

Working Notes Issue 73 Editorial

on Friday, 14 March 2014. Posted in [Issue 73 The Rights of Workers – Then and Now](#), [Economics](#)

The goal of economic development that responds to essential human needs, respects the rights of workers to decent pay and conditions, and is sustainable in both economic and environmental terms, is the underlying theme of three of the articles in this issue of *Working Notes*.

In the opening article, Brendan Mac Partlin SJ explores the meaning of the Dublin Lockout of 1913 and its relevance to industrial relations in today's globalised economy. He argues that the dispute was fundamentally about the denial to the Dublin workers of the right of freedom of association for the purposes of bettering their working conditions, in a context where huge numbers of people worked for poverty wages, had little or no security of employment and where there was no safety net of social welfare. He points out that the gains achieved in the decades after 1913, representing a 'new deal' for employees, have come under increasing threat since the 1970s, with the globalisation not just of economic activity but of a new form of *laissez-faire* capitalism. We now see the 'old deal' in post-modern dress, with the widespread return of insecure and low-paid employment. Brendan Mac Partlin argues that in our globalised economy the essential rights of workers, social protection and equity must also be globalised; achieving this is a significant challenge to the trade union movement of today and to the international agencies.

In the second article, Gerard Doyle and Tanya Lalor examine the potential of social enterprise to supply services not available in either the public or private sectors, to provide good quality employment and to contribute to economic regeneration at local level. They point out that already in Ireland there are 1,400 social enterprises providing 25,000 jobs, with an estimated potential to double employment in the sector by 2020, and they give examples of innovative social enterprise projects in the areas of renewable energy supply, care for older people in the community, and housing regeneration. The authors suggest that there is now a more favourable policy environment for social enterprise, with both the Irish Government and the EU displaying an increasing awareness of its potential contribution. However, a critical question remains: will the sector be given the structural and financial supports necessary to enable it to fulfil that potential?

The third contribution, by Gerry O'Hanlon SJ, is Part Two of an article exploring the need for a 'redemption narrative' from a theological perspective to provide hope as Ireland deals with fallout from its economic crash, and guide us towards a more balanced, just and sustainable form of economic development. This part of the article focuses on the socio-cultural, political and theological resources that might contribute to the process of developing a redemption narrative. Gerry O'Hanlon highlights the need for new thinking and dissenting voices prepared to challenge not just the pervasiveness of modern capitalism, with its blind faith in 'the market' and insistence on growth, but the widespread assumption that 'there is no alternative'. He emphasises the need for a politics that is open to new thinking and can take on board the notion of the common good and its attendant values, such as equality, solidarity and fairness. He looks too at the particular contribution which theology can make, through asking searching questions about what is happening, by entering into dialogue with other disciplines, and by reminding us that in the midst of all our economic difficulties there are secure grounds for hope.

In the final article of this issue, Paul O'Mahoney explores the role which psychology and psychologists can play in bringing about much-needed improvements in prison conditions. This role, he says, goes far beyond the obvious, and of course important, task of providing a professional service to the great numbers of prisoners who suffer the effects of childhood deprivation, social disadvantage and mental illness. He suggests that it should extend to psychologists drawing on the insights of their discipline so as to highlight the inherently damaging nature of the closed, high-security prison and contribute to the devising of more constructive forms of imprisonment. In addition, he says, psychologists have a role in advocating for the minimal use of imprisonment and for action to address the social inequalities that lie behind much of the crime in our society.

The Meaning of Dublin's Great Lockout 1913

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Brendan Mac Partlin SJ

Every person has a right to purposeful activity and a living income. The people of central Dublin were deprived of these rights when they were locked out of work with little or no income for four months in 1913. In re-situate it in a context of labour relations. Although the past is the dispute remain and are being played out at a global level Dublin in 1913 is a case that might throw light on the exclus today's world and suggest pathways towards sustainable rela



‘The Social Question’

Nineteenth century industrialisation in Northern Europe produced wealth but did so in a way that left the slum-dwelling masses in misery. People such as Adolph Kolping, a priest in Cologne, saw how industrialisation and social change added to the poverty of working people. With the breakdown of the guild system, journeymen lost their place in the household of their masters. Kolping sought to redress this by founding associations and providing accommodation through a movement that lasted until the Third Reich.

Bishop Ketteler of Mainz was also concerned for the working class and developed influential views on social reform, outlined in his book, *The Labour Question and Christianity*, published in 1864. He proposed that the well-being of working class people was the Church's responsibility; this view was to influence Church policy at a later date.

Around this time, Karl Marx, with a different analysis, approached the same question of the social relations that arise out of the economy. The structure of the firm, the process of production, the system of exchange, the organisation of markets and the class structure all contributed, he observed, to antagonistic social relations.

In 1891, the Church took a stance on the social question in *Rerum Novarum*, the encyclical letter of Pope Leo XIII on the *Rights and Duties of Capital and Labor*.¹ In the encyclical, Pope Leo refers to:

... the misery and wretchedness pressing so unjustly on the majority of the working class ... [who] have been surrendered, isolated and helpless, to the hardheartedness of employers and the greed of unchecked competition. (n. 3)

Leo elaborates on the rights and duties of capital and labour and prescribes that the working poor should receive a living wage that would enable them to be housed, clothed, secure, and to live without hardship; that they should not accept unjust treatment as though it were inevitable, and should stand up for their rights, protect their interests, make demands and press their claims. The principal means for doing this he sees as the formation of unions. He worries about the damaging effects of industrial conflict and says that the state is obliged to prevent strikes by removing ‘in good time’ their underlying causes, such as poor working conditions and insufficient wages. He

argues that the problem can be resolved in a reasonable manner if workers unite in associations and, placing justice before profit, act for their own welfare and the welfare of the state. He believes that if the state makes use of its laws and institutions, if the rich and employers are mindful of their duties, and if workers press their claims with reason, then there might be a remedy for this vast evil (the condition of labour) before it becomes incurable.

The Labour Movement

The labour movement of the nineteenth century arose in response to emiseration of workers in industrial society. After 1850, the trades unions succeeded in organising, in gaining respect for the position of the craft worker in the Victorian labour market, and in bargaining for reasonable wages. The organisation of unskilled workers remained a problem until the 1890s when 'new unionism' with its low subscription rates, mass membership, and ideological solidarity carried out successful strike action followed by meaningful bargaining and wage improvement. This new unionism led to the rise of the National Union of Dock Labourers (NUDL), founded in 1889. It was as an organiser for this union that James Larkin came to Ireland in 1907 and had considerable success in ports from Belfast to Cork.

The political arm of the labour movement succeeded in establishing, at the turn of the century, labour parties that gained electoral influence. In return for Labour's help in the 1905 United Kingdom parliamentary elections, the Liberal Party enacted, with Conservative acceptance, the Trade Disputes Act, 1906. This gave workers and their unions wide freedom of action, especially in striking and picketing when engaged in a trade dispute. Its provisions implied, also, that the use of sympathetic and secondary strikes was protected in law. The effect was that trades unions were finally secure as organisations that could engage in recruiting and bargaining. From that point onwards, they grew in membership, with temporary setbacks, until the 1980s. Employers in the United Kingdom were hostile to the upsurge in new unionism and waged a vigorous campaign against the 1906 Act during the industrial unrest of 1911 to 1914. The Dublin employers fitted into this pattern with differences according to the specificities of the Dublin situation.

The Dublin Lockout 1913

Dublin, a provincial capital of the United Kingdom, had its own version of the social question. The city's centre, between the canals, had a population of over 100,000 people living in the worst slums of any UK city. It represented a pool of cheap labour that supplied the busy docks and the small number of Dublin business enterprises. Job shortages and exploitative hiring practices brought about a situation where workers competed for work which went to the cheapest bidder. Paid work was, of course, vitally important, as only minimal social assistance was available from the state.

James Larkin introduced new unionism to Dublin when he founded the Irish Transport and General Workers' Union (ITGWU) in Dublin in early 1909. With his militant approach to industrial action, a syndicalist socialist outlook, and his use of sympathetic strike action in the context of a general wave of industrial unrest, he gained significant wage increases. Larkin's following mushroomed and the ITGWU grew rapidly.

At the same time, a new breed of craft unionists took over leadership of the Dublin Trades Council and forged a solidarity between craft and unskilled workers. Further, an overlapping set of people, as members of the Irish Trade Union Congress (ITUC), founded the Labour Party in Clonmel in 1912.

In the first half of 1913, Larkin obtained increases of between 20 and 25 per cent for different groups of workers, ranging from dockers in the port to agricultural labourers in the county.² William Martin Murphy, President of the Dublin Chamber of Commerce, discovered that Larkin was recruiting members in his Dublin United Tramway Company. In July 1913, he told his assembled employees that anyone who remained a member of the ITGWU would be sacked and he subsequently began dismissing hundreds of employees suspected of such membership.

Murphy, a leading nationalist businessman, described as a kindly gentleman, living in the leafy suburbs of Dartry, also owned Clery's department store, the Imperial Hotel, and the Dublin Associated Newspapers, with control of the Irish Independent and the Irish Catholic newspapers. He was educated in Belvedere College. As a member of a conservative faction of the Irish Parliamentary Party he played a role in bringing down Parnell. He appears to have had strong connections with the clergy.

On Friday, 22 August 1913, Murphy visited Dublin Castle and obtained a promise of support from the Dublin Metropolitan Police (DMP), the Royal Irish Constabulary and the military if he went ahead with his plan to force a showdown with Larkin and the ITGWU. By the following Monday, the union had balloted in favour of strike action and in the middle of the following morning, the tram workers stopped work and abandoned their trams. By employing strike breakers, Murphy had the trams up and running again within an hour.³

Two days later, DMP detectives raided the homes of Larkin and other trade unionists. Dozens of trade unionists were subsequently charged in the police courts with incitement, intimidation, obstruction and stoning trams. On Sunday, 31 August 1913, a mass demonstration took place in O'Connell Street at which Larkin appeared on the balcony of the Imperial Hotel. The police baton-charged the crowd and more than 400 people were injured. In subsequent rioting, two men died.

On the following Tuesday, 2 September, seven people died when two tenements in Church Street collapsed. An inquiry, set up two months later, revealed that the number of people living in substandard housing in Dublin was 118,461. Of these, 13,800 were living nine or more to a room. It subsequently emerged that there were 17 city councillors among the leading slum landlords.

On Wednesday, 3 September, at a meeting of the Dublin Chamber of Commerce, Murphy unveiled his strategy to crush the ITGWU. More than 400 employers agreed not to employ members of the union and over the following few days thousands of workers were told to sign forms resigning from the ITGWU or dissociating from it, if in another union. In the coal trade alone, 1,500 men were laid off.⁴ The upshot was that the employers locked out 20,000 workers for not renouncing their right to trade union organisation. Their dependants, 100,000 people of Dublin's inner city, were reduced to the most extreme poverty over the following few months.

Failure of Conciliation Efforts

Following the industrial unrest earlier in the year, and before the lockout began, the Lord Mayor, Lorcan Sherlock, prompted by the Catholic Archbishop of Dublin, William Walsh, had proposed the establishment of a 'conciliation board' for the city; this proposal received the agreement of the Chamber of Commerce and the Dublin Trades Council. On 21 September, James Connolly, who was deputising for Larkin, told the press that the union was 'willing – anxious in fact' to see the establishment of such a board, but on the following day the employers formally rejected the proposal.⁵

On 26 September, the Board of Trade appointed a Tribunal of Inquiry, chaired by Sir George Askwith, to investigate the causes of the dispute and try to resolve it. The Tribunal began its work on 29 September and concluded on 6 October; it recommended that workers abandon the sympathetic strike weapon, and employers their lockout, and proposed a conciliation and arbitration system be set up to resolve disputes before a strike or a lockout was declared. The unions accepted these findings 'as a basis for negotiation' but the employers rejected them.

In early October, following an initiative by Tom Kettle, former Irish Parliamentary Party MP, an 'Industrial Peace Committee' was established, and on 13 October a delegation from the Committee met the Dublin Trades Council which agreed to a 'truce', if the employers would agree. The Dublin Employers' Federation responded that it was impossible to deal with the workers 'due to the domination of the legitimate trade unions by the Irish Transport Union'.⁶ In protest at this, 8,000 ITGWU members marched through Dublin. The Industrial Peace Committee formally wound up its activities saying: 'The employers feel their duty to themselves makes it impossible for them to pay any attention to the claims of Irish workers, or to public opinion in Ireland'.⁷

In November, Larkin, writing in the newspaper which he had founded in 1911, *The Irish Worker and People's Advocate*, stated:

This great fight of ours is not simply a question of shorter hours or better wages. It is a great fight for human dignity, for liberty of action, liberty to live as human beings should live ...

