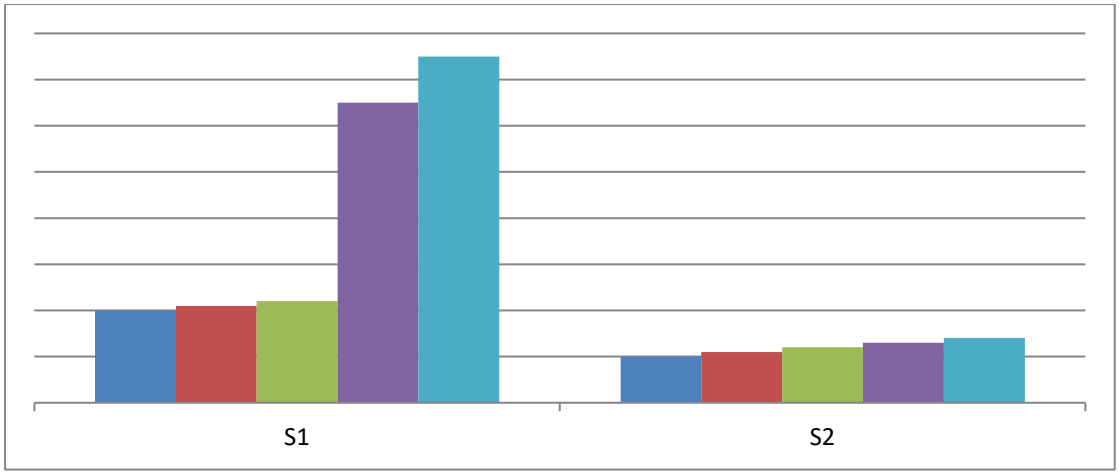
In a society characterised by mounting inequality, the austerity did not have the effect of inversing the trend of growing inequality, as some hoped. On the contrary, years of austerity reinforced the already entrenched inequality, with people at the lower end of the income scale suffering disproportionately more than those at the higher end. This should not

come as a surprise: for the rich a downturn in the economy represents an opportunity, for the less well-off it's a calamity.

3. THE LEVELLING-DOWN OBJECTION AND ITS CRITICS

In Part 2 above we saw how the opposition to the neo-liberal policies that characterised the years of the Celtic Tiger can be interpreted as objections to prioritarianism, and endorsements to egalitarianism, where equality is valued both for instrumental and intrinsic reasons. Applied to the Irish context of the last few decades, prioritarians would endorse a policy that successfully lifts people out of poverty (the least advantaged), and increases their standard of living (the greatest benefit), even if this policy also increases inequality in society by benefitting disproportionally a small group in society (bankers, entrepreneurs, large property and land-owners, lawyers, multinationals, etc.) in relation to the rest of society. Egalitarians on the other hand promote first and foremost the value of equality, and therefore they argue that inequality is the biggest threat to a just society, and they oppose any policy that would increment inequality, even if inequality was the price to pay for improving the living standards of the least advantaged members of society.

But prioritarians are not done yet, and they have at least one more argument to show that prioritarianism is still preferable, especially when compared to strict egalitarianism. Consider two hypothetical scenarios, S1 where everyone enjoys a certain standard of living, but some have a much higher standard of living compared to others, and S2 where everyone has more or less the same standard of living, but this is lower than the lowest standard of living in S1:



Is S2 a preferable state of affairs than S1? If we were in S1, would we want to move from S1 to S2, for the sake of equality? Prioritarians would argue 'No': it would be absurd to endorse changes which consist in a net decrease in well-being for everyone. This prioritarian objection to egalitarianism is known as the Levelling-Down Objection. This objection is perhaps the biggest challenge egalitarianism has had to face since Edmund Burke's plea for conservatism in the 19th century, although this time it comes from a cohort of authors who would consider themselves to be on the Left. The intellectual father of the Levelling-Down Objection is Derek Parfit, who drives home his objection to egalitarianism by asking whether, taking the logic of egalitarians to its logical conclusion, there is something good in a society that takes away some people's sight to make them equal with the blind. To summarize:

> **LEVELLING-DOWN OBJECTION:** This is a critique of non-instrumental egalitarianism, which attaches value to equality itself. Equality is desirable if it benefits the worse-off, but there is no value in equality if it benefits no-one, not even the worse-off. Achieving equality by 'levelling-down' shows that equality cannot be intrinsically valuable. This objection is grounded on what Derek Parfit refers to as the Person-Affecting Claim: the view that outcomes should be assessed solely in terms of the way the sentient beings in those outcomes are affected for better or worse.[20] A

> change makes an outcome better insofar as sentient beings are affected positively (benefited), worse insofar as sentient beings are affected negatively (harmed).

