

## REVIEW SYMPOSIUM

### ***Best of Times?***

### ***The Social Impact of the Celtic Tiger***

Edited by Tony Fahey, Helen Russell, Christopher T. Whelan  
Institute of Public Administration, Dublin, 2007  
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Socio-economic change in Ireland has long been tracked by research at the Economic and Social Research Institute, and from time to time, has been punctuated by volumes from the ESRI that seek to review the evidence on the character of that transformation. *Best of Times?* provides an assessment of the social impact of the Celtic Tiger years, drawing on the research of ESRI authors along with a number of colleagues from other institutions.

Such a significant review of the recent changes in Irish economy and society seemed to the editors to merit extended discussion here in *The Economic and Social Review*. Reviewers were chosen to provide a mix of disciplinary backgrounds, of Irish and international institutional affiliations, and of broad perspectives on the social transformations and consequences of the Celtic Tiger boom.

*Best of Times?* has been re-published in recent months as Fahey, T., H. Russell and C. T. Whelan (eds.), 2008. *Quality of Life in Ireland: Social Impact of Economic Boom*, Springer.

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In 1987, the year of Italy's famous *sorpasso* over Thatcherite Britain, Irish GDP per head was less than two-thirds that of Italy. Eleven years later Irish GDP per head overtook Italian GDP per head, and in the following year UK GDP per head. Irish GNP per head – a more meaningful measure for Ireland for well-known reasons – overtook Italian GDP per head in 2001 and UK GDP per head in 2004. It was an extraordinary achievement. Men live not on bread alone, however, and one of the common criticisms of the Celtic Tiger is that its material gains have come at a cost in terms of social cohesion, alienation, and dislocation. Not so, argue Tony Fahey, Helen Russell, Christopher Whelan and their co-authors (henceforth FRW). In a series of mainly persuasive essays on a wide range of topics it writes up the achievements of the last two decades or so. While acknowledging problems in areas such as drug addiction and a rising homicide rate, FRW paint a picture of an Ireland that really “has never had it so good”. The problems that remain are “more modest” than suggested by critics (p. 7) or “manageable” (p. 264).

What a contrast with an earlier socio-economic survey from the ESRI, *Understanding Contemporary Ireland* (1990)! That volume was co-written, rather than co-edited, by an eminent quartet of ESRI-based sociologists – Richard Breen (now at Yale), Damien Hannan (since retired), David Rottman (a criminologist, now in the US), and Christopher Whelan. It appeared when the Celtic Tiger was still in gestation. Written against the backdrop of an unemployment rate of nearly one-fifth and a public debt that exceeded GDP, it took social class as “the core of [its] explanation of social change” and blamed the State (sic) for failing to promote economic development and greater social inequality. By contrast *Best of Times?* contains little about social class – only Chris Whelan's chapter, co-written with Richard Layte, invokes it analytically – and “state” does not even appear in the index. Where *Understanding Contemporary Ireland* was critical and neo-Marxian, *Best of Times?* is celebratory and apolitical (or post – political?). In this respect, another ESRI-inspired volume, *Bust to Boom? The Irish Experience of Growth and Inequality* (Nolan, O'Connell and Whelan, 2002), offers a kind of half-way house: optimistic about the future, but very focused on “the importance of strategic national choices for both economic performance and social inequalities”. The implied shift in the course of Irish sociological research bears testimony to the impact of the Celtic Tiger.

<sup>1</sup> The helpful comments of colleagues Kevin Denny, Colm McCarthy, David Madden, John Sheehan, and Brendan Walsh on an earlier draft are gratefully acknowledged. A longer version of this review is available in the *Dublin Review of Books* (Ó Gráda, 2008).

The broad case made by FRW is unanswerable. It implies, though it does not address, the high costs of poor policymaking before the mid-1980s: had Ireland's economy followed more closely the growth trajectory of the rest of Europe since the 1950s, the benefits described here would have been enjoyed by more people and for much longer. Here I focus on some very recent changes in social and personal well-being, sudden and largely overlooked in the media, and not given due consideration by FRW. Some are too recent to be expected in *Best of Times*; perhaps others might have been included, although it is in the nature of such collective endeavours that they can never be quite up-to-date. These changes are arguably as striking as – and more puzzling than – the trends described in the book itself.