From late October, ships carrying strike breakers began to arrive in Dublin. By early November there were 600 of these 'free workers' working in the port; for safety, they slept on board the ships. Food ships organised by the Dublin Trades Council also arrived with food parcels donated by the Trades Union Congress (TUC) in London. By the end of November, TUC funds were supporting 14,968 workers in Dublin, of whom 12,829 were ITGWU members.⁸

In early December, the British TUC opened negotiations with the Dublin employers. The employers would make no commitment to the reinstatement of workers but insisted that this should be entrusted to their generosity, forbearance, fair-mindedness and goodwill. Tom Mac Partlin, the chairman of the workers' representation group, could see only the ill-will, malice, and prejudices of the employers 'who set out four months ago to starve us into submission' and declared that the fight would go on. The negotiator John Goode believed that the intention of Murphy to victimise some of the locked-out men 'is a fair indication of the vindictive spirit of the employers'.⁹

The Dublin strike committee asked the TUC to support them with sympathetic action by their members in the transport industry in Britain. When put to ballot, this proposal was roundly defeated. This left Dublin very isolated.

From 29 December 1913, individual employments began to drift back to work under varying conditions. By late January 1914, the only help available for the queues of people outside Liberty Hall was some food parcels and one-way boat tickets to Glasgow. The United Building Labourers' Union returned to work, agreeing to sign pledges renouncing the ITGWU. By early February, the confrontation was over.

Resisting Freedom of Association

The 1913 dispute was about the right of general workers to belong to a trade union. It was about freedom of association. It was also about the intolerable living conditions in centre-city Dublin.

Murphy's intransigent stance was informed by his dislike of 'Larkinism'. He accepted 'respectable' unions but questioned the wisdom of allowing unskilled and semi-skilled workers the right to join unions because he believed that they lacked the intelligence and education not to be led astray by those, such as Larkin, whom he considered demagogues.¹⁰

Archbishop Walsh attempted to create structures of conciliation and mediation. Murphy blocked them because he believed Larkinism was a threat to business and to his vision of Irish nationality.¹¹ He was determined to break the ITGWU. Viewed in retrospect, this was like trying to hold back the tide of the historical destiny of labour. He showed some social awareness in recognising the threat to his interests inherent in the rise of the labour movement in Ireland. But his action against the rights of a whole population is not justifiable by any measure.

In the light of the social teaching in *Rerum Novarum*, how was it that the local Church was not more forthcoming in its support of the workers of 1913? With the exception of the Archbishop, the Capuchins in Church Street and a Jesuit priest, Fr. Kane, none of the local clergy and few of the church-going middle class showed any understanding of official Church policy in this field. Could it be that the priests still dined out on their excellent performance during the 'land question' of the 1880s onwards? Was it that they came from a culture where the ethics of land ownership, private property and sexuality were individualised and absolutised, without any awareness of social ethics?

Yet there are claims that William Martin Murphy had a social conscience.¹² He was a Victorian gentleman, a business man oriented to the exploitation of the factors of production, at best a paternalist employer, an anti-Parnell and Redmondite Nationalist. He had also at one time been a member of the Society of St. Vincent de Paul. *Laissez-faire* society depends on 'charitable works' to provide residual care at least to the 'deserving poor' who fall on hard times, and sometimes even to the 'undeserving poor'. Such forms of care arise out of an impulse of charity. But they display a lack of understanding of the structures that generate poverty and inequality in the first place, and show no willingness to tackle such inequality or advocate against it. Murphy had the social awareness to know that if the poor of Dublin were permitted to have a say in their own working conditions then the employers would have to pay fair wages at a cost to profits. But his social conscience was not informed by concepts such as equal rights, respect, or the dignity of the person. His notion of the common good was attenuated to a vision of the exclusive interests of Home Rule nationalist business men. His values were individual goals and class interests.

'The New Deal'

The employers' lockout victory of 1913 was quickly swept away with the collapse of nineteenth century politics into World War I and the crash of *laissez-faire* capitalism in 1929. By 1916, membership of the ITGWU and of trade unions in general began to grow spectacularly and continued to do so until about 1980. The Trade Disputes Act, 1906 remained intact until the Thatcher government altered it in the 1980s.

The Treaty of Versailles (1919), in a section headed 'Organisation of Labour', declared that '... peace can be established only if it is based upon social justice' and acknowledged that working conditions involving 'injustice, hardship and privation' existed on such a scale as to constitute a threat to peace.

The Treaty stated that improvement of working conditions was urgently required, and called for the regulation of working hours, the provision of a living wage, the establishment of protective welfare

measures, and the provision of vocational and technical education. It also called for 'recognition of the principle of freedom of association'.

New Deal capitalism ushered in recovery in the 1930s. The Irish business sector began its ascent under an import replacement strategy. Private ownership of transport, trains and tramways failed to such an extent that the state had to take them over as loss-makers to ensure the provision of a public service. The social market economies and welfare states of post-World War II recognised the rights of labour to free association and collective bargaining and brought in a long boom that lasted for thirty years. In Ireland, the Industrial Relations Act, 1946 established a conciliation and adjudication system of dispute-resolution that has been at the heart of Irish industrial relations until this day.

The intervention of the state into market relations with a view to promoting prosperity and reducing poverty shows, in this period, its role as promoter of the common good. The state alone does not create the common good but depends on employers and labour for the production of wealth and social capital. At its best, social partnership is a form of governance which can integrate the conflicting interests of the main socio-economic players into a strategy for the common good.

The 'Old Deal' in Postmodern Dress

In the 1970s, stagflation in national economies emerged, as did opportunity for business in the unregulated waters of international trading. The *laissez-faire* doctrine of economics re-surfaced but this time applied at a global level. 'No holds barred' international competition emerged. Corporations are now free to operate in markets that are dis-embedded from national cultures, national politics, financial constraints and labour organisation. Many corporations have larger turnovers than the total income of nation states. Pressures are put on nation states to remove 'obstacles' to the freedom of action of corporations.

There has been a trend towards dismantling legal protections for trade union organisation and the employee voice on wages and working conditions. In Ireland, court challenges to employment legislation have led to decisions which have weakened employee rights, as in the cases of the landmark decision of the Supreme Court in *Ryanair v The Labour Court* [2007] which undermined the bargaining rights of trade unions, and the Supreme Court decision in May 2013¹³ which found that some provisions of the Industrial Relations Act, 1946 were unconstitutional (these provisions governed Registered Employment Agreements covering some poorly-paid employment sectors).¹⁴

The collapse of the neo-liberal economy in the great recession since 2008 has resulted not in a revision of neo-liberalism but a socialising of the debts of banks and speculators, the privatisation of profits, and the subjugation of the economy and social and community relationships to markets that are controlled by the superrich.

Neo-Liberalism and 'Precarity'

The social Darwinism of the unbridled capitalism of the nineteenth century has returned in the twenty-first century in a changed situation. The social question now applies globally as people's livelihoods are more and more affected by international markets. What persists, through all ages, and now in a transformed context, is 'precarity', and those who suffer from it, the 'precariat'. It is the condition of not being able to find a living income. The precariat of Victorian Dublin faced low wages and casual work – or no employment and a lack of social welfare protection. Today, there are growing numbers of working people who are not paid a living wage. Many experience casualisation not different from that endured by the old dockworkers. I know of workers on zero-hour contracts

who pay the bus fare to factory gates where they learn that they are not required for that day. Precarious work is, by definition, uncertain, unpredictable, and risky from the point of view of the worker. Labour market security, permanent contracts, decent pay, guaranteed working hours and welfare entitlements are all being whittled away.

Globalisation causes change in the organisation of work, distancing strategic decision-makers from the point of production, fragmenting the cycle of production to obtain greater efficiencies and greater profits. Survival calls for competitiveness through quality, efficiency and cost-reduction. Notions such as 'total quality' and 'world-class management' translate into demands for continuous improvement, flexibility and work intensification. The focus comes onto downsizing, atypical contracts, wage reduction, measurement and surveillance. Practices such as the right to hire and fire without accountability, reneging on pension agreements, and evasion of redundancy payments begin to show. The phenomenon of 'the working poor' contradicts the idea that work is the way out of poverty in large sections of the economy.

It has already been established that trade unions play a fundamental role in defending the vital interests of workers and are forms of association with a right to recognition. Pluralist co-operation is the only way to orientate relations in the world of work. As in democracy, attempts to eliminate the other are unacceptable. In a globalising economy, the essential rights of workers, social protection, and equity must also be globalised.

This new context calls on unions to develop new forms of solidarity at global level. Work itself needs protection and development. Work is not just the market-driven production of consumer goods, or just the means to obtain the credit to be a consumer.

The human person is the subject of work as a free and creative activity. Human beings have priorities, a key one being a tendency towards establishing relationships. This is the driver of globalisation and so economic, social and political systems should have as their purpose the support of human relationships, and should be re-embedded in the life of the community.

'The Crisis of Communal Commitment'

Distinct from the real economy but overshadowing it is the system of financial markets. In the encyclical, *Rerum Novarum*, when Pope Leo pointed out that working people had been surrendered 'to the hardheartedness of employers and the greed of unchecked competition', he added: 'The mischief has been increased by rapacious usury ... still practiced by covetous and grasping men' (n. 3).

Over 120 years later, his words are still relevant, in the context of the profound distortions in the financial system evident in the systematic dismantling of regulation, the collapse of the markets in 2008 and the response to this collapse. The 'rapacious usury' of dealing in financial markets swamped the real economy of work and production, and wiped out vast volumes of wealth generated by long labour in business organisations and national economies. Judgements about the movement of money in financial markets resemble the type of decision-making found in a gambling casino. The result is that small numbers of people become inordinately rich and losers pay their debts by taxing workers and welfare recipients. A striking line from the film, 'Wall Street: Money Never Sleeps' (2010) encapsulates 'the social question' in a modern context: 'You are part of the NINJA generation. No Income. No jobs. No assets'.

The Apostolic Exhortation, *Evangelii Gaudium* (*The Joy of the Gospel*), issued by Pope Francis, describes the issue as 'a crisis of communal commitment'.¹⁵ In order to identify the values to guide

the way forward, Francis makes explicit the need to reject certain core features that characterise the economic and financial system of today.

The Pope's first 'no', of four, is his 'no to an economy of exclusion'. He points out:

Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape. (n. 53)

Francis goes on to speak in very strong terms of the consequences of the process whereby human beings are commodified, used and then discarded:

... those excluded are no longer society's underside or its fringes or its disenfranchised – they are no longer even a part of it. The excluded are not the “exploited” but the outcast, the “leftovers”. (n. 53)

He rejects trickle-down theories claiming that economic growth and the free market will inevitably bring about greater justice and inclusiveness, saying that these have never been confirmed by the facts and that they reflect a naïve trust in the goodness of those wielding economic power and a naïve belief that the market works for the good of all.

'No to the new idolatry of money' rejects the domination of ourselves and our societies by money. Francis sees the current financial crisis as originating in 'the denial of the primacy of the human person' and says:

We have created new idols. The worship of the ancient golden calf (cf. Ex 32:1-35) has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose. (n. 55)

He goes on to say that the crisis has laid bare the imbalances in the economic and financial systems and, above all, their lack of real concern for human beings, so that people are reduced to just one of their needs – the need to consume.

Francis points out that while the earnings of a minority are growing exponentially, so too is the gap which separates them from the majority:

This imbalance is the result of ideologies which defend the absolute autonomy of the marketplace and financial speculation. (n. 56)

These ideologies reject the right of states, charged with care for the common good, to intervene:

A new tyranny is thus born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules. (n. 56)

He adds:

The thirst for power and possessions knows no limits. In this system, which tends to devour everything which stands in the way of increased profits, whatever is fragile, like the environment, is defenseless before the interests of a deified market, which become the only rule. (n. 56)

The third 'no' is to a financial system 'which rules rather than serves'. Such a system, Francis says, rejects ethics as counterproductive, as being 'too human, because it makes money and power relative' (n. 57). An authentic ethics would make it possible to bring about balance and a more

humane social order. Economics and finance need to be re-embedded in an ethical approach which favours human beings.

The fourth 'no' is to inequality. Francis notes that today in many places there is a call for greater security but says: '... until exclusion and inequality in society and between peoples are reversed, it will be impossible to eliminate violence' (n. 59). He argues that if the evil of injustice is embedded in society there is a constant potential for disintegration; unjust social structures 'cannot be the basis of hope for a better future'. He states:

We are far from the so-called "end of history", since the conditions for a sustainable and peaceful development have not yet been adequately articulated and realized. (n. 59)

Conclusion

In 1913, there was no advocate for the common good. The *laissez-faire* system regarded the living wage and the common good as distorting the operations of the market. The captains of the real economy wanted to source labour as cheaply as possible and asserted the value of the profit-making system above all else. The advance of trade unionism asserted the value of working people over the interests of trade and profit. With no floor of human rights, the employers in 1913 could act below this standard.