The Levelling-Down Objection exposes what prioritarians consider to be the perverse logic of the principle of equality, which would necessarily demand that we prefer a state of affairs where everyone is worse off as long as equality is maintained. This objection to strict egalitarianism has understandably been the subject of a great deal of debate. The response by egalitarians to the Levelling-Down Objection has taken many forms, but in what follows I will focus on two main types of egalitarian responses: the Pluralist Egalitarian Response, and the Positional Goods Response. In Part 4 below an elaboration of these two responses will be put forward, which I will refer as the Pro-Levelling-Down Response.

The Pluralist Egalitarian Response to the Levelling-Down Objection has met widespread approval amongst egalitarians. This response points out that one key problem with the Levelling-Down Objection is that it assumes a fairly simplistic, unsophisticated, understanding of egalitarianism. Equality is not a despotic value, not even for intrinsic egalitarianism, instead egalitarians argue that the value of equality is a more modest value. Thomas Christiano for example argues that egalitarians are not committed to the view that *every* egalitarian society must be superior to any non-egalitarian state, instead the more acceptable form of egalitarianism merely suggests that for every non-egalitarian state there is some egalitarian state that is superior to the non-egalitarian state.[21] Similarly Larry Temkin argues the Levelling-Down Objection only works if equality is believed to be the only value, and that everything must be sacrificed at its altar. But that's not how egalitarians think: equality matters, a great deal, but it is not *all* that matters. In other words, equality is not the only value, which is why it is a misleading caricature to suggest that egalitarians would prefer a world where everyone was blinded merely to avoid the scenario of living in a society where some are blind and some are not. In order for egalitarians to resist the Levelling-Down

Objection, all they need to do is to suggest that equality has a relational value rather than a non-intrinsic value.[22] This is also the approach taken by Martin O'Neill: the fact that some people are worse off than others is not bad in itself, but bad because of a range of other reasons, for example the fact that inequality is the cause of domination and disrespect, while equality promotes self-respect and solidarity.[23]

The Positional Goods Response looks at specific goods that have 'positional' characteristics, or in other words goods with the property that one's relative place in the distribution of such goods affects one's absolute position with respect to their value. The value of positional goods is determined not by how much one has absolutely, but by how much one has relative to relevant others. As Harry Brighthouse and Adam Swift explain, the very fact that one is worse off than others with respect to a positional good means that one is worse off, in some respect, than one would be if that good were distributed equally.[24] Examples of positional goods include one's educational qualification or quality of legal representation. The (competitive) value of my education, for me, depends on how well educated other people are, so the fact that some families have more resources to spend on education will have an impact on my education: "the fact that wealthy parents can buy their children educational advantage over others, increasing their marketability and pushing them up the queue for well-rewarded and interesting jobs, unfairly tilts the playing field in their favour".[25] Other examples of positional goods include one's material resources when running for political office: egalitarianism can make a strong argument for the inputs to political campaigns to be capped.

The important point about positional goods is that they resist the logic of the Levelling-Down Objection; while it might be perverse to advocate levelling down *all things considered*, levelling down with respect to positional goods makes sense, since it benefits those who would otherwise have less than others.

So far we have touched upon two egalitarian replies to the Levelling-Down Objection, the Pluralist Egalitarian Response and the Positional Good Response. In what follows, and building on the basis of these responses, I will try to go one step further and suggest that the idea of Levelling-Down, far from being an objection, is a strategy that ought to be encouraged and embraced. I want to suggest that, within obvious limits, levelling down should be endorsed and sanctioned, on moral and political grounds. In other words, levelling down should not be described as an objection, but as a correction – and a necessary one.

4. PRO LEVELLING-DOWN.

What, if anything, is the problem with levelling-down? As we have seen, the standard reply has a lot to do with what Derek Parfit calls the Person-Affecting Claim: the view that outcomes should be assessed solely in terms of the way the sentient beings in those outcomes are affected for better or worse. From this point of view, levelling-down seems 'perverse': why would we choose a policy that affects everyone negatively, making everyone worse off? What could be more unattractive than bringing all down to the lowest common level?