*First* is the sharp and unexpected acceleration in the rate of improvement in the Irish expectation of life at birth, highlighted in recent papers by Shane Whelan (2008) and Brendan Walsh (2008), and not captured in *Best of Times* (pp. 107-110). The increase in the expected life span at birth between 2000 and 2006 was almost as big as that in the preceding two decades. A specialist economics literature describes how to evaluate the increased welfare associated with such shifts: accounting for it would undoubtedly add significantly to the achievements of recent years (Ó Gráda, 2007). It would also temper the rising inequality described by Brian Nolan and Bertrand Maitre in *Best of Times* (FRW, Chapter 3), since the rise in life expectancy has been much more equally spread than that in incomes (compare Becker, Philipson, and Soares, 2005) and in Ireland seems to have been enjoyed fairly equally across counties.

*Second*, for all the recent and current media commentary about Ireland being awash in alcohol, per capita alcohol consumption, although still worryingly high, peaked in 2001-02 (compare FRW, pp. 1, 105-06). Beer consumption (measured in units of pure alcohol) per adult had already peaked in 1999; cider consumption peaked in 2001, and spirits consumption in 2002. Only wine consumption, five times as high now as two decades ago, continues to rise (Hope, 2007: App. 3; compare Creagh, 2008). Perhaps relatedly, despite the vast increase in car registrations and road traffic, the number of fatalities in road accidents has been falling for some time.<sup>2</sup>

<sup>2</sup> The numbers killed in road accidents has fallen from 338 per million registered vehicles in 1996 to 247 in 2000 and 159 in 2006, with a further significant decline likely in 2007 ([www.rsa.ie](http://www.rsa.ie)). Presumably data describing fatalities per passenger kilometre – a more appropriate measure – would reveal an even greater decline. It is ironic that two high-profile quangos, the Implementation Group Established to Progress Recommendations Aimed at Tackling Alcohol Misuse and the Road Safety Authority, were established in 2006, some years after the social problems they were intended to target had peaked.

*Third, Best of Times* shows that, contrary to frequent media claims, psychological stress levels fell during the Celtic Tiger years (FRW, pp. 21-22, 212-15), a claim strongly supported by Madden (2007), who reports a reduction in mental stress in Ireland between 1994 and 2000. Madden's decomposition analysis shows that features associated with the Celtic Tiger – better employment prospects, rising education levels, and higher incomes – accounted for much of the decline.

A more extreme measure of mental health is the suicide rate. A study published by the Central Statistics Office in 2005 noted that that “there was a definite trend upwards in the suicide rate in recent times, particularly among males aged 15-24” (Heanue, 2000, p. 37; see too Corcoran, Arensman and O'Mahony 2006), and OECD data suggest that between 1980 and 2000 youth suicides per head of population grew faster in Ireland than anywhere else in the developed world. At the end of the old millennium the suicide rate in the population as a whole was less than the OECD average, but the youth suicide rate was second only to Iceland's. The current rate is about nine suicides per 100,000 population; four-fifths of the victims are male, and half the total under twenty-five. The numbers only hint at the scale of the heartbreak and loss involved. Note, however, that the suicide rate, measured relative to the whole population, has been falling in the new millennium. On the basis of data to 2002, *Best of Times* notes a fall in the male suicide rate since 1998 (FRW, pp. 109-10), but the fall has been much sharper since then. There were 457 suicide victims in 2004, 431 in 2005, and 409 in 2006.<sup>3</sup>

*Fourth*, some commentators, following Harvard economic historian Niall Ferguson, may find it tempting to link Irish economic success to increasing secularism. This twist on the Weber-Tawney thesis would consider the secularisation that has brought increases in single parenthood, in divorce and marital breakdown, and in unplanned births and abortions as part of the process that also created the Celtic Tiger (for a rather extreme version see Bloom and Canning, 2003; compare FRW, pp. 155-74).