Today, the *laissez-faire* system is globalised, to some extent in the real economy, and almost totally in the financial system – a system in which it is not illegal to act unethically. In the circumstances of today, therefore, there is continuity in the call for trade unions to find ways of universalising solidarity and for the international agencies to find ways of moving towards the global common good.

Notes

1. Pope Leo XIII, *Rerum Novarum (Rights and Duties of Capital and Labor)*, 15 May 1891, n. 3. (http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html)
2. Pádraig Yeates, 'Lockout Chronology 1913–14: Historical Background' (Available: http://www.siptu.ie/media/media_17016_en.pdf)
3. *Ibid.*
4. *Ibid.*
5. *Ibid.*
6. *Ibid.*
7. *Ibid.*
8. *Ibid.*
9. Desmond Ryan (ed.), *James Connolly, Socialism and Nationalism: A Selection from the Writings of James Connolly*, Dublin: The Sign of the Three Candles, 1948.
10. Pádraig Yeates, *Lockout: Dublin 1913*, New York: St. Martin's Press, 2000.
11. Pádraig Yeates, 'Lockout Chronology 1913–14: Historical Background', *op. cit.*
12. Thomas J. Morrissey, *William Martin Murphy*, Dublin: UCD Press, 2011.
13. *McGowan & others v The Labour Court, Ireland & another* [2013] IESC 21.
14. Another case which might be noted is that of Nolan Transport versus the trade union, SIPTU. In 1994, the High Court found there were technical faults in a SIPTU-organised strike in Nolan Transport and it awarded substantial damages against the union. The decision of the High Court was overturned by the Supreme Court in 1998.

15. Pope Francis, *Evangelii Gaudium* (*The Joy of the Gospel*), Apostolic Exhortation, 24 November 2013, Chapter Two: 'Amid the Crisis of Communal Commitment'.
(http://www.vatican.va/holy_father/francesco/apost_exhortations/documents/papa-francesco_esortazione-ap_20131124_evangelii-gaudium_en.html)

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What Next for Social Enterprise in Ireland?

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Gerard Doyle and Tanya Lalor

Introduction

Since the 1990s, the concept of ‘social enterprise’ has gained momentum throughout Europe as a mechanism of addressing unmet community needs,¹ providing employment, and stimulating local economic development. Wind and solar power are examples of social enterprises that have their origins in the co-operative and self-help sectors, and of which many have a degree of economic self-determination. Social enterprises are part of the ‘third sector’ which includes an array of community and voluntary organisations. Social enterprises are involved primarily in trading or enterprise activities in the open market, but differing from a private enterprise in that any profit accruing is directed to the benefit of the community.



Forfás, Ireland’s policy advisory board for enterprise, trade, science, technology and innovation, has defined social enterprise as follows:

A social enterprise is an enterprise:

- i. that trades for a social/societal purpose;*
- ii. where at least part of its income is earned from its trading activity;*
- iii. is separate from government; and*
- iv. where the surplus is primarily re-invested in the social objective.²*

In the last few years, a proliferation of terms relating to social enterprise has come about, including ‘social firms’, ‘social businesses’, ‘social entrepreneurship’. Some of these terms reflect slightly different interpretations of the concept of social enterprise. A set of criteria, both social and economic, for social enterprise activity has been developed by EMES, the European Research Network on social enterprise. These criteria, reproduced below, emphasise the participatory and grassroots elements of social enterprises.³

Social Criteria	Economic Criteria
Explicit aim to benefit the community	High level of autonomy
Citizen-driven initiative	Significant economic risk
Decision-making not related to capital ownership or other financing	Continuous production capacity
Participatory nature	Progressive employment conditions
Limited profit distribution	

After many years of advocacy across Europe, 2013 was a positive year for the sector, with some progress made on policy commitments. So, has the time come when social enterprise will be seen by policy-makers as an important element in Ireland’s economic recovery – and will the sector be given the structural and financial support needed to enable it to fully make its contribution?

Developments within the Sector

National Level

In Ireland and in the European Union, social enterprise has been on and off the policy agenda since the late 1990s. In Ireland, supports have been mainly labour-market oriented. Over 400 organisations are supported by Pobal's Community Services Programme (CSP), which was preceded by the Social Economy Programme (SEP).

However, an overall national policy on social enterprise has not yet been developed, and the enterprise supports available to the wider enterprise sector are mostly unavailable for social enterprise initiatives. Nonetheless, a number of positive developments in recent years signal the possibility of a more positive policy framework for social enterprise in Ireland.

The *Programme for Government* of Fine Gael and the Labour Party in 2011 stated:

The Government will promote the development of a vibrant and effective social enterprise sector. We will instruct agencies to view social enterprises as important stakeholders in rejuvenating local economies.

The Government's *Action Plan for Jobs 2012* included a commitment to the preparation of a report that would examine 'the potential of social enterprise to create jobs' and the actions required by Government and state agencies to enable job-creation in the sector.⁴ Forfás was commissioned to prepare this report, which was published in summer 2013 under the title, *Social Enterprise in Ireland – Sectoral Opportunities and Policy Issues*.⁵

The Forfás report noted that the sector employs more than 25,000 people in over 1,400 social enterprises in Ireland, with a combined total income of around €1.4bn. It found that there is potential to double employment in the sector over the period to 2020, but pointed out that a coherent national policy across Government is necessary if this potential is to be realised.

With the publication of the Forfás report, the Minister of State for Research and Innovation, Sean Sherlock TD, was given responsibility by the Taoiseach for leading efforts across Government to develop the social enterprise sector. An Inter-Departmental Group has been established to have responsibility for determining how the recommendations in the Forfás report can be implemented.⁶

Significantly, at the launch of the Forfás report, Minister Sherlock pointed to the potential for social enterprise development offered by the new Local Enterprise Offices, which are to replace the City and County Enterprise Boards, and will involve an enhanced role for local government in enterprise support. Mr Sherlock stated: '... social enterprises that are developing self-sustaining business models will be well suited to benefit from the supports to be provided by the new Local Enterprise Offices'.

To date, it has been only the exceptional Enterprise Board which had made available supports to social enterprises, so this development is welcome.

Aside from these policy developments, an important step for the social enterprise sector in 2013 was the forming of the Irish Social Enterprise Network (ISEN). As many social enterprises operate in isolation, or network only within their geographic or activity areas, a clear representative voice for the sector is important, and ISEN is already developing an ambitious series of activities to raise the profile of the sector and promote awareness of its potential.

EU Level

A number of developments in recent years indicate a growing realisation at EU level of the need to recognise and support the role of social enterprise.

The EU's socio-economic strategy for the next decade, *Europe 2020: A strategy for smart, sustainable and inclusive growth*,⁷ emphasises the importance of 'social innovation' in achieving the strategy's goals of creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion. In this context, social entrepreneurs and social enterprises are seen as 'key drivers' of social innovation.

In October 2011, the European Commission issued a Communication entitled, *Social Business Initiative: Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation*. The Communication stated:

*Social enterprises contribute to smart growth by responding with social innovation to needs that have not yet been met; they create sustainable growth by taking into account their environmental impact and by their long-term vision; they are at the heart of inclusive growth due to their emphasis on people and social cohesion.*⁸

The Communication also recognised the barriers faced by social enterprises, including difficulties in accessing funding and the low degree of recognition of social entrepreneurship.

The document outlined a number of measures for supporting and developing social enterprise, including promoting micro-finance initiatives and investment. It also referred to easing access to public procurement opportunities for social enterprises. In that regard, new EU public procurement rules due to come into force during 2014 will enable public bodies to reserve the award of many health, social and cultural services contracts exclusively to social enterprises which have a public service mission, which reinvest profits in pursuit of that mission, and which are either employee, user, or stakeholder-owned or managed. Moreover, the new rules make it clear that social aspects can now also be taken into account in certain circumstances (in addition to environmental aspects which had previously been allowed to be considered).

Another significant development at EU level is the recognition that investment in the social economy and in social enterprises should be among the priorities for the 2014–2020 round of structural funds – i.e., the European Regional Development Fund (ERDF) and European Social Fund (ESF). The use of structural funds is decided by national governments, so how and in what form this 'investment priority' will be implemented is not yet known. The potential of this source of funding for social enterprise is noted in the Forfás report in its recommendation: '... Ireland should include "promoting the social economy and social enterprises" as one of the investment priorities under the Operational Plans for ESF & ERDF 2014–2020'.⁹

A further notable EU-level development in relation to social enterprise is the potential improvement in access to funding which arises under the *Programme for Employment and Social Innovation*¹⁰ (EaSI), agreed in summer 2013. One strand of this programme is specifically devoted to providing increased access to finance for social enterprises. The EU Commission itself will not directly provide funding but will work with private sector finance and intermediaries such as 'social impact investment funds' to enhance access to finance.¹¹

The use of these funds, and the concept of social impact bonds, is gaining traction in Ireland; in Budget 2014, the Government announced the establishment of a social impact investment

mechanism to provide long-term housing for families experiencing homelessness as a pilot to test the model in Ireland. These initiatives could lead to significant changes in how social enterprises – and social services – are funded by the state, and could lead to a shift from grant finance in favour of loan and investment finance.

Case Examples

Through social enterprise, communities in both rural and urban Ireland can have an opportunity to generate employment, provide services to improve the quality of life of the community, and contribute to addressing key societal issues. The examples below provide some indication of what can be done.

Energy

In 2007, the EU agreed a package of measures in relation to climate and energy, including specific targets to be achieved by 2020 – termed the ‘20-20-20’ targets. These are: a 20 per cent reduction in greenhouse gases by 2020; 20 per cent improvement in energy efficiency by 2020,¹² and 20 per cent of the EU energy consumption to be from renewable sources by 2020 (the reductions to be based on 1990 levels).¹³ These targets are legally binding and so if they are not achieved Member States may be fined by the European Commission.

Ireland is extremely reliant on imported energy: in 2008, it imported 89 per cent of the total energy it consumed; in 2009, the figure was 88 per cent. Ireland’s dependency on energy imports is much higher than the average for the EU, which in 2008 was 55 per cent.¹⁴ Although energy from renewable sources currently comprises only a small percentage of total energy consumption in Ireland, the country has abundant natural resources suitable for renewable energy.¹⁵ There are, therefore, significant opportunities for communities to become involved in developing renewable energy sources, such as biomass, wind and solar.¹⁶

In this regard, Ireland can learn a great deal from Sweden, Denmark and Germany, where community co-operatives have embraced renewable energy, with support from the state. In so doing, they have fortified their local economies and strengthened community self-reliance. For example, a high proportion of Denmark’s wind power capacity is owned by local ‘partnerships’ (legal restrictions on ownership structures in Denmark mean that joint ownership of wind turbines takes the form of a general partnership/full liability company rather than of a ‘co-operative’).¹⁷ In 2002, as many as 5,600 wind turbines, which equated to 23 per cent of Denmark’s wind capacity in that year, were owned by such partnerships.

In Germany, there are now over 150 community renewable energy co-operatives which are contributing to that country’s goal of shifting its energy use from fossil and nuclear fuels to renewable energy.¹⁸

A number of communities in Ireland have established renewable energy social enterprises. For example, the Templederry Community Wind Farm, located in North Tipperary (formed by the Templederry Community Group), started producing electricity from renewable sources in November 2012 and is selling it to the national grid. Its capacity is approximately 15 GWh per year, enough to power 3,500 houses. This is the first community-owned wind farm in Ireland, and it will contribute to the regeneration of the community as dividends will be paid to shareholders (which include the Templederry Community Group).

In 2012, Comharchumann Fuinneamh Oileáin Arainn/Aran Islands Energy Co-Op announced the objective of the Aran Islands becoming energy independent by 2022 and being Ireland's first energy community to gain its energy solely from renewable sources. Currently, the islands are almost entirely dependent on imported energy and have higher energy prices than the mainland of Ireland due to additional energy transportation costs.

In association with the Sustainable Energy Authority of Ireland (SEAI), the Co-op has made progress towards achieving its ambitious objectives, through the use of electric cars on the three islands, energy retrofitting of all houses and public buildings and the installation of solar thermal heating systems in many of the homes. It is planned that a wind turbine will be erected by the end of 2014.

There are some compelling reasons for social enterprises to become involved in renewable energy projects:

- Social enterprises can play an important role in increasing public acceptance of renewable energy, particularly wind energy, because the benefits to communities of provision by locally-based groups are visible.¹⁹
- Social enterprises are well-placed to play an active role in educating the public about renewable energy,²⁰ and about the adverse environmental, economic and social impact which climate change can have both globally and in Ireland.²¹
- Social enterprise renewable energy projects are an effective mechanism for rural regeneration.²²
- Such projects reduce leakages of income from a local economy.

Elder Care

The age profile of the population in Ireland is changing significantly: overall, people are living longer and there has been a marked increase in the number of very old people.²³ Due to social change, many families are not in a position to care for their elder relatives. This has resulted in many older people being admitted to acute or long-stay residential care. Official policy acknowledges that it is preferable that older people be enabled to remain in their own homes and communities for as long as possible – and, of course, the majority of older people would prefer this option. However, the development of community-based services that would make remaining at home a realistic option has been slow and piecemeal.