It is worth stressing that the perceived perversity of levelling-down has something to do with the choice of terminology: 'levelling-down' is not neutral. The term itself has a negative connotation: 'down' is an obvious 'downer' and 'levelling' smacks of drab uniformity and forced homogeneity, so any attempt to justify the very notion of 'levelling-down' starts with an obvious handicap. If instead of levelling-down we referred to this doctrine as Non-Domination, this would have a positive connotation, as it negates something bad, namely: domination. Words matters.

Nevertheless, the terminology of levelling-down is what we have, and I suggest we stick to it. I believe an argument can still be made that in our non-ideal world marred by gross

inequalities levelling-down is precisely what is required, even if it makes some or everyone worse-off, or in other words even if it contradicts the Person-Affecting Claim. Perhaps the political movement of the Levellers in England in the 17th century, prominent during the English civil war (1642–1651), were on to something important.[26]

There are cases where levelling-down is not only justifiable, but an imperative. For example, in terms of reversing the current trend of climate change, levelling-down is arguably the only solution: the world needs to decreasing industrial production, decrease consumer spending, and decreasing the use of carbon fuels, even if all this will have a negative impact on individual well-being. Climate change is a (human-made) evil that needs to the tackled, and some form of levelling-down is the only realistic solution to this imminent catastrophe.

Like climate-change, inequality is also a human-made evil, and similarly if we are serious about tackling this problem the only solution is to level-down. That is because inequality raises specific issues of social injustice. We have seen how a more complex, sophisticated account of poverty, especially along the Capability Approach championed by Amartya Sen and Martha Nussbaum, emphasizes the issues of social deprivation, marginalization and other forms of social exclusion, including inability to participate in one's cultural, social and political life. The biggest hindrance to greater participation, or the major cause of marginalization and exclusion, is the direct actions of those with more resources at their disposal who exercise their relative power to make sure that others remain marginalized and excluded.

Inequality is also linked to the injustice of disempowerment. It is important here to distinguish between 'powerlessness' and 'disempowerment', the former being a condition while the latter is a process. For Iris Marion Young a person is powerless when they do not regularly participate in making decisions that affect the conditions of their lives: "the

powerless are those … over whom power is exercised without their exercising it; the powerless are situated so that they must take orders and rarely have the right to give them. Powerlessness also designates a position in the division of labour and the concomitant social position that allows persons little opportunity to develop and exercise skills".[27] Young is right to remind us that the condition of powerlessness, as she describes it, is an indicator of social injustice, but there is something missing in Young's analysis. Social injustice is a problem not only because it exposes powerlessness, but because it generates it. To understand social injustice in terms of harmful power relations what is required is a dynamic approach, which captures the social relations over time between perpetrators and victims of injustice. The problem with social injustice is relational, that is to say some individuals or groups have less power than others, and those with more power use their dominant position to put others in a position of subordination from which they cannot escape. Injustice is essentially a question of domination. This is why it is crucial to understand social injustice as the process of disempowerment and not merely powerlessness, and that is also why inequality poses special problems for a just society.[28]

One way to justify the need for levelling-down is in terms of what is known as the doctrine of limitarianism:

> **LIMITARIANISM**: The person most closely associated with this doctrine is the Dutch philosopher Ingrid Robeyns. According to Robeyns, the basic intuition behind limitarianism is that it is not morally permissible to have more resources than are needed to fully flourish in life: "In its most general formulation, limitarianism is a claim relating to distributive morality, which entails that it is not morally permissible to be situated above a certain threshold in the distribution of a desirable good".[29] While there are different accounts of limitarianism, the one Robeyns defends is

justified on the grounds that it is instrumentally necessary for the protection of two intrinsic values: political equality, and the meeting of unmet urgent needs.[30]

One attractive aspect of the doctrine of limitarianism is that it radically challenges the received view about equality and inequality. There has always been an assumption that equality needs to be justified, whereas inequality is the norm. Limitarianism turns the table on this debate: it is inequality that needs to be justified, whereas equality is (or should be) the norm. Furthermore limitarianism is not afraid to endorse levelling-down as a desirable outcome. Inequalities engender domination, and domination is synonymous with social injustice: levelling-down is the best antidote against inequality.