In this case too, very recent changes muddy the water. While both the proportion of births outside marriage and the number of abortions rose in the 1980s and 1990s, there is evidence of shifting patterns in both in the very recent past (compare FRW, pp. 165-67). The levelling off is significant, but more important is the downward trend in teenage births. Teenage births, mostly extra-marital, surged from 1.6 per cent of all births in 1960 to 3.3 per cent in 1980, and peaked at 6.3 per cent in 2001. Their share fell to 4 per cent

<sup>3</sup> Here too there is a gap between journalist rhetoric and statistical reality. See e.g. “Junior Minister Devins vows to cut suicide rate by 10 per cent”, *Sunday Independent*, August 26th 2007; “Suicide rise linked to closure of rural pubs”, *Irish Examiner*, February 14th 2008.

of the total in 2005 and 3.7 per cent in 2006. The total number has fallen from 3,371 in 1999 to 2,410 in 2006. Moreover, a decade ago the share of extra-marital births by mothers aged less than 25 years was 58 per cent; today it is down to about 41 per cent. Presumably many, if not most, of the children born outside marriage to older women are “planned” and associated with stable and viable family units.

Was the reduction in teenage births associated with a reduction in teenage conceptions? Here data on abortions carried out on Irish residents travelling across the Irish Sea offer a partial answer. Overall, since 2001 there has been a significant reduction in the number of abortions carried out on Irish residents in the UK. The shift tallies with the impression that the proportion of “crisis” pregnancies has been declining. It is sometimes claimed that increasing recourse to abortions elsewhere distorts the impression given in British data. However, recent data from Belgium and the Netherlands – the countries highlighted most in this respect by pro-choice activists – would seem to rule out any significant increase in the traffic from Ireland.

Equally striking is the reduction in the number of terminations by young women as a proportion of the total. At the same time there has been a rise in the proportion of teen pregnancies that ended in terminations. For other age groups there have been slight falls in the recent past in the proportions ending in terminations.

Brendan Walsh (2008) notes that accounting for the sudden shift in mortality rates is “a challenging task”. The trouble is that many of the factors that might account for such a shift “changed gradually over time”. Like the change in life expectancy, the near-coincidence in timing in several other demographic measures is remarkable and remains puzzling. As for likely connections, as the late Zhou Enlai might have said, “it is a little too soon to say”. And, although these are indeed the best of times, we should also beware of Panglossian claims that “*tout est pour le meilleur dans le meilleur des mondes possibles*”.

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A great deal of contemporary social scientific debate is concerned with the philosophical question of what constitutes the “good life”, and whether or not the neo-liberal economic policies associated with globalisation promote economic growth at the expense of social cohesion. Critics of globalisation often point to widening disparities between rich and poor and the weakening of welfare state provision as evidence of the negative dimensions of neo-liberal economic policies, while its advocates cite the global decline in absolute poverty and the increase in life expectancy as evidence of neo-liberalism’s positive outcomes. Until recently, the Economic and Social Research Institute (ESRI) have played a significant role in providing data relevant to both sides of this debate which demonstrated the negative as well as the positive social outcomes of the Celtic Tiger economic boom. In their 2000 publication, they have argued that the increase in the gap between rich and poor that has accompanied the overall increase in standard of living in Ireland means that the state should play a more active distributive role in mediating between social welfare and economic development, and that “the achievement of real social equality of opportunity requires a highly interventionist state” (Nolan, *et al.*, p. 352). In contrast, their tone in their most recent book, *The Best of Times: The Social Impact of the Celtic Tiger* (2007) is celebratory and uncritical, for here they argue that the economic boom deserves “two cheers and perhaps even three” (p. 10), despite the fact that their data reveals increased social inequality at the top end of the wealth spectrum, a high degree of income inequality, an increase in numbers falling below relative income thresholds, a rise in the number of lower skilled jobs, the persistence of inequality of opportunity in the occupational sphere particularly for working class groups. In marked contrast to their earlier advocacy of the role of state intervention in alleviating social inequality (Nolan *et al.*, 2000), here they argue that inequality is an inevitable outcome of Ireland’s liberal welfare regime and the state’s “poor redistributive effort” p. 27), a position which reduces the state to a passive tool of the economy. This reconfiguration of the state-economy relationship is part of a broader tendency towards consensualism in Irish political culture, and a political re-alignment and is more consistent with the emerging neo-liberal consensus in the Irish state than with the ESRI’s former role in providing an empirical foundation to a critical social science in Ireland. In this context, the conclusion by Swedish sociologist, Professor Robert Erikson seems like a strategic attempt to provide their book with social democratic and international legitimacy designed to assuage potential critics, since the conclusions of their analysis would lean politically in the entirely opposite direction.