Examining the experience in Canada and parts of the US regarding community-based elder care reveals there is a strong case for the state and the HSE to consider contracting social enterprises for the provision of community-based care for the elderly on a more comprehensive basis.

A study of elder care in Canada showed that, in Quebec alone, there were 103 social enterprises providing elder care in 2003, of which 61 were non-profit organisations and 42 were co-operatives. These enterprises generated sales of 91.7 million Canadian dollars and employed more than 6,000 people, half of whom were employed full-time. Over 5.5 million care hours were sold in 2002.²⁴

An example from the US is 'Community Care', an employee-owned co-operative of care-givers which provides personal and care services to elderly people and to people with disabilities in rural Wisconsin. Its mission is two-fold: firstly, to provide high-quality care which enables people to stay in their homes, and, secondly, to provide jobs which pay well and provide additional benefits to staff.²⁵

Research undertaken in Canada highlights the following benefits when social enterprises (including co-operatives) deliver social care for the elderly:

- The non-profit structure allows for a more affordable service than that delivered by private companies.
- Social enterprises and co-operatives have higher levels of staff retention than do private companies; this enhances continuity of care.
- The relatively small size of the social enterprises delivering elder care can lead to a more personal level of care.
- The social enterprise model can promote volunteering.²⁶

Housing associations

In the UK, voluntary housing associations have been significant drivers in the development of social enterprises.²⁷ For example, the Eldonian Community-Based Housing Association (the ‘Eldonians’) was established in 1983 by tenants living in Eldon Street in Liverpool city. The homes of these residents were scheduled to be demolished, which would have resulted in a displaced community scattered across Liverpool. In response, the community mounted a successful campaign to oppose the demolition and to lobby for new social housing. The Eldonians constructed the houses, and the organisation has since expanded into other social enterprise activities, including a childcare centre, a village centre, and a property management company (which manages privately-owned apartments). These social enterprises provide employment for target groups in the community.

In Ireland, although many voluntary housing associations are smaller than their UK counterparts, they can and do play an important role in supporting the development of social enterprises. Moreover, with the lack of success in the public-private partnership model of regeneration and the limited funds available to local authorities, there is an opportunity for large-scale regeneration projects led by a housing association.

In 2013, Clúid Housing Association, in partnership with Longford County Council and local community organisations, completed the regeneration of the St. Michael’s Road area of Longford, where previously 70 per cent of the housing units were either derelict or boarded-up. As a result of the regeneration, 37 new and refurbished social housing units have been completed and the area has been transformed. Speaking at the official event in November 2013 to mark the completion of the project, Jan O’Sullivan TD, Minister of State with special responsibility for Housing and Planning, referred to the approach adopted as ‘an exemplar to many other housing associations and local authorities across the country’.

The Department of the Environment, Community and Local Government has prioritised 22 housing estates for regeneration, but local authorities have few resources to fund such work, so partnering with housing associations could be a valuable mechanism for delivering regeneration. But regeneration is not just about building new units, or physical regeneration. A partnership approach between local authorities, housing associations and community organisations could lead to the establishment of social enterprises providing such services as landscaping, maintenance of communal green areas and security in regeneration areas.

Voluntary housing associations could also use their budgets to procure services from existing social enterprises, which could enable access to employment for their tenants and other key groups. For example, Aspire Bristol – a social enterprise which employs homeless and other disadvantaged

people – delivers a range of housing-related services to voluntary housing associations in Bristol and south-west England, as well as to other clients. The services include gardening, grounds maintenance, painting and decorating, property refurbishment, carpentry, and window cleaning.

Conclusion

Ireland lags behind many EU countries regarding social enterprise activity. However, there are reasons to be positive, given the policy developments outlined above. These need to be followed by concrete supports and assistance from state agencies, including local authorities. The state needs to place greater value on the role social enterprise can play in regenerating local economies and the contribution it can make to addressing a range of social problems facing Irish society.

It is now incumbent on the social enterprise sector to play its part in ensuring that social enterprises have the same impact that agricultural co-operatives and the credit union movement have had – and to continue have – in communities in Ireland. This could lead to communities throughout Ireland having a greater level of economic self-determination, thereby reducing emigration, unemployment and alienation.

Notes

1. For example, where the public sector has either discontinued or has never provided particular services and where the services are not sufficiently profit-making to attract the private sector (market failure).
2. Forfás, *Social Enterprise in Ireland: Sectoral Opportunities and Policy Issues*, Dublin: Forfás 2013. (<http://www.forfas.ie/publication/search.jsp?ft=/publications/2013/title,11029,en.php>)
3. These are discussed in Jacques Defourny, 'From Third Sector to Social Enterprise', in Carlo Borzag and Jacques Defourny (eds.), *The Emergence of Social Enterprise*, London and New York: Routledge, 2001 (pp 1–18).
4. Department of Jobs, Enterprise and Innovation, *Action Plan for Jobs 2012*, Dublin, 2012. (<http://www.djei.ie/publications/2012APJ.pdf>)
5. Forfás, *Social Enterprise in Ireland: Sectoral Opportunities and Policy Issues*, *op. cit.*
6. Forfás Press Release, 29 July 2013, 'Minister Sherlock tasked with leading Government action on Social Enterprise sector which has potential to create over 25,000 additional jobs by 2020'. (http://www.forfas.ie/media/26072013-Social_Enterprise-Press-Release.pdf)
7. European Commission, *Europe 2020: A strategy for smart, sustainable and inclusive growth*, Brussels, 3.3.2010COM(2010) 2020 final. (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>)
8. European Commission, *Social Business Initiative: Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation*, Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and The Committee of the Regions, Brussels, 25.10.2011, COM(2011) 682 final, p. 3. (http://ec.europa.eu/internal_market/social_business/docs/COM2011_682_en.pdf)
9. Forfás, *op. cit.*, p. 27.
10. This was formerly referred to as the 'Programme for Social Change and Innovation'.

11. These funds operate on the basis of use of public and private capital to fund initiatives aimed at tackling social problems. The state agrees to repay the private investor only if set outcomes are achieved (i.e., social impact bonds).
12. 'The EU is aiming for a 20% cut in Europe's annual primary energy consumption by 2020. The Commission has proposed several measures to increase efficiency at all stages of the energy chain: generation, transformation, distribution and final consumption. The measures focus on the public transport and building sectors, where the potential for savings is greatest. Other measures include the introduction of smart meters (which encourage consumers to manage their energy use better), and clearer product labelling.'
(http://ec.europa.eu/energy/efficiency/index_en.htm)
13. *National Renewable Energy Action Plan: Ireland*, Submitted under Article 4 of Directive 2009/28/EC, Dublin, 2010. (<http://www.dcenr.gov.ie/NR/rdonlyres/C71495BB-DB3C-4FE9-A725-0C094FE19BCA/0/2010NREAP.pdf>)
14. Sustainable Energy Authority of Ireland, *Energy Security in Ireland: A Statistical Overview*, Dublin: SEAI, 2011.
15. Feasta (The Foundation for the Economics of Sustainability), *Envisioning a Sustainable Ireland from an Energy Availability Perspective*, A Report to the Environment Protection Agency, 2006. (http://www.feasta.org/documents/drafts/Intro_and_chapter_1.pdf)
16. Gerard Doyle, 'Social Enterprise and the Green Economy', in Gerard Doyle and Tanya Lalor (eds.), *Social Enterprise in Ireland – A People's Economy?* Cork: Oaktree Press, 2012.
17. Mark Bolinger, *Community Wind Power Ownership Schemes in Europe and their Relevance to the United States*, Berkeley CA: Lawrence Berkeley National Laboratory, 2001.
(<http://emp.lbl.gov/sites/all/files/REPORT%2048357.pdf>)
18. Gerard Doyle, 'Social Enterprise and the Green Economy', *op. cit.*
19. Gordon Walker, Sue Hunter, Patrick Devine-Wright, Bob Evans and Helen Fay, 'Harnessing Community Energies: Explaining and Evaluating Community-Based Localism in Renewable Energy Policy in the UK', *Global Environmental Politics*, Vol. 7, No. 2, May 2007, pp 64–82.
20. *Ibid.*
21. For an outline of some of these potential impacts see: John Sweeney, 'Climate Change: Economics or Ethics?', *Working Notes*, Issue 72, October 2013, pp 3–8.
(www.workingnotes.ie)
22. Martin Barry and Ralph Chapman, 'Distributed Small-Scale Wind in New Zealand: Advantages, Barriers and Policy Support Instruments', *Energy Policy*, No. 37, 2009, pp 3,358–69.
23. The most recent Census showed that the number of people aged 65 and over in Ireland in 2011 was 535,393, representing 11.6 per cent of the population. These figures reflect a significant increase in the absolute number (though not the proportion) in this age group over the previous two decades: the 1991 Census showed there were 402,900 people aged 65 and over (11.4 per cent of total population) and the 2002 Census showed the number in this age group to be 436,001 (representing 11.1 per cent of the population). The population aged 65 and over has therefore risen by 25 per cent since 1991.
During the same period, there was an even more marked increase in the number of people aged 80 and over – rising from 78,741 in 1991 to 100,583 in 2002, and from that to 128,529 in 2011; in other words, the number aged 80 or over rose by 63 per cent between 1991 and 2011.

24. John Restakis, *Co-op Elder Care in Canada: A Call to Action*, Victoria, BC: British Columbia Institute for Co-operative Studies, BCICS Occasional Paper Series, Vol. 3, Issue 4, January 2009. (http://www.uvic.ca/research/centres/cccb/assets/docs/publications/practitioner/Restakis_CoopElderCare.pdf)
25. www.communitycareinc.org
26. *Ibid.*
27. Chris White, 'Housing – An Engine for Social Enterprise', in Gerard Doyle and Tanya Lalor (eds.), *Social Enterprise in Ireland – A People's Economy?* Cork: Oaktree Press, 2012.

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Restoring the Fabric of Irish Economic and Social Life: A Theological Reflection (Part One)

Gerry O'Hanlon SJ

Introduction

Writing in the euphoric aftermath of the visits of Queen Elizabeth II and of President Barack Obama in May 2011, but in the context of the ongoing economic crisis, clinical psychologist, Maureen Gaffney, noted that people respond to big crises in two main ways – ‘by constructing redemption stories or contamination stories’, and said that ‘these stories significantly affect how people respond to the crisis’.¹

Gaffney went on to observe that the difference between ‘redemption’ and ‘contamination’ narratives is not a matter of different ‘facts’. It is, rather, about a different interpretation of the facts, involving imagination and a certain motivation and force of will, as well as rational analysis. In redemption narratives, people recount how they were forced to re-examine the fundamental assumptions they had about themselves and others, to modify them, to learn from the crisis and to emerge transformed and better people.

There is a deep sense of something torn in the fabric of Irish life in these times. Equally, there is awareness that, in our globalised world, this torn fabric is but a tiny part of a much larger tapestry which is itself greatly disfigured and in need of repair.

In this time of anxiety, bewilderment, and sometimes, still, denial, there is a call to believers and theologians to join with others in the construction of a redemption narrative or myth which does not ignore ‘the facts’ but which can offer vision and hope, galvanising our society towards effective action.

This call comes at a time when believers themselves are in a weak position – all Christians, all religious believers, are confronted in Europe with an operative secularism which is suspicious of their contribution in the public square, while Roman Catholics in particular suffer from the enormous loss of credibility of their Church due to the scandalous reality of clerical child sexual abuse.²

It is clear from the redemption narrative at the heart of Christianity that weakness of this kind cannot be used as an excuse for inaction or for turning a deaf ear to the call of the ‘signs of the times’. But we do well to make our contribution with humility, respectful of the complexity of the issues and the expertise of others, in dialogue and conversation. And if, true to our identity, we need also at times to be prophetic, to challenge, can we learn to do so without pontificating on the one hand or remaining at the level of pious platitude on the other?

The Irish Situation

We are all aware of at least the broad parameters of our situation in Ireland. The banking crisis of 2008, due in part to the global credit crunch and in part to our own property bubble, led first to a government guarantee of the major banks and then several recapitalisations amounting to over 60 billion euro. The accompanying economic recession, and a sovereign debt crisis due to the prohibitive rates of government borrowing on bond markets, led to the IMF/EU/ECB Programme of Financial Support or ‘bail-out’ in November 2010.

The impact of the economic recession and the austerity measures taken in response has been enormous. Over the past five years, GDP has declined by 14.5 per cent from its peak at the end of 2007. Between 2008 and 2011, disposable income per individual declined by 12 per cent.³ The overall rate of unemployment has risen from around 4 per cent during the years of the boom to over 14 per cent.⁴ Particularly worrying is the rise in unemployment that is long-term (this stood at just over 1 per cent in 2007 but is now over 8 per cent) and the rise in joblessness among those under twenty-five, for whom the unemployment rate is now over 30 per cent.