5. TWO RADICAL SOLUTIONS

After the traumatic experience of the last 20 years, Ireland is now entering a new economic cycle, and every economic variable suggests that we are experiencing a new phase of rapid economic growth, which will most probably be followed by another inevitable bust. One of the unintended consequences of the present rapid growth in the economy has been the growing inequality in all sectors of society in Ireland. In the last five years, over half of the increase in total income (€21 billion) has gone to the top 10 per cent of earners. Almost 800,000 (1 in 6) people in Ireland today are living in poverty, including 100,000 holding jobs and 250,000 children. The 'Survey on Income & Living Conditions' by the Central Statistics Office (CSO) tells us that today, in 2019, 15.7% of Ireland's population live below the poverty line. Children under 16 years of age account for 23.9% of all those in poverty. Workers account for 14.3%, the unemployed 13.5%, those who care in the home 13.1%, those unable to work due to illness or disability 9%, retired persons account for 5.9%.[31] Homelessness has reached unprecedented records, with 11,000 people homeless today,

80,000 households in need of social housing, and many more families cannot afford to pay exuberant rents: average rent across the Republic reached a peak of €1,304, more than €560 higher than the trough in 2011 and more than 26% higher than the high point during the Celtic Tiger. In Dublin, rents are now 34%, or almost €500 a month, higher than the previous high point a decade ago. Dublin also has the highest average rents in the country of €1,936 with rental growth running at 13.4% in the year to June.

The social injustice we experience today in Ireland was sown during the years of the Celtic Tiger. Inequality was the cost of prosperity, and injustice is the consequence of inequality.[32] In order to address the current inequalities in Irish society today, a dose of levelling down is recommended. In the spirit of Limitarianism, two proposals on how to bring about this levelling-down will be put forward: the introduction of a maximum wage cap, and a re-assessment of the idea of private property.

A Maximum Wage Cap.

UK Labour leader Jeremy Corbyn has recently called for a maximum wage for the highest earners, a draconian measure necessary to stop the UK becoming a grossly unequal, bargain basement economy. This suggestion was met by a deluge of outrage and disapproval, being described as ‘idiotic’, ‘lunatic’ and ‘incoherent’ – and that’s from within his own party. Those who oppose the Labour Party went even further, deriding Corbyn’s incompetence for suggesting a policy that is ‘economically crazy’, ‘socially pernicious’, and even ‘morally wrong’.

Contrary to what critics of Corbyn may think, the idea of a wage ceiling has been around a long time, and deserves seriously scrutiny. In 2013 the Swiss people voted on a referendum to introduce a cap on executive pay, which would limit the pay of top executives

to 12 times the wages of their lowliest employees – the so-called "1:12" proposal. The referendum did not pass, but the fact that there was a referendum on this issue in a country not known for its radical politics suggests that this idea is not as absurd as it may seem.[33]

Introducing a maximum wage is not such a patently ludicrous idea, for the UK or Ireland. Sound economic reasoning is the predominant argument used by those who unconditionally reject this idea. The assumption is that inequality between wages is the best way to stimulate productivity, since the prospect of earning a high income is the only incentive behind economic activity. Putting a cap on executive pay would disincentivize the work force, undermining economic growth, progress, and development.

No one would deny that economic incentives stimulate productivity, which is precisely why a maximum wage should not be confused with a flat wage policy. Inequalities can be justified, but within limits. The question is whether economic incentives require infinite inequality. Across the world the inequality between the average and top earners is not only widening, but it has become obscene. In the private sector in the US the average chief executive is paid more than 500 times the pay of the average blue-collar worker. In the UK things may not be as extreme, but they are still unacceptable: the High Pay Centre/Chartered Institute of Personnel and Development (CIPD) assessment of FTSE 100 CEO pay packages reports that CEO median pay rose by 11% between 2016 and 2017, and UK top executives earn 145 times as much as the average worker. To add insult to injury, the report found that women represent just 7% of FTSE 100 bosses and accounted for just 3.5% of their total pay. Sadly Ireland is following the same trend. Figures from the Revenue Commissioners for 2016 show that the top 10% of earners in Ireland took home a third of all income, with the top 1% of earners taking home 11% of all income, while the bottom 50% of earners took home just one fifth.[34] According to *Social Justice Ireland*, in 2016 the bottom decile received just under 3.5% of the total income.