As well, they embrace a linear, non-dialectical fatalism that misrecognises the relationship between social critique and social change in claiming that the changes in Irish society should be uncritically celebrated since “things on balance are not as bad as they used to be” (p 10). This view of history dismisses any idea of an alternative to the current neo-liberal consensus. In contrast, Allen (2007), Coulter (2003), Fitz Gerald (2006), Kirby (2004) as well as members of the ESRI themselves in earlier publications (see Nolan *et al.*, 2000, and Nolan, 2003) have championed the role of social critique and political contestation as a means of contesting social inequalities that are often the outcome of neo-liberal economic policy. Dominant views on Irish society are polarised simplistically into “glass half- empty” and the “glass half-full” positions, and critics of neo-liberal globalisation are characterised as either a pessimistic, “curmudgeonly”, “confused commentariat” who misguidedly yearn for the poverty riddled Ireland of the past, or as utopian dreamers who wish we were in “the Land of the Lotus eaters, with its citizens floating about in a permanent state of wealth-induced bliss” (p. 25). This representation of critics as either miserable misanthropes or utopian dreamers is typical of the current neo-liberal consensus which presents neo-liberalism as though there is no alternative, and denies the value of social critique or political contestation as a means of challenging social inequalities that are often the outcome of neo-liberal economic policy. As critiques of modernity have shown, evaluations of what constitutes “happiness”, “satisfaction”, and “quality of life”, is a matter for public debate and political contestation rather than ethnocentric, exclusionary and potentially totalitarian appeals to modernisation, globalisation, and other narratives of progress. These critiques have shown that meta-narratives that posit a single overarching paradigm as the basis of human progress are often profoundly exclusionary to certain populations. In various places, the authors criticise the idea of utopias, yet they paradoxically present their own utopian metanarrative: the idea that market exchanges are the only viable, foundational paradigm capable of governing all human action, and the idea that neo-liberalism as a totalising metanarrative from which there is no alternative. This tendency that is most evident in the foreword by the Director, Frances Ruane, who uncritically claims “there are always winners and losers” (p. vi) in times of economic change.

Perhaps the biggest limitation of this book is the way the authors are seemingly unaware of recent epistemological critiques of methodologism and objectivism, or the idea that empirical data alone can reveal a single, unambiguous, “true” reality, and that rigorous adherence to certain established precepts within its own tradition ensures that whatever method is employed is self-cleansing, and that the “proper” employment of method can eliminate bias. For example, they argue that proper empirical “facts” can help

solve what they call the “apples and oranges” problem (or how to weigh up different dimensions of social change) and will “restrain us from jumping to ill-informed conclusions” (p. 5). However, the capacity of empiricism to decide between apples and oranges is not questioned, beyond presuming the implicit authority of this positivist epistemological framework; nor are the specific categories used to make these judgements questioned in any detail. For instance, in Chapter 2, Tony Fahey argues that the positive link between national wealth and average national level of subjective well-being – as measured by a ten-point life satisfaction scale – is particularly pronounced in Europe and in Ireland in particular. However, we are not told what this life satisfaction scale actually measures, beyond the claim that it is “a standard indicator used for this purpose” (p. 15). There are points at which broader philosophical questions are introduced, for instance, Fahey deigns the broader philosophical issues such as “the goals that the good society should be designed to pursue and, in the realm of human happiness, the limits of what is attainable within the constraints of the human condition” (p. 12), and in the introductory chapter, Fahey, Russell and Whelan argue that conceptions of the good society are founded on ethical and philosophical worldviews that vary across cultures, and it cannot be readily determined what is right and wrong. However, they deal with the ambiguity and murkiness of such complex moral, political and philosophical questions by compartmentalisation, and claim that this is predominantly the terrain of the philosophers, such as Cooke from UCD, and rely instead on the “shining light” of facts, such as the “databank of happiness”, rather than the broader epistemological or moral questions. The authors make the grandiose claim that this book single-handedly represents the “current state of knowledge and understanding” about the effects of social change in Ireland with complete disregard for the ambiguity regarding these broader issues.