Alongside increased unemployment, there has been a significant rise in emigration: the Central Statistics Office has estimated that in the year ending April 2012, a total of 87,100 people emigrated, of whom 46,500 (53 per cent) were Irish nationals. During the previous twelve months, 80,600 people emigrated.⁵

A series of austerity budgets has resulted in incomes being hit by additional levies and charges and the imposition of severe cuts in spending in areas such as health, education and social services – with both short-term and foreseeable long-term negative consequences. Poverty has increased: by 2011, the ‘at risk of poverty’ rate was 16 per cent (up from 14.4 per cent in 2008); in the same period, ‘consistent poverty’ rose from 4.2 per cent to 6.9 per cent.⁶ The Society of St Vincent de Paul has had a huge increase in the number of people seeking its assistance (for example, calls to its main regional offices have risen by more 80 per cent since 2009⁷); in some instances, these new requests for help are from people who were previously donors.

With the increase in unemployment, and the decline in take-home pay for many still in jobs, it became evident that there was an enormous amount of private debt that could not be sustained. The most striking indicator of this is the number of mortgages in arrears: in September 2009, there were 26,271 mortgages in respect of principal residences which were in arrears for 90 days or more; by December 2012, the number had increased by 259.5 per cent, reaching a total of 94,488 (representing 11.9 per cent of all such mortgages).⁸

*The Society of St Vincent de Paul
has had a huge increase in the
number of people seeking its
assistance ...*

Behind the statistics reflecting how the recession, and the policy response to it, has impacted on employment and living standards is the reality of the hardship and suffering being experienced by so many individuals and families – the anxiety and even despair when income cannot match basic needs or debt repayments, the awful demoralisation which accompanies unemployment, in particular if it is long-term, and the heartbreak for families whose loved ones are forced into emigration since there is no prospect of making a decent living at home.

It would be different, more hopeful, if we could be reassured that the burden we shoulder now is fairly distributed and will lead to future stability. But, as we keep hearing, we are one of the world’s most ‘open’ economies and, as things are set up,

our future depends greatly on growth in the global economy. However, this is far from guaranteed – in its *World Economic Outlook* of October 2012, for example, the IMF acknowledged ‘new setbacks’ to economic recovery and pointed to the continuing high risk of financial instability. It predicted that growth in the global economy was likely to remain weak and that unemployment would remain high in many parts of the world. And it drew particular attention to the deepening of the crisis in the euro area, describing it as ‘the most obvious threat to the global outlook’, and pointing to its impact not just in peripheral countries but its spill-over effects in other countries in the EU.⁹

Uneasy Questions

All kinds of uneasy questions lie behind the bleak description above. If we all turn to austerity, thrift and saving, how can we create growth in our economies? And how can so many countries rely on growth from exports if domestic demand in many countries is so weak?¹⁰ But, anyway, given that our growth in the recent past was consumption-led and debt-fuelled, is growth really any kind of sustainable answer, particularly when we consider global environmental limits?

Furthermore, is it not the case that most of the developed world faces an enormous overhang of accumulated government and private-sector debt, much of which is un-repayable, so that the real question is how much gets written off and who picks up the tab?¹¹ Are we not, particularly in the developed world, living beyond our means? And, given that our economies are so inter-linked, is there not a need for more effective global governance in order to ensure a coordinated response to the crisis?

It is easy to see that there is an underlying moral dimension to many of these questions which also, of course, involve extremely complex and important technical issues. For example, it would be reckless and irresponsible to return to an old model of growth if that were to result in the destruction of our planet; it would be grossly unfair if the burden of repaying debts was laid on the shoulders of those who did least to incur them.

A redemption narrative will have to draw on values and principles such as fairness and the common good, while respecting the difficult technical issues involved. A Christian narrative will, in addition, draw on that basic notion of loving one’s neighbour as oneself in a way which respects, while engaging

critically with, conversation partners coming from a secular background or from that of another faith. It will seek to understand where God is in all this, what God is saying.

In the remainder of this article, I will look at some questions arising in relation to the economic model adopted over recent decades, and in later articles I will consider the social, cultural, political and theological resources we can draw on as we attempt to find solutions to our difficulties.

The Economic Model

It is perhaps an endemic temptation for theologians who dabble in economic matters to bring a moralistic lens to bear that favours equality and the vulnerable and is somewhat jaundiced towards business, profit and entrepreneurship. I don't believe that there need be a conflict between these aspects: there is just profit, entrepreneurship is part of a good, natural, human proclivity and, together with sustainable growth, they are necessary for the protection of the vulnerable and compatible with the eradication of egregious inequalities. But I do believe that there are at least three key questions which a theologian may and ought to put to the current dominant economic model as part of that re-examination of fundamental assumptions which Maureen Gaffney alludes to in her observations about 'redemption narratives'. These questions relate to the role of the market; the importance of equality and fairness; and the assumption that economic growth is 'good'.

The Role of Markets

The first question concerns the role of markets and in particular financial markets. In a very interesting piece in the journal, *Studies*, Bernadette Andreosso-O'Callaghan distinguishes between the 'real sphere' of the economy and the 'financial sphere'.¹² Corresponding to this distinction, an economy is, she suggests, characterised by two types of markets: the markets for goods and services (the real sphere) and the financial markets. In the former, the interaction between buyers and sellers establishes the price of the good or service. The latter consists of a nexus of interactions between institutions such as banks, insurance companies, hedge and mutual funds and may be involved in financial intermediation or in the exchange of financial instruments (such as stocks, foreign exchange, bonds, futures, swaps, and so on).

In the past, the prime function of the financial market, and in particular of banks, was to create a

bridge between savers (households) and investors (firms) and so to assist business corporations (and more marginally households) to fulfil their investment plans and to create jobs – in other words, to act in service of the 'real economy'.

In more recent decades and years, with the flowering of deregulated 'neo-liberal' or 'financial' capitalism from the late 1970s on, and the progressive dismantling of regulatory structures, banks were allowed to become involved in widening range of activities of an increasingly speculative nature.



Banking or gambling?

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As a result, there has taken place a financialisation of the economy in ways which are arguably beyond any real usefulness in supplying added liquidity and which serve few real economic or social needs beyond profiting financial institutions and individual traders. So, for example, far from investing in order to create economic and social capital in accord with some notion of the common good which would imply a 'win-win' situation, markets often engage in a predatory kind of profit opportunism, targeting areas of weakness at any particular time (including primary commodities and food products¹³).

Will Hutton writes: 'Bankers ... created a gambling culture in which the moral borders between legitimate trading activity, recklessness and criminal activity became ever more fuzzy – and the disproportionate personal rewards disconnected from any economic and social reality'.¹⁴ This, he argues, is a new business model whose aim is 'to make money from money – recalibrating high risk as low risk, riddled with conflicts of interest, and playing cat and mouse with regulators and governments to avoid their close scrutiny'.¹⁵

The scale of the financialisation of the global

economy is breathtaking. Hutton estimates that 'by the summer of 2008, \$800 trillion of financial derivatives were being traded globally – more than 12 times the world's GDP. Financial assets had risen from 80% of the world's GDP in 1980 to 300% in 2008'.¹⁶

All this was occurring in a context where 'less and less capital was being deployed to support the staggering size of the banks' balance sheets'.¹⁷ Hutton suggests that the bankers seemed to think that they '... had created a new alchemy – the lead of poorly rated bonds and assets was turned into the gold of 'Triple A' ratings'.¹⁸ His summary judgement is succinct: 'The financial sector grew ever larger in relation to GDP without serving any useful economic or social purpose whatsoever. And it was a one-way bet: the bankers knew that they would never be allowed to go bust'.¹⁹

Another commentator, Catherine Cowley, judges that by the 1990s only about 5 per cent of derivatives (of which securities are but one example) were being used for productive purposes, whereas 'the rest were used for speculation or for other purposes within financial markets'.²⁰ Arguing that 'derivatives frequently do not create wealth', Cowley says: 'Wealth is certainly re-distributed, but to go ... to the comparison with horse racing: if I bet Arthur's Ransom is going to win the 2.30 and you bet that it won't, one of us is going to be wrong. Whoever is right will be wealthier, but the other will be poorer. Wealth has not been created, merely moved around'.²¹

One recalls the legendary investor Warren Buffett's famous remark in 2003 that derivatives were 'financial weapons of mass destruction' and the argument of George Soros that the Credit Default Swap (CDS) in particular should not be allowed at all: 'The more I've heard about them, the more I've realized they're truly toxic. People buy a CDS not because they expect an eventual default but because they expect them to appreciate in response to adverse developments ... It's like buying life insurance on someone else's life and owning a license to kill'.²²

Distinguished *Financial Times* journalist, Wolfgang Munchau, speaks in a similar vein: 'A naked CDS purchase means that you take out insurance on bonds without actually owning them. It is a purely speculative gamble. There is not any social or economic benefit. Even hardened speculators agree on this point ... the case for banning them is about

as strong as that for banning bank robberies'.²³

Andreosso-O'Callaghan, then, is arguing that because financial markets tend to be of this speculative nature 'they have become increasingly disconnected from the real sphere'²⁴ and so only very loosely serve the needs of firms. In particular, operating according to the 'efficient market' hypothesis and rigorous mathematical models – which assume that markets operate best when they are most free from regulation and that agents act with full understanding and rationality – they have ended up with enormously complex financial instruments which remain opaque even to 'insiders'.²⁵

Irrationality of the market

Andreosso-O'Callaghan also draws attention to the lack of transparent information in financial markets and the lack of any assurance that assessment of risk and of a financial price is solidly founded. Furthermore, she suggests, trading decisions are made as much according to emotional and hormonal reactions as rational choice.²⁶

Will Hutton makes a similar point, noting that 'financial market participants display enthusiasm and panic and they move in herds'.²⁷ Likewise, Catherine Cowley speaks of the 'illusions of power and the anxiety, competitiveness and insecurity' which typically characterise market activity. These features are reinforced by the way that jobs and remuneration packages are organised – particularly where the basis for calculating bonuses is 'you eat what you kill'; that is to say, remuneration is calculated according to fees generated or profits made. In this context, emotions can easily affect judgement as traders show willingness to make 'perhaps unjustifiably risky investments, to cut corners, to do what has become known as 'gambling for resurrection'.²⁸ 'Market sentiment', it follows, does not by any means always coincide with the 'fundamentals' of an economy.

Not alone, then, do financial markets as constituted at present serve little useful purpose, they may also lead to great harm.²⁹ Their irrational and short-term, speculative, ethos leads to the kind of market volatility that we are so well aware of, often resulting in gains and losses of a disproportionate scale on scant rational evidence. Given that too little of the profits made in these markets are invested in the real economy, that the losses may be socialised, and that the expectation of high and short-term returns then puts pressure on the

real economy in terms of higher profits, cost cutting, and lower wages, it is clear that an overly-financialised economy is a risk to the real economy.

Angus Sibley is scathing in his assessment: ‘... most of the world has become, to varying degrees, infected with the virus of market short-termism. Part-ownership of our major business concerns is now shuttled at lightening speed between investment funds, which may well be unregulated organisations hidden in remote islands. It makes Frankenstein’s monster look very tame’.³⁰

Ireland’s position

Andreosso-O’Callaghan points out that in 2009 Ireland represented 5.3 per cent of all EU wholesale financial activity in the EU-27, a disproportionately large share, and a ‘sign of a profound disconnection between domestic financial intermediation and the needs of a (shrinking) real economy’.³¹ She argues that much of the wealth in Ireland during the years preceding the crash was ‘extracted through trading activities on the property and financial markets ... it looked as if the Irish economy had become increasingly an economy of rent seekers as opposed to an economy of generators of wealth through work, intellectual talent and physical effort’.³²

We in Ireland therefore need not only to ask questions about the operations of our financial services sector, but become more active participants in the debate about the global economy and the sustainability of a financial market model that is excessively speculative in nature, often aggressively so.

This is not to say that financial markets are always wrong or do not also at times point to real problems in national and regional economies. But, too often, serious attempts in Ireland, and elsewhere, to make the real economy sustainable are undermined by the, at best, amoral logic and whims of financial markets lacking solid foundation in a sense of values and vision of the good life.

In this context, I note some of Andreosso-O’Callaghan’s recommendations for reform, including more robust EU regulation; legislation at EU and international level to provide for the separation of commercial and investment banks ‘so as to protect depositors and to guarantee a regular flow of investment to firms’; the setting of limits to speculation on certain commodities (including food and energy); and the regulation and supervision of the financial rating agencies.³³ Like many other

commentators,³⁴ Andreosso-O’Callaghan advocates a tax on short-term financial transactions.