In order to understand the appeal of a wage ceiling one needs to look beyond the crude, short-sighted vision of neoliberal economics. The father of modern economics, 18th century philosopher Adam Smith, was adamant that economics is more than a social science; it is also a moral science. There is more to economic thinking than maximising efficiency and profit. The idea of introducing a maximum wage policy, perhaps a 25:1 ratio, would be sufficient to preserve a monetary incentive, which in turn would translate in greater output, while at the same time protecting the integrity and dignity of those at the bottom end of the wage scale. If we are serious about not engineering 'socially pernicious' environments, then we need to find ways to curb the excessive levels of inequality in our society. It is not an economic imperative that top executives should earn in a week more than their lowest-paid workers earn in a year, while gross inequality is morally damaging and socially devastating. From a political point of view growing social inequality is also ultimately destabilising, as the election of Trump in the US and Brexit in the UK strongly suggests. The widening gap between the rich and the poor contributes to widespread hopelessness, and it may also fuels menacing new forms of populism and political intolerance.

One would hope that Ireland will not make the same mistake as its American and British counterparts, by having the courage to adopt policies that tackle the genesis of social inequality. The idea of introducing a maximum wage policy deserves, at the very least, serious debate and consideration, unless that is we want Ireland to become a grossly unequal, bargain basement economy.[35]

Private Property Revisited.

Inequality in Ireland is the primary reason behind the current, horrific housing crisis, with the number of homeless people doubling in the space of three years, from around 4,350 persons

in May 2015 to 9,900 in June 2018. Of these, almost 4000 are children.[36] What is fuelling this entrenched inequality is something even more basic, and in some ways more sinister. Perhaps it is a lingering aftermath of 800 years of British oppression and colonialism, but Ireland has a profoundly unhealthy understanding of private property. There is an assumption, unanimously held and rarely challenged, that once property is privately acquired, absolute sovereignty follows. In Ireland we think of private property as our private fiefdom. To have legal ownership is to enjoy full, boundless supremacy, and any interference by third parties, including the state, is perceived as the essence of social injustice.

This understanding of our legal, political and moral right to private property is overly simplistic, and it fails to stand up to scrutiny. The way we relate to our private property has multiple dimensions. The legal side of being a property owner has to be seen within the social context of our relationship with other members of society who may not enjoy the luxury of being home-owners.

In the recent debate on housing, and homelessness, this hegemonic, naïve, simplistic view of private property is never contested or opposed. The scale and diversity of the housing problem we face in 2019 is not dissimilar to what it was forty years ago, with inadequate and unfair access to rented accommodation, illegal evictions and poor living conditions. The roots of Ireland's permanent housing crisis run deep, and what is required now is a radical rethink of some fundamental standpoints, political and philosophical, starting with our relationship to private property.

Perhaps Jean-Jacques Rousseau was not entirely wrong when in 1754, in the essay *Discourse on the Origin and Basis of Inequality Among Men*, he argued that private property was the source of much injustice and inequality: "The first man who, having enclosed a piece of ground, bethought himself of saying 'This is mine', and found people simple enough to believe him, was the real founder of civil society. From how many crimes, wars and murders,

from how many horrors and misfortunes might not any one have saved mankind, by pulling up the stakes, or filling up the ditch". Abolishing private property is too radical a solution, but limiting its supremacy is possible, and necessary for the sake of democracy.

We are told by people in government that if people cannot afford to buy their own homes, the obvious solution is to build more houses. It is not as simple as that. Suggesting a market solution to a market failure defies logic. The unregulated market cannot solve the housing crisis since it was the market itself that brought about the crisis. This crisis is the symptom of a much bigger malady. It is the basic assumption of private property as a supreme and unlimited right that is the root of the housing problem.

We need to rethink what it means to be a property owner within the housing sector. The goal of a just society is to ensure that all citizens are fully cooperating members of society on a footing of equality. This is the idea of a Property-Owning Democracy. As John Rawls explains "In property-owning democracy, ... the aim is to realize in the basic institutions the idea of society as a fair system of cooperation between citizens regarded as free and equal. To do this, those institutions must, from the outset, put in the hands of citizens generally, and not only of a few, sufficient productive means for them to be fully cooperating members of society on a footing of equality". Rawls goes on to explain the importance for a democracy of laws regulating private property: "background institutions must work to keep property and wealth evenly enough shared over time to preserve the fair value of the political liberties and fair equality of opportunities over generations. They do this by laws regulating bequest and inheritance of property, and other devices such as taxes, to prevent excessive concentrations of private power".