This is not to say that empirical research is irrelevant; rather it is invaluable in providing the overall context of all social research. And some of the chapters are devoid of this empirical elitism, such as the one by Corcoran *et al.* However, for the most part, the editors are seemingly unaware of international literature in the philosophy of the social sciences, as is indicated by the omniscient, self-certain tone, and the assumption of the unquestioned authority of the empirical researcher. Though all may not agree that all knowledge is context dependent, that scientific truths are paradigmatic and subject to change, and that objectivity and value neutrality are not only undesirable, but also impossible (nor should we all agree), this debate has encouraged more reflexive quantitative and empirical work, and has encouraged more international quantitative sociologists to be more circumspect in their claims, and has fueled a growing respect for a diversity of

epistemological and methodological approaches, in contrast to the stale and narrow hegemony of empiricism in the social sciences in Ireland.

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This book sets its sights high and wide, raising fundamental questions about the social contract and offering a panoptical view of contemporary Irish society, including everything from its degree of economic and educational opportunity to the health and well-being of its population to its shifting patterns of family formation, residential location, immigration, and criminal behavior. This breadth does come at a price, however, as only a chapter or two is devoted to each topic, not quite enough to give a specialist enough information to answer the central motivating question of the book (whether these are the “best of times” for Ireland). Nevertheless, in setting an ambitious agenda and going a long way in fulfilling that agenda, the book is provocative and sure to spark a new generation of research.

The most provocative aspect of the book, of course, is its assertion that the economic boom has not, on the whole, resulted in any of the adverse social consequences claimed by the boom’s many critics and doomsayers. Edited collections are often derided for not “hanging together” with a “unifying theme”, but this is not a problem for this collection given its near universal finding of improvement or stability across social domains. As far as I can recall, every chapter consists of an alleged criticism – “this is becoming a country of haves and have-nots”, “the family is falling apart”, “crime is rampant”, and so on – met with evidence to the contrary. Unfamiliar with Irish society, I was surprised by the extent to which the drumbeat of criticism was silenced by the empirical record. I was especially impressed by the harnessing of attitudinal data on such matters as subjective well-being, national pride, health, economic security, residential conditions, and physical security. Nearly every chapter included data of this kind, something that is thankfully becoming more common in social science research more generally.

Still, despite the tidal wave of optimism, one could not help but sit back and wonder whether something was missing from this picture. My hunches were in the areas of research I know best – economic opportunity and inequality in the United States – but they are confirmed by cross-national research on social welfare and economic inequality. In most such research, Ireland is ranked along with the United States and the United Kingdom as having one of the highest levels of economic inequality and poverty and lowest levels of social spending across advanced industrialised nations.<sup>1</sup> When expanding the set of countries in the comparison, Ireland performs favourably

<sup>1</sup> See, for example, Timothy Smeeding. 2006. “Poor People in Rich Nations: The United States in Comparative Perspective”. *Journal of Economic Perspectives*, Vol. 20, No. 1, pp. 69-90.

relative to newer and southern European countries, such as Estonia and Slovakia (as shown in Table 3.1 of the book). While the book uses this information to argue that Ireland is not an “outlier”, as some critics contend, it fails to acknowledge that the US and UK are not exactly good company to keep when it comes to these important social indicators. The US, in particular, is the example par excellence of a society that values growth at the expense of inequality and poverty.