It is clear that proposals for reform will encounter stout resistance from the financial sector – a sector that seems incapable of breaking out from its commonsense culture of entitlement, which most outsiders see as a nonsense. The financial industry’s vigorous opposition to the proposed European Financial Transaction Tax (EU FTT) is but one indication of the resistance to change. Only eleven of the twenty-seven EU Member States have stated their willingness to implement the proposed new tax. Ireland is not among them, taking the position that this country will not sign up unless the UK (which is strongly opposed) does so.³⁵

The doctrine of ‘there is no alternative to the market’ lives on...

It is worrying that so much of the current debate takes place within conventional assumptions about the normativity of markets as constituted at present. Are we building on sand? Does this kind of ‘financial engineering’ have any secure foundations? In Ireland, do we look forward to returning to the international financial markets – to ‘business as usual’?

Andreosso-O’Callaghan’s analysis – shared by many others³⁶ – is sobering. Her argument, in summary, is that the first global crisis of the third millennium finds its roots in the ‘financialisation’ of the Western economies, characterised by the rise of institutional investors on financial markets, by the worldwide liberalisation of capital markets, by an increasing disconnection between the financial economy and the real economy and, in the case of Ireland, by an over-sized financial sector. Governments all over the world have increasingly become subordinate to the vagaries of the financial markets. Will Hutton succinctly expresses the difficulty of finding ways to reverse this dominance: ‘The doctrine of ‘there is no alternative to the market’ lives on ...’³⁷ Who in Ireland is challenging this state of affairs at European and global level?

Equality and Fairness

The economic crisis has led to increased attention being focused on the growth in inequality in

incomes and wealth which occurred in many developed, and developing, countries over recent decades – and the role which this inequality, and in particular the increasing share being captured by the wealthiest, played in bringing about the crisis.

Comparative data show that in terms of income distribution Ireland is among the more unequal Member States of the European Union³⁸ and of the OECD³⁹ and that prior to the economic downturn Ireland was among the OECD countries which had experienced a rise in the share of total gross income going to the top income-earners.⁴⁰

In this context, the remarks of Dr Joachim Fischer (a German university lecturer who has lived over half his life in Ireland) are interesting: ‘...the privileges of a relatively small elite are all too obvious: medical consultants, the legal profession, top civil servants, the top echelons of Irish universities, politicians and others have helped themselves to extraordinary salaries, often twice what they would be in Germany and hardly justified by the only slightly higher cost of living here’.⁴¹

Given the role of the financial sector in creating the crisis, the continuation of a ‘culture of entitlement’ within which those working in the sector expect enormous rewards, and resist all efforts to rein them in, is breathtaking. One might imagine, given the colossal failures in this sector and the consequent suffering for the rest of society, that there might be more modest expectations from people whose jobs now depend on massive tax-payer subvention. The blunt words of Niall Fitzgerald, former CEO of Unilever, are apt: ‘There’s too much of ‘we can’t do this because our competitors will grab our best people away’. Fine, let them grab them away. You mean those terribly valuable people who either didn’t understand the risks they were running, or understood them and continued anyway without thought for the consequences? You know what? I could so without those valuable people’.⁴²

To change this culture of entitlement would involve challenging market assumptions and an objective analysis of the difficulty, value and usefulness of particular jobs (is there anything intrinsically more difficult or valuable about running a bank in comparison with designing and building a bridge, engaging in medical research, risking one’s life as a fire-fighter?) – as well as taking account of the ‘achievements’ of senior bank executives in the recent past.

The market is too easily impressed by what Lonergan would call a ‘naïve realism’ – an empirical positivism that equates proximity to the management of money with entitlement to enormous reward. How much intelligence does one need to take money ‘from government (and others) and lend it out at vast profit, almost risk free’?⁴³ Will Hutton notes the incongruities and moral vacuity in all this, observing that ‘bankers themselves cannot explain why they should be so generously rewarded’, yet have put forward the argument that no individual bank can break the cycle ‘because they all had to pay the going rate to retain their ‘talent’’.⁴⁴

*Ireland is among the more
unequal Member States of the
European Union and of the
OECD ...*

Of course, as indicated above, it is not only bankers whose earnings and wealth deserve scrutiny. Apart from the professional elites already mentioned, at the height of the boom, in 2007, the average remuneration packages granted to the top twenty chief executives of Irish public companies were thirty-five times higher than the annual income of the average employee.⁴⁵ The situation in the UK and USA is, if anything, worse.⁴⁶ It is not surprising that in a survey carried out in 2010 for TASC, 87 per cent of people said that wealth is distributed ‘not very’ or ‘not at all’ fairly in Ireland, while 91 per cent agreed that the Government should take active steps to reduce the gap between high and low earners.⁴⁷

It is in this context that the rhetoric of solidarity (‘we are all in this together’; ‘we must all make sacrifices’) rings hollow and that concerns about bonuses and pay packages assume particular symbolic significance, way beyond the economic trade-off from lower remuneration.

It is not at all a ‘given’ that the introduction of a maximum wage, or of a rule that the highest-paid workers in any public or private enterprise would be paid at a fixed multiple of, say, five times the earnings of the lowest paid, at least for an emergency period of three years or so, would solve our economic woes.⁴⁸ But in a situation where the austerity and cut-backs introduced to address our

problems are disproportionately affecting those who are poor or otherwise vulnerable in our society, then there is a particularly sharp need to tackle inequality, so as to cultivate a solidarity that is more than rhetorical and is required by the gravity of our situation.⁴⁹

Without this solidarity, there is the ever-present danger of significant social unrest, not to mention the lack of the kind of social cohesion that can generate the vision, policy and energy needed for a sustainable recovery. In this context, it is not surprising to note resistance on the streets in Greece, the wider ‘indignant’ movement in other parts of Europe, and the Occupy Movement, with its slogan ‘We are the 99%’, reflecting its opposition to the world-wide trend towards increased concentration of income and wealth among the top 1 per cent.



Occupy slogan: 'We are the 99%'

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A sense of solidarity would also be enhanced by stronger evidence of a new culture of accountability within Irish business and public life, in particular with respect to the speedy prosecution of white-collar crime, and an end to that culture of impunity which is so ingrained.⁵⁰

This latter suggestion is a particularly sharp illustration of the tension that runs through any analysis of the Irish or global crisis: how does one combine a sense of fairness and values with what ‘works’? How, in Ireland, do we avoid slipping back into ‘business as usual’ mode and instead plan for an economy with greater equality and access to quality public goods such as education, health, housing, social services, a humane penal system?

A Question of ‘Growth’

A third question of a fundamental nature concerns the inherent assumption by most economists – shared then by politicians and a majority of ordinary citizens – that constant growth is ‘good’

and its lack is ‘bad’.⁵¹ Given the probable status of our knowledge about the effects of climate change and peak oil, not to mention our awareness of the great injustice of national, regional and global inequalities, it is surely wise to look again at this simplistic notion of ‘growth is good’.⁵²

Capitalism in its most primitive form always comes up against an inherent contradiction of a philosophical–anthropological nature: it promises happiness to the person who goes out and buys and ‘consumes’ particular goods and services, but then depends for its flourishing on persuading the same person that what they really need is something else, something more. There is kind of a diabolical ‘magis’ (‘more’) at work here, in contrast to the Ignatian and Christian magis focussed on the question: ‘What more can I do for God?’.

We need, at the very least, to create more rounded measurements of what might constitute ‘good’ economic growth, a measurement that in Ireland and other developed countries would pay less attention to material affluence (still a major issue in developing countries) and more to social and cultural matters such as health, education, housing, arts and leisure.

In this context, I note the practical proposal of Eddie Molloy that each year on budget day the Minister of Finance would adopt a ‘balanced scorecard’ approach by reporting not just on our public finances but – following the truism that ‘what gets measured gets done’ – also on our wealth-creation capacity, the quality of our infrastructure (including education, health, environmental factors and so on), social justice and quality of life, and ethical, competent, accountable government and public service.⁵³

We may even need to think instead of something like ‘the richness of sufficiency’ in terms of our vision and goals, to aim for the satisfaction of basic needs and modest wants, and come up with appropriate economic policies to attain these goals. So, for example, the New Economics Foundation in the UK advocates consideration of a shorter working week and the sharing of jobs in order to achieve a more integrated working life, in a context where growth (as measured by simple GDP) will fall, but where one might hope for a more humane life in which work, care and leisure are better balanced and more in tune with care for our environment).⁵⁴

Concluding Comments

We are engaged in the search for elements of a redemptive narrative for our crisis. We have indicated some of the fundamental assumptions that need to be re-examined as part of this new narrative, including the excessive financialisation of economies, the fixation with growth, and the lack of fairness and other values endemic in the current model, both nationally and globally.

Again and again we came up against the need to marry technical, economic approaches and solutions with some wider grasp of values and what constitutes the good life. Left to itself – as it largely has been in the recent decades – economics is indeed a ‘dismal science’, and we need to learn from the ongoing implosion of the neo-liberal model of capitalism, with its harsh outcomes for so many.

We have an opportunity, arising out of this crisis, to imagine and move towards a more sustainable economic model and world. This will not be easy – the temptation will be to try to return to ‘business as usual’, and resistance to change is strong, in particular among elites which stand to lose most from a re-balancing of the *status quo*. What resources do we have to bring about the required change? Reflections on this question will form the next article in this series.

Notes

1. Maureen Gaffney, ‘Queen and Obama visits can be benchmark for a new beginning’, *The Irish Times*, Saturday, 28 May 2011.
2. See Gerry O’Hanlon SJ, *Theology in the Irish Public Square*, Dublin: Columba Press, 2010.
3. Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2011 and revised 2010 results*, Dublin: CSO, 13 February 2013. (http://www.cso.ie/en/media/csoie/releasespublications/documents/silc/2011/silc_2011.pdf)
4. Central Statistics Office, *Quarterly National Household Survey, Quarter 4 2012*, Dublin: CSO, 27 February 2013. (http://www.cso.ie/en/media/csoie/releasespublications/documents/labourmarket/2012/qnhs_q42012.pdf)
5. Central Statistics Office, *Population and Migration Estimates April 2012*, Dublin: CSO, 27 September 2012. (http://www.cso.ie/en/media/csoie/releasespublications/documents/population/2012/popmig_2012.pdf)
6. Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2011*, *op. cit.*
7. Society of St. Vincent de Paul, *The Human Face of Austerity, as witnessed by the Society of St. Vincent de Paul*, Dublin, October 2012, p. 3. (<http://svp.ie/news/downloads/publications/face-of-austerity-oct-2012.aspx>)
8. Central Bank of Ireland, *Residential Mortgage Arrears and Repossessions Statistics: Q4 2012*, Information Release, 7 March 2013. (<http://www.centralbank.ie/press-area/press-releases/Pages/>)
9. International Monetary Fund, *World Economic Outlook*,

October 2012: *Coping with High Debt and Sluggish Growth*, Washington DC: IMF, 2012.

10. Paul Krugman, speaking from a United States perspective, puts it succinctly: ‘It’s true that we’d have more jobs if we exported more and imported less. But the same is true of Europe and Japan, which also have depressed economies. And we can’t all export more while importing less, unless we find another planet to sell to.’ See Paul Krugman, ‘The competition myth’, *The New York Times*, Monday, 24 January 2011.
11. Laurence Knight, ‘Europe’s four big dilemmas’, BBC News website, 18 September 2011; Charlie Fell, ‘Debt mountain casts long shadow over growth’, *The Irish Times*, Friday, 30 September 2011.
12. Bernadette Andreosso-O’Callaghan, ‘Markets, Bondholders and other Economic Agents’, *Studies*, Vol. 100, No. 396, Summer 2011, pp. 223–242.
13. A particularly shocking example of this kind of predatory behaviour is described by financial journalist Aditya Chakraborty who draws attention to an UNCTAD report (published in June 2011) estimating how much commodity index investors had artificially pushed up food prices. In a world blighted by starvation in parts of Africa, Asia and elsewhere, it is nothing short of obscene that the buying and selling of contracts for food has gone way beyond the useful function of balancing supply and demand and instead has degenerated into speculative betting in pursuit of quick profits. Chakraborty quotes Joerg Mayer of UNCTAD: ‘Food markets have been turned into a casino. And for no other reason than to make Wall Street money’. (Aditya Chakraborty, ‘Bankers and politicians have turned food into a betting game’, *The Guardian*, Tuesday, 7 June 2011.)
14. Will Hutton, *Them and Us: Changing Britain – Why We Need a Fair Society*, London: Little, Brown, 2010, p. 7.
15. *op. cit.*, p. 137.
16. *op. cit.*, p. 150.
17. *op. cit.*, p. 151.
18. *op. cit.*, p. 151.
19. *op. cit.*, p. 180.
20. Catherine Cowley, ‘How Financial Institutions Dug the Hole We’re In’, in Philip Booth (ed.), *Christian Perspectives on the Financial Crash*, London: St Pauls Publishing, 2010, p. 35. Cowley defines a derivative as a ‘financial contract the value of which is based on (derives from) something else, for example a stock or a barrel of oil or ... loans’ (p. 32).
21. *Ibid.*, pp. 42–43.
22. Andrew Ross Sorkin, *The New York Times*, Saturday, 13 June, 2009.
23. *The Financial Times*, Tuesday, 28 February 2010.
24. Bernadette Andreosso-O’Callaghan, ‘Markets, Bondholders and other Economic Agents’, *op. cit.*, p. 225.
25. Philip Booth, ‘Differing Views on the Causes of the Crash’, in Philip Booth (ed.), *Christian Perspectives on the Financial Crash*, *op. cit.*, pp. 22–23.
26. Bernadette Andreosso-O’Callaghan, *op. cit.*, p. 230.
27. Will Hutton, *op. cit.*, p. 193.
28. Catherine Cowley, *op. cit.*, p. 35.
29. For a particularly trenchant statement of the baleful effects of markets, see Angus Sibley, ‘Frankenstein’s Market’, *Doctrine and Life*, Vol. 60, No 7, September 2010, pp. 31–38.
30. *Ibid.*, pp. 34–35.
31. Bernadette Andreosso-O’Callaghan, *op. cit.*, p. 226.
32. *Ibid.*, p. 235. For some pertinent comments on the effects of Credit Default Swap (CDS) dealing and short-selling on Irish government bond price volatility, and the wider need for more transparency in financial markets, see Sheila Killian, John Garvey and Frances Shaw, *An Audit of Irish Debt*, Limerick: University of Limerick, September 2011, especially Chapters 7 and 8.
33. Bernadette Andreosso-O’Callaghan, *op. cit.*, p. 236.