In their edited volume *Property-Owning Democracy: Rawls and Beyond*, Martin O'Neill and Thad Williamson remind us that democracy cannot function properly as long as a small minority in society has vastly more influence over the political process than other

citizens. This is precisely what we have in Ireland today; an unregulated free market gives too much power to wealthy individuals and financial institutions, and as we know only too well, banks in Ireland have a strong vested interest in promoting an unregulated property market.[37]

The only way to break the boom-bust cycle of the housing market is to regulate the market by putting limits on what people can do with their private property. The housing crisis is not just an issue of insufficient supply in the housing market, it is also a crisis of inadequate alternatives, starting from the rental housing sector. Ireland has one of the most unregulated private rented sectors in Europe. Having ownership right over a property should not give landlords an absolute right to be despotic over the terms and conditions of the private rented sector. Much tighter regulation can and ought to be introduced in order to make rents a viable, safe, and cheaper alternative to getting on the property ladder.

Aideen Hayden, chair of the housing charity Threshold, makes a strong argument for the introduction of proper rent registers, which would allow tenants in rent pressure zones to compare the prices at which rental properties in their area have been let in the past. This would be a start. Ireland must also consider aligning itself with many other European jurisdictions, where the sale of a property is not considered a valid reason for terminating a tenancy: 32% of all calls to Threshold in 2017 were from renters who had been told by their landlords that their tenancies were coming to an end – up 18% compared to 2016.[38]

The recommendation to curtail the freedom of home owners to do whatever they wish with their private property will be met with shock and horror by many, especially from those who currently raking-in huge profits at the expense of less fortunate fellow citizens.[39] Perhaps they should be reminded that Ireland's housing crisis is not a minor inconvenience or an embarrassment, but a crisis in our democratic ethos.

6. CONCLUSION

This chapter is about poverty, inequality and social injustice in Ireland, at a time when this country is one of the most prosperous in the European Union. I have put forward a defense of egalitarianism at the expense of prioritarianism. I have also tried to refute the Levelling-Down Objection, which is often invoked against egalitarianism and in favour of prioritarianism. I have argued that far from being objectionable, some form of levelling-down is necessary in Ireland today.

On the gravity of the current situation in Ireland today philosophers find themselves in good company, with many prominent novelists on their side. Fast economic growth and newly acquired wealth brings along its own unique malaise, as documented by Rob Doyle's novel *Here are the Young Men*, published in 2014. And of course the economic car-crash and austerity that followed the Celtic Tiger, post 2008, has been devastating, especially in rural Ireland, as the tragic stories weaved into Donal Ryan's award winning novel *The Spinning Heart* attest.[40] Italian novelist Elena Ferrante has recently expressed her concern with the worrying levels of global inequality today with poetic poise and acute cognizance: "inequality generates an extraordinary waste of minds and creative energies, which, if they were trained and put to use, would likely make our history an active laboratory for repairing the damage we've caused so far – or at least of controlling its effects, rather than an unbearable list of horrors".[41]

NOTES:

[1] See "Leprechaun Economics". Paul Krugman (Twitter). 12 July 2016.

[2] In his speech at the Fine Gael National Conference in Wexford on 23rd March 2019, An Taoiseach, Leo Varadkar said: "Eight years ago, the people of Ireland asked our party, Fine Gael, to take on the responsibility of Government. We should never forget how awful the

situation was back then. Mass unemployment, forced emigration, taxes up, pay down, cuts to welfare and services, debt, deficit and our international reputation in tatters. Today, because of our policies and your hard work, the country is transformed. Things are far from perfect, but we are in a much better place than we were, and we can be optimistic about the future. Full employment, incomes up, taxes down, emigrants coming home, the public finances back in order, poverty and deprivation falling, and our international reputation restored": https://www.finegael.ie/speech-by-an-taoiseach-leo-varadkar/.

[3] See Kim Bielenberg "18 signs the Celtic Tiger is back (and we're on a crash course)", *The Irish Independent*, November 24 2018.

[4] Amartya Sen and Martha Nussbaum (eds.) (1993), *The Quality of Life*, Oxford: Oxford University Press 1993.

[5] *Social Justice Ireland*, "Socio-Economic Review 2018", p.34: https://www.socialjustice.ie/sites/default/files/attach/publication/5239/socialjusticematters.pdf?cs=true. On poverty see also J.Wolff, E.Lamb and E. Zur-Szpiro, "A Philosophical Review of Poverty", Joseph Rowntree Foundation, June 2015: https://www.jrf.org.uk/report/philosophical-review-poverty; Pogge, T. (2008). *World Poverty and Human Rights*. Cambridge: Polity Press; Rowntree, B. S. (1901). *Poverty: a Study of Town Life*. London: Macmillan; Townsend, P. (1993) *The International Analysis of Poverty*, London: Harvester Wheatsheaf. For a more sociological analysis of poverty see Ruth Lister, *Poverty*, London: Polity (2004), and Pete Alcock, *Understanding Poverty*, London: Polity (2006).