But the problem is deeper than guilt by association. Although the US has a recent history of economic growth skewed dramatically towards the wealthy, it managed to reduce some indicators of inequality during the height of its economic boom in the late 1990s (e.g., the 90th/10th percentile ratio of wages). Ireland, by contrast, had stable levels of inequality as measured by the Gini coefficient and *rising* levels of inequality as measured by the 90th/10th ratio. Similarly, poverty rates declined during the economic boom in the US while they increased in Ireland.<sup>2</sup> The point here is that periods of rapid economic growth present unusual opportunities to expand the pie, share the wealth, and *reduce* inequality and poverty. In US history, this occurred most dramatically in the 1940s through the 1960s and, to a lesser degree, during the late 1990s. In contrast, inequality in the US grew during a period of relative economic stagnation characterised by lower productivity and growth rates in the 1980s and 1990s. Thus, if inequality could not be mitigated during Ireland’s boom years, one wonders what will happen when the abundance is eviscerated by a downturn (as appears to be now occurring).

The relationship between growth, inequality, and poverty is certainly more complicated than this (e.g., it can be dependent on stage of development), but this complexity is sometimes lost with the emphasis on showing that the premiere indicator of inequality – the Gini coefficient – did not increase over the course of the boom. This is less true of a chapter on “consistent poverty”, the term developed by Whelan, Nolan and Maître in an important analysis of changes over time in basic needs satisfaction. The authors argue that relative poverty measures, which registered an increase over the course of the boom, are not as suitable for evaluating distributional changes during periods of rapid economic change as are social indicators of absolute material well-being, which registered a decrease. Thus while a greater share of the population fell below a relative threshold of poverty (e.g., 50 per cent of median earnings) – a signal of growing inequality – a smaller share experienced absolute material deprivation. As a normative issue the authors make a persuasive though debatable argument and provide a thorough discussion of the issues. Still it would have been helpful to show earnings trends at each decile or quintile to

<sup>2</sup> See data compiled by the Luxembourg Income Study at <http://www.lisproject.org/php/kf/kf.php>).

determine whether real earnings increased at the bottom as well. This would offer the most convincing evidence that all boats were lifted by the boom.

This leads naturally into the broader and more controversial question of what happened to inequality of opportunity as inequality of outcomes held steady at high levels (or increased). The enormous outpouring of research on earnings inequality in the 1990s has given way, at least in part, to an interest in inequality of opportunity, which is a normative concern shared by individuals of virtually all political stripes (unlike inequality of outcomes, which many consider perfectly fair as long as equality of opportunity exists). Inequality of opportunity is typically measured as the impact of family background on educational, occupational, and income attainment and is confounded by absolute upgrading on all these fronts over time as a society advances socially and economically. Controlling for the latter changes, most previous research has found that the association between family background and educational attainment in Ireland is relatively rigid by international standards and has changed little over time.<sup>3</sup> Chapters by O'Connell and Russell; Smyth *et al.*, and Whelan and Layte cover this territory but place greater emphasis on absolute upgrading and upward mobility into higher occupational and educational positions, even for those from working class backgrounds, which is a distinctly more positive message. There is also surprisingly little on processes of educational attainment as opposed to institutional reforms in the educational system, which seems somewhat out of place in this chapter. Certainly, the authors in this volume have a long track record of superb research in this area, and the book would have benefited from their more extended analysis of this central dimension of the social impact of the Celtic Tiger.

As some of these observations are made by the contributors to this volume, our differences seem to lie mainly in emphasis. I find it difficult to come to a firm conclusion on such a weighty subject as whether a society has reached its "best of times", even where great progress has been achieved. This is made all the more difficult without a comprehensive analysis of the relevant research in each field (which would require at least a full volume on each topic). Such an analysis would ideally include multiple comparative components – over time, the focus of this volume, as well as across societies. In throwing relative weaknesses and strengths into relief, the comparative approach is a critical tool in any assessment of the welfare of nations.

<sup>3</sup>Richard Breen and Jan O. Jonsson. 2005. "Inequality of Opportunity in Comparative Perspective: Recent Research on Educational Attainment and Social Mobility", *Annual Review of Sociology* Vol. 31, pp. 223-43; Michael Hout, 2007. "Maximally Maintained Inequality Revisited: Irish Educational Mobility in Comparative Perspective" in B. Hilliard and M. Ghiolla Phádraig (eds.), *Changing Ireland in Comparative Perspective*, Dublin, Ireland: Liffey Press.