34. Will Hutton, for example, in arguing that the growth of the financial system 'needs to be arrested' says: 'a solution would be a tax on financial transactions, which is justified because so many of them serve no useful economic purpose' (Will Hutton, *op. cit.*, p. 209).
35. In a joint letter to *The Irish Times*, on 30 January 2013, the Directors of Trócaire, the Jesuit Centre for Faith and Justice, and Social Justice Ireland expressed disappointment at the decision of the Irish Government to opt out of the proposed European Financial Transaction Tax.
36. See, for example, Ian Linden, *A New Map of the World*, London: Darton, Longman and Todd, 2003 (in particular, Chapter 5 and 8). Linden refers to 'stock markets increasingly determining economic stability and growth' (p. 56) and to the 'casino quality of most financial flows' (p. 57) in the context of the 'growing fragility of the international economic architecture' (p. 60), so that we have a story of the 'Prometheus unbound of finance capital and flows' (p. 76). He advocates in response a political economy of the common good, faithful to the 'refusal of Aquinas to locate self-interest in opposition to the common good' (p. 151).
37. Will Hutton, *op. cit.*, p. 391.
38. Kaja Bonesmo Fredriksen, *Income Inequality in the European Union*, Paris: OECD Publishing, 2012 (OECD Economics Department Working Papers, No. 952, ECO/WKP(2012)29).
39. OECD, *Growing Unequal?: Income Distribution and Poverty in OECD Countries*, Paris: OECD, 2008 and OECD, *Divided We Stand: Why Inequality Keeps Rising*, Paris: OECD, 2011.
40. OECD, *Divided We Stand: Why Inequality Keeps Rising*, *op. cit.*, p. 38.
41. Joachim Fischer, 'The Irish Crisis through German Eyes', *Studies*, Vol. 100, No. 398, Summer 2011, p. 210.
42. In interview with Fintan O'Toole, *The Irish Times*, Saturday, 6 March, 2010.
43. *The Tablet*, 16 January 2010, p. 2.
44. Will Hutton, *op. cit.*, p. 173.
45. See Fintan O'Toole, *Enough is Enough: How to Build a New Republic*, London: Faber and Faber, 2010, p. 196; see also Part Two, Chapter 4, 'Beyond the Ultimatum Game: The Decency of Equality', pp. 192–213.
46. 'Thus base pay of CEOs in the FTSE has risen from 47 times an average worker's salary in 2000 to 81 times now ...', while the ratio in the US rises to 300 times – Will Hutton, *op. cit.*, p 3; p. 67.
47. TASC, *The Solidarity Factor: Public Responses to Economic Inequality in Ireland*, Dublin, August 2010 (www.tascnet.ie).
48. Fintan O'Toole, *op. cit.*, 2010, p. 205.
49. As is well known, the debate concerning the social effects of income inequality was reignited by the evidence and arguments put forward by Richard Wilkinson and Kate Pickett in *The Spirit Level: Why More Equal Societies Almost Always Do Better* (London: Allen Lane, 2009). Karen Rowlingson has examined the points made in various critiques since the publication of this work, alongside the evidence and debate in the broader peer-reviewed literature, and concludes that: 'This is a highly complex area both theoretically and methodologically and there is still some disagreement among academics on many related issues, but the main conclusion here is that there is some evidence that income inequality has negative effects. There is hardly any evidence that it has positive effects'. See Karen Rowlingson, *Does Income Inequality Cause Health and Social Problems?*, York: Joseph Rowntree Foundation, September 2011, p. 6 (www.jrf.org.uk).
50. Fintan O'Toole, *Enough is Enough: How to Build a New Republic*, *op. cit.*, Part Two, Chapter 5: 'Ethical Austerity: The Decency of Citizenship', pp. 214–237. See also: Fintan O'Toole, *The Irish Times*, Saturday, 26 March 2011 (re findings of Moriarty Tribunal) and 6 August 2011; Eddie Molloy, *The Irish Times*, Saturday, 9 October 2010; Joe McGrath, *The Irish Times*, Tuesday, 21 December 2010 (on corporate crime).
51. Gerry O'Hanlon SJ, 'A New Economic Paradigm?', *Working Notes*, Issue 63, 2010, pp. 3–10; Frank Turner SJ, 'The Crisis and Poverty: Reflections on the Global Economic and Financial Crisis', *Sozialalmanach: 'L'annuaire Caritas sur la situation sociale du Luxembourg'*, Luxembourg: Caritas Luxembourg, 2010, pp. 275–285.
52. Richard Douthwaite, 'Introduction: Where We Went Wrong', in Richard Douthwaite and Gillian Fallon (eds.), *Fleeing Vesuvius, Overcoming the Risks of Economic and Environmental Collapse*, Dublin: Feasta, 2010, pp. 1–10; 'Healing a Broken World', Report of Task Force on Jesuit Mission and Ecology, *Promotio Justitiae*, No. 106, 2011/2 (<http://www.sjweb.info/documents/sjs/pjnew/PJ106ENG.pdf>). One wonders, in this context, if environmental constraints will not inevitably lead to a certain 'de-globalisation' effect and to a reconsideration of the notion of global free trade and the mandate of an organisation such as the World Trade Organization?
53. Eddie Molloy, *The Irish Times*, Saturday, 5 March 2011.
54. Gerry O'Hanlon SJ, 'A New Economic Paradigm? In the Concrete – Towards a New Model', *Working Notes*, Issue 64, 2010, pp. 3–9. For a recent attempt by an economist (with links to the New Economics Foundation) to outline a more radical approach to our crisis, see David Boyle, 'New Deal for a Better World', *The Tablet*, 15 October 2011, pp. 4–5.

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Restoring the Fabric of Irish Economic and Social Life – A Theological Reflection (Part Two)

on Wednesday, 12 March 2014.

Gerry O'Hanlon SJ

Introduction

In Part One of this article,¹ I discussed some of the core features of the currently dominant economic model and the part they played in bringing about our prolonged economic crisis. In particular, I raised questions regarding the overarching role accorded to 'the market' and the increase in the size and reach of the financial sector; the growth in inequality in incomes and wealth; and the underlying assumption that 'growth is good'. I suggested, in Part One, that there is need to construct a 'redemption narrative' which can offer 'vision and hope, galvanising our society towards effective action'. In this second part, I will look at the socio-cultural, political and theological resources which might contribute to that process.

Socio-cultural

We live in a culture where the operative, dominant 'common sense' is that there is no alternative to the type of capitalism now holding sway.

Writer and theorist Mark Fisher has dubbed this 'capitalism realism', defined as 'the widespread sense that not only is capitalism the only viable political and economic system, but also that it is now impossible even to *imagine* a coherent alternative to it'.²

Cultural commentator and academic Michael Cronin argues that the pervasiveness of modern capitalism is such that education, health, the prison system, social welfare, the security forces, all become subject to neo-liberal political rationality, to 'the market'. And, he says, the cruel paradox is that:

*As the Market proved itself to be the God that Failed, the response was not to dismantle a system or question a logic that had generated hitherto unseen levels of inequality, greed and environmental destructiveness but to use public monies to subsidise private losses and to introduce a series of austerity measures that primarily targeted public goods.*³

The market, he continues, 'has come to function as a dark version of transcendence ... a parody of a pagan deity, irascible, touchy, and only to be appeased with pledges, sacrifices and the burnt offerings of public services'.⁴

In somewhat similar vein, Church of Ireland social theologian John Marsden speaks of our 'blind faith', 'fawning worship', and 'idolatrous adherence' in respect to the free market.⁵

Behind this operative commonsense and dominant assumption there is a culture comprising a world-view (an understanding of what constitutes a good life) and supporting values. Culture is like

the air we breathe – it is often unnoticed, taken for granted, experienced at an unconscious level but no less real for that.

We may describe the culture behind modern capitalism in broad terms as a product of Modernity's prioritising of the individual and of freedom, and its loss of confidence in any kind of knowledge that is not empirically verifiable. This has been reinforced by a post-Modern turn to a relativism, which at its worst trivialises the search for the true and the good and has left us with a notion of the good life dominated by 'economism' (the conviction that money is the measure of everything) and a crude social Darwinism in which the survival of the fittest, the rule of the jungle, is pervasive.

Within this culture there is little room for critical thinking and a premium on deference. The Nyberg Report (2011) on the causes of the banking crisis in Ireland from 2003 to mid-January 2009 referred to 'an unquestioning consensus', a 'tendency to groupthink', a 'herd instinct' which involved the banks, the Government, the Financial Regulator, the media and indeed the general public.⁶

This culture of deference had already been referred to by the earlier (2010) Regling and Watson report on the banking crisis;⁷ Eddie Molloy argues that it is a culture deeply embedded in our public service and is an obstacle to an ethical, accountable, values-led public service.⁸

It shows itself in a different form in the findings of TASC study *Mapping the Golden Circle*, which revealed that a network of 39 individuals held multiple directorships on at least two boards across 33 of the top 40 public and private companies in Ireland. Nat O'Connor, Director of TASC, notes the argument that one reason for this situation is that those responsible for selecting board members may be hesitant to recruit people they do not already know; he comments: 'On the contrary: the suggestion that board members should not look beyond those they have heard of is a recipe for groupthink'.⁹

There is a challenge to theologians and other cultural commentators today to leave our ivory towers and to engage in the public square (if not the market-place!) of ideas about the way forward. The language of culture and values need not be so vague that they have no bearing on 'down-to earth analysis of concrete institutions and policies'. On the contrary, this kind of 'down-to-earth analysis' is always carried out within, and is significantly influenced and even determined by, one's world-view and the values which inform it. And so, for example, if slavery is approved, if women are regarded as inferior to men, if civil rights are to be accorded only to white people, and so on – then 'down-to-earth' solutions to concrete problems are already skewed in a certain direction.

It matters greatly, then, that the role of 'the market' is taken for granted in the way that it now is. Theologians and other commentators need to name this and engage in the search for a new economic paradigm, in respectful dialogue with the more technically competent, for the betterment – one could even say the salvation – of us all.

In this context, theologian Fred Lawrence argues for a return to the notion that money is instrumental and functional, serving the economy which in turn is there to serve society. Money, in this analysis, should not be regarded as a commodity in itself (as something in principle to be accumulated endlessly), as an end rather than as a means.¹⁰

Will Hutton argues that, paradoxically, 'fairness is capitalism's indispensable value',¹¹ that the capitalist with a reputation for double-dealing rarely survives for long, and so, if capitalism is to survive, it needs radical reform along the lines of greater economic and social responsibility. In other words, and to use more explicitly Christian terminology, it needs reform in ways that are

consistent with the concept of ‘integral human development’¹² and which respect the integrity of creation and the environment.¹³

Clearly, this is a very different world-view from that which is now dominant, but which historically was not always so. The virtual axiom of today’s orthodox economics that more is always better, and our obsession with the pursuit of individual gain as the route to happiness, are, viewed historically, ‘a curious anomaly’.¹⁴

Clifford Longley puts it graphically:

*The world is being chewed to death in the possibly final destructive phase of international capitalism, capitalism turned feral, omnipotent and omnipresent, as scary and as mysterious as plagues and other inexplicable afflictions must have seemed in the Middle Ages.*¹⁵

He goes on to say:

*The world has created a mindless monster, a modern Frankenstein it cannot control but which has taken control of it ... where are the political leaders with the courage to say so?*¹⁶

In addressing this situation of the idolatrous ‘fetishisation of the market’ and the imperative to challenge it in public debate, Michael Cronin argues that we need a new culture of dissent in Ireland, characterised by empathy, responsibility and conflict. He notes that fear is the great enemy of critical thinking and imagining and sees in the Christian message of hope a resource to counter this fear.¹⁷ Civil society (including universities, think-tanks, citizens’ assemblies, movements, media and so on) is usually the place where this kind of new, critical thinking emerges, and there are some signs that this is happening here in Ireland and elsewhere.