[6] Frank Lovett (2012), *A General Theory of Domination and Justice*, Oxford: Oxford University Press, p. 2.

[7] On domination see also Ian Shapiro (2012), "On Non-Domination", *The University of Toronto Law Journal*, Vol. 62, No. 3, pp. 293-335

[8] Harry Frankfurt (1987), "Equality as a Moral Ideal". *Ethics*, Vol.98, pp: 21-43; Paul Kelly (2010), "Why equality? On justifying liberal egalitarianism", *Critical Review of International Social and Political Philosophy*, Vol.13, pp: 55-70; Martin O'Neill (2008), "What Should Egalitarians Believe?" *Philosophy & Public Affairs*, Vol.36, pp: 19-156; Thomas Scanlon (2007), *The Difficulty of Tolerance: Essays in Political Philosophy*. Cambridge: Cambridge University Press; Larry S. Temkin, (2009). "Illuminating Egalitarianism", in T. Christiano & J. Christman (eds.) *Contemporary Debates in Political Philosophy*, pp.:155-178. Malden, MA: Wiley-Blackwell.

[9] Derek Parfit (1997), "Equality and Priority". *Ratio*, Vol.10, pp: 202-221.

[10] A tax system was implemented that was not always progressive, for example property tax was reduced.

[11] *Social Justice Ireland*: "Socio-Economic Review 2018", p.40.

[12] Elizabeth Cullen, "Unprecedented growth, but for whose benefit?", in Richard Douthwaite and John Jopling (eds.) (2004), *Growth: The Celtic Cancer*, Feasta Review number 2.

[13] See John Baker, Kathleen Lynch, Sara Cantillon, and Judy Walsh (2004), *Equality: From Theory to Action*, Basingstoke: Palgrave.

[14] See Timothy Smeeding and Brian Nolan (2005), "Ireland's Income Distribution in Comparative Perspective", *The Review of Income and Wealth*, Volume 51, Issue 4; B.Nolan and C.Whelan (eds.) (2000), *Bust to Boom? The Irish Experience of Growth and Inequality*, Dublin: Economic and Social Research Institute; T.Fahey and H.Russell (eds.) (2007), *Best of Times? The Social Impact of the Celtic Tiger*, Dublin: Economic and Social Research Institute.

[15] Brian Barry (2005), *Why Social Justice Matters*, Chapter 13 'Pathologies of Inequality', Cambridge: Polity, pp.172-3.

[16] There is a vast literature in the social sciences on the how to define and measure absolute vs. relative poverty. See https://www.poverties.org/blog/relative-vs-absolute-poverty. See also David Brady, "Rethinking the Sociological Measurement of Poverty", *Social Forces*, Vol. 81, No. 3 (Mar., 2003), pp. 715-751; Jake Rosenfeld, "'The Meaning of Poverty' and Contemporary Quantitative Poverty Research", *British Journal of Sociology*, Vol.61, Issue 1, 2010. For a more philosophical approach see Beverley Shaw, "Poverty: Absolute or Relative?", *Journal of Applied Philosophy*, Vol. 5, No. 1 (1988), pp. 27-36.

[17] Thomas Scanlon (2018), *Why Does Inequality Matter?* Oxford: Oxford University Press.

[18] On this issue see D.Dorling (2011), *Injustice: Why Social Inequality Persists*, Bristol: Policy Press; Richard G. Wilkinson and Kate Pickett (2009), *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London: Allen Lane.

[19] Seán Ó Riain's (2014), *The Rise and Fall of Ireland's Celtic Tiger*, Cambridge: Cambridge University Press.

[20] Derek Parfit (1991), "Equality or Priority?" The Lindley Lecture, Lawrence, Kans.: Department of Philosophy, University of Kansas.

[21] Thomas Christiano (2005), "An Argument for Egalitarian Justice and Against the Levelling-Down Objection", in Joseph Keim Campbell, Michael O'Rourke & David Shier (eds.), *Law and Social Justice*, Cambridge, Mass.: MIT Press; Thomas Christiano & Will Braynen (2008), "Inequality, Injustice and Levelling Down", *Ratio*, Vol.21, No.4.

[22] Larry Temkin (2000), "Equality, Priority, and the Levelling-Down Objection", in Matthew Clayton & Andrew Williams (eds.), *The Ideal of Equality*, London: Macmillan.

[23] Martin O'Neill (2008), "What Should Egalitarians Believe?", *Philosophy and Public Affairs*, Vol. 36, No. 2.

[24] Harry Brighouse and Adam Swift (2006), "Equality, Priority, and Positional Goods", *Ethics*, Vol.116.

[25] Ibid. p.476.

[26] It is interesting to note that the Levellers got their name accidentally, since the term 'leveller' had been used as a term of abuse for rural rebels in 17th Century England. The leaders of the Levellers movement strongly denied the charge of 'levelling', but reluctantly adopted the name for pragmatic reasons, because it was how they were known at the time to the majority of people.

[27] Iris Marion Young (1990), *Justice and the Politics of Difference*, Princeton: Princeton University Press, p.57.

[28] This is based on the three-dimensional analysis of social injustice in Vittorio Bufacchi (2012), *Social Injustice: Essays in Political Philosophy*, Basingstoke: Palgrave.

[29] Ingrid Robeyns (2017), "Having Too Much", in J. Knight and M. Schwarzberg (eds), *Wealth: NOMOS LVI*, New York: NYU Press, p.4.

[30] On Limitarianism, see also Danielle Zwarthoed, "Autonomy-Based Reasons for Limitarianism", *Ethical Theory and Moral Practice*, forthcoming.

[31] For an analysis of these findings, see J.Whelan, "How Ireland has failed 760,000 people living in poverty", RTÉ Brainstorm, 28 May 2019: https://www.rte.ie/brainstorm/2019/0523/1051220-how-ireland-has-failed-760-000-people-living-in-poverty/

[32] See Sean Ó Riain (2014), *The Rise and Fall of Ireland's Celtic Tiger: Liberalism, Boom and* Bust, Cambridge: Cambridge University Press; Fintan O'Toole (2010), *Ship of Fools: How Stupidity and Corruption Sank the Celtic Tiger*, London: Fabre and Faber.

[33] "Switzerland Votes Against Cap on Executive-pay*" The Guardian*, Sunday 24 Nov 2013: https://www.theguardian.com/world/2013/nov/24/switzerland-votes-against-cap-executive-pay

[34] https://www.revenue.ie/en/corporate/documents/statistics/income-distributors/individualised-gross-income.pdf

[35] Political philosophers writing on inequality include Thomas Scanlon (2018), *Why Does Inequality Matter?* Oxford: Oxford University Press; Amartya Sen (1992), *Inequality Reexamined*, Cambridge, Mass.: Harvard University Press; Lerry Temkin (1993), *Inequality*, Oxford: Oxford University Press. In economics see Tony Atkinson (1983), *The Economics of Inequality*, Oxford: Oxford University Press; Tony Atkinson (2015), *Inequality – What Can Be Done?* Cambridge, Mass.: Harvard University Press; Thomas Piketty, (2014), *Capital in the 21st Century*, Cambridge, Mass.: Harvard University Press; Joseph Stiglitz (2012), *The Price of Inequality,* New York: W.W.Norton. In public policy see Per Molander (2014), *The Anatomy of Inequality*, New York: Melville House; R.Wilkinson and K.Pickett (2010), *The Spirit Level*, London: Allen Lane; Daniel Dorling (2011), *Injustice: Why Social Inequality Persists*, Bristol: Policy Press.

[36] Cathal O'Connell and Joe Finnerty, "How to solve Ireland's housing crisis", RTE Brainstorm, Tuesday, 2 Oct 2018: https://www.rte.ie/eile/brainstorm/2018/1002/999385-how-to-solve-irelands-housing-crisis/

[37] Martin O'Neill and Thad Williamson (eds.) (2012), *Property-Owning Democracy: Rawls and Beyond*, Oxford: Wiley-Blackwell.

[38] Threshold Annual Report 2017, *Solving housing problems, Preventing homelessness*, December 2018: https://www.threshold.ie/download/pdf/thresholdannualreport2017updated.pdf?issuusl=ignore

[39] "Average rents reach all-time high of €1,304 per month", *The Irish Times*, Friday August 17, 2018. https://www.irishtimes.com/business/economy/average-rents-reach-all-time-high-of-1-304-per-month-1.3598655

[40] Donal Ryan (2012), *The Spinning Heart*, London: Doubleday Ireland.

[41] Elena Ferrante, "This Is My Last Column", *The Guardian*, 12 January 2019.