Politics

However, new insights, a new culture, the development of a different set of values – all these need to win democratic acceptance through persuasive skills, to be enshrined in policies and enacted in law: we require a politics that has clear vision and exercises power and governance accordingly.

There has been much talk in Ireland of political reform, in particular of refounding our Republic, of a new, second Republic.¹⁸ Within this debate, the concept of civic republicanism has attracted significant attention. This political philosophy has at its core concepts such as civic virtue, concern for the common good and freedom – understood as ‘... freedom from domination in a society which places the common good at the centre of all public life. This definition contrasts sharply with the liberal idea of freedom, defined as freedom from interference by the State or by others.’¹⁹

Writing on civic republicanism, political philosopher Iseult Honohan draws attention to the difficulties inherent in striving to achieve a balance between protecting individual freedom and interests and the promotion of the common good, and notes the challenges which this poses for political processes and institutional structures, particularly in a pluralist society.²⁰

However, Honohan and other political philosophers such as Patrick Riordan,²¹ make it clear that, despite the complex issues involved, it is realistic to envisage a politics which takes on board the notion of the common good, with attendant values such as equality, solidarity, fairness and so on, in contrast to the dominant model of democratic liberalism, which is still in thrall to an excessive individualism and captive to a particular form of financial capitalism. How does one move from theory to practice?

Within Ireland itself we – including the Government – are conscious of the need for political reform. There are many ideas that suggest themselves, including the enhancement of the role of parliament and the creation of a new ethos of responsibility and accountability in the public service.²² In addition, I would propose that of central importance is the need to create effective channels between government and organs of civil society, in particular think-tanks and movements that espouse alternative, contrarian views.²³

As already noted, our economic crisis was in part due to ‘groupthink’, with alternative voices and ‘whistle-blowers’ given scant attention.²⁴ Are we now into a new ‘groupthink’ about the management of the crisis and its aftermath and about what ‘recovery’ might look like? It makes sense to listen to other voices. We need a more participative politics that seeks to overcome the political alienation of so many and tap into a wider communal wisdom.

In this respect, I would argue that the media can play an important role. Too often, particularly in our broadcast media, there is an easy acceptance of the *status quo* approach even in the reporting of news (‘good news – the markets are up today!’). Panels of experts tend to be drawn from an establishment base that too easily accepts a form of ‘economism’ that separates debate on the economy from the wider, crucially influential issues of the world-view and values which inform a particular economic viewpoint.

The surrounding culture and commonsense, crucially influenced by media, are in turn a key influence on the ability of politicians to envisage and implement a different values-led approach to our economy. A fair economy can only thrive if there is access to information and opinion across a wide spectrum (‘open access societies’),²⁵ in addition to such structures as parliament and the rule of law.

It is clear, however, that nothing we do in Ireland will be enough on its own. Our problems are global and require global solutions. One has only to think of the European financial crisis, the internationalisation of financial markets, the flight of capital, the power of multi-nationals (including in Ireland), the existence of off-shore tax havens, the difficulties of imposing a financial transactions tax nationally or even regionally if not also globally, to realise that the notion of a political economy requires some reality of global governance.

In his 2009 encyclical, *Caritas in Veritate*, Pope Benedict XVI says:

*In the face of the unrelenting growth of global interdependence, there is a strongly felt need, even in the midst of global recession, for a reform of the United Nations Organization, and likewise of economic institutions and finance, so that the concept of the family of nations can acquire real teeth ... there is urgent need of a true world political authority.*²⁶

Different international groups and organisations do offer seeds of this kind of global governance – most obviously, the United Nations, which despite its frailties, has a certain legitimacy in terms of history and reputation.

The Irish government needs to lobby at all international levels – including of course at EU level – but in such a way that our self-interest is not defined so narrowly that we avoid the ‘bigger picture’ questions and fail to see that radical reform of the system may indeed be the best way forward. It is disappointing, in this context, to note the Irish reluctance to take the notion of a financial transactions tax more seriously or, indeed, to raise any of the macro-issues at world level. A small,

awkward voice can still make itself heard and have impact: we do well to be givers and not just receivers at the banquet table of the nations.

I am arguing that our crisis is of such a serious nature that, in the words of Professor Justin O'Brien, we need to create 'an alternative meta-narrative', a new economic thinking that will only come from an inter-disciplinary approach:

*For economics to save itself it must accept reintegration with the other social sciences and humanities.*²⁷

What might faith and theology contribute to this redemptive narrative?

Theology

*The collapse of an Irish bank, caused by corrupt directors who embezzled funds and secretly took out unsecured loans to illegally gamble in the property market, has been revealed in previously unpublished documents. An investigation ... shows evidence of massive fraud by bank directors and staff – yet no one went to jail – a report on the liquidation of the Munster Bank in 1885, 126 years ago.*²⁸

David Boyle speaks about the 1986 deregulation of financial markets as a 'kind of financial moment of Original Sin'.²⁹ The banal and terrible reality of ignorance, evil and sin are perennial, as believers know only too well, not least from personal experience. Do things never change, are we deluded in our planning and working for a better world?

The Christian narrative acknowledges this reality of sin, with all its particular manifestations at different times, and yet tells a story of hope. How might we draw on it in our present circumstances?

This hope is based on the belief that tells us that, in the world we inhabit, the human being 'is not a lost atom in a random universe'³⁰ but that all – universe, world and humankind – are rooted in the loving origins and ongoing providence of a transcendent Trinitarian God who emptied God-self to come among us historically, immanently, intimately. His emptying took the ultimate form of love to death on a cross, and his victory over sin and death, revealed by his resurrection, is made present to us every moment by the Holy Spirit. And his eschatological reign of justice and peace, proclaimed by Church, witnessed to by countless women and men of service, and celebrated eucharistically, is anticipated in innumerable ways in this life, before its ultimate arrival at the end of history.

It is in this context that ignorance, sin, even death exist: they are real, they are terrible, they wreak havoc and cause enormous suffering, but they are always and forever shot through with the radiance of the glory of divine love.

A number of consequences follow. This shift to a transcendent perspective introduces a new dimension: we are not on our own in all this, there are secure grounds for our hope that love, goodness, truth, freedom, justice are how things are meant to be and will be.

This Christian story has many resonances with our earlier discussion. The social situation in which we find ourselves – with such egregious inequalities, an economic model which puts the individual before society, a culture which is in thrall to a dominant commonsense worshipping of 'the market' and is unable to imagine an alternative, a politics which follows rather than leads – all this is challenged by the Christian narrative of redemption with its urgent call to conversion at personal and all other levels, including societal, structural and political.

The challenge by the Christian narrative, to be effective, needs to be nuanced and self-critical. If the temptation of political and economic practitioners is to ignore the Christian message of hope in face of the seemingly overwhelming force of capitalist or market realism, the temptation of Christian theorists can be to imagine an overly direct and unmediated link between the inspirational Christian narrative and its realisation in practical politics.

Instead of being faithful to tradition we are more likely to be fundamentalist if we try to convert the Christian rhetoric of self-sacrificing death and glorious resurrection into some purely altruistic philosophy of gratuity that ignores a properly Christian realism rooted in an eschatological notion of hope.³¹ Of course there is much more room for altruism and gratuity than our present economic model allows³² and we should never put limits to what can be achieved even in this life, as anticipations of the full coming of the kingdom – one thinks of the civil rights movement in the USA, the end of apartheid in South Africa, the peace-process in Northern Ireland, the gains of the feminist and green movements, and so many other historical achievements that once seemed impossible if not unimaginable.

However, progress is more likely to be achieved if we are respectful of the rightful ‘autonomy of earthly affairs’, if we acknowledge the limited role of politics in its guardianship of public order, if we are mindful that civic virtue need not embrace all the virtues (for ‘good enough citizens, not saints’), that there is a pluralism in so many of our societies which does not easily allow for a ‘thick’ notion of the good, that, in short, sin exists, as does real ignorance, so that a search for blueprint solutions to economic and societal problems that are read off from a scriptural master-copy is mistaken. The ‘imitation of Christ’ is not like a child learning how to write by repeatedly copying the teacher’s headline version. It is much more like the movements of a drama in which the divine playwright is also an actor and in which the lines are often improvised and always free, albeit within a context embraced by the unimaginable stretch of divine love.³³

The role of faith and theology, then, will be to hold firm to the belief that, despite the realities and absurdities of our social situation, there is meaning. Its role will be to dialogue patiently with all the disciplines required to realise this meaning, to observe a prudence that is shot through with a fortitude and courage which allow for the constancy required to make ‘the long march through the institutions’ and the imagination to attempt radical change. This long-term commitment to the common good, this ‘habit of the heart’ which may find expression in so many seemingly boring committee meetings and ‘muddling through’ as we seek to find common ground and resolve conflict, is a real expression of the self-sacrificing love of the faithful disciple.

Conclusion

We started with the search for a redemption narrative from a theological perspective to respond to our present socio-economic crisis. I have argued that this narrative must involve many voices, always in dialogue with other disciplines.

Much of the narrative has centred on the asking of questions, perhaps the most useful function that faith, theology and Church can perform at this time. But there have also been pointers towards answers, proposals, basic directions. We have noted the importance of greater economic equality, not just from the viewpoint of fairness but also to ensure the kind of social solidarity needed to tackle our problems. We have questioned the current free market economic model, in particular the process of the excessive financialisation of the economy, which requires quite radical and different

policies and legislation to resolve. We have questioned as well our commonsense insistence on growth, in the context of environmental constraints.

We have noted the need to heal our culture – which too easily defers to an individualistic market realism and idolatry – by creating a new, less deferential ‘commonsense’ which respects both individual and social flourishing. We have argued that all this needs to take political form, in a politics of the common good that can be at ease in a civic Republic and will also entail some element of supra-national, regional and even global governance. We have framed all this in the context of a faith which has particular regard for the suffering of those who are poor and vulnerable, all too aware of the tendency of power and privilege to be oppressive and callous.

It can seem somewhat of a luxury – somewhat ‘academic’, in the pejorative sense – to limit the role of theology to the asking of questions. This appearance remains, even when one takes account of the teaching of ‘wheat and tares’ growing together till the end, of the human need to ‘muddle through’, of the requirement of politicians and business people to also look to the short-term and to continue to do their best to micro-manage within systems which are flawed. The appearance can only be removed if the questions are asked with real persistence and in dialogue with partners who matter, accompanied by the witness of those who live out what they believe. This is the ongoing challenge for all of us, as human beings, as people of faith, as Christians, as theologians.

Notes

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3. Michael Cronin, ‘Educate That You May Be Free? Religious and Critical Thinking in Post-Boom Ireland’, in Eugene Duffy (ed.), *Catholic Primary Education, Facing New Challenges*, Dublin: Columba Press, 2012.
4. *Ibid.*
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8. Eddie Molloy, *The Irish Times*, Friday, 22 April 2011.
9. *The Irish Times*, Letters, Monday, 12 September 2011.
10. Fred Lawrence, ‘Money, Institutions and the Human Good’ in Richard M. Liddy (ed.), *The Lonergan Review: The Journal of the Bernard J. Lonergan Institute*, Vol II, No. 1, Spring 2010, South Orange, NJ: Seton Hall University, pp 175–197. For a similar analysis, see philosopher William Mathews, ‘Finance Ethics’, *The Lonergan Review*, *op. cit.*, pp 169–172.
11. Will Hutton, *Them and Us: Changing Britain – Why We Need a Fair Society*, London: Little, Brown, 2010, p. 23.
12. There is a long tradition of using this phrase within Catholic social teaching going back at least to *Populorum Progressio* (The Development of Peoples), the Encyclical Letter of Pope Paul VI, 26 March 1967. In the encyclical, *Caritas in Veritate* (Charity in Truth), issued on 29 June 2009, Pope Benedict XVI explores at length the application of the concept of integral human development across a range of current societal issues. For an insightful

- application of Catholic Social Teaching to the current Irish situation, see: Council for Justice and Peace of the Irish Episcopal Conference, *From Crisis to Hope: Working to Achieve the Common Good*, Maynooth: Council for Justice and Peace, 2011.
13. A key element of the work of the World Council of Churches since the 1980s has been an explicit linking of environmental concern to justice, encapsulated in the phrase 'Justice, Peace and the Integrity of Creation'.
 14. The New Economics Foundation, *The Great Transition: A Tale of How It Turned Out Right*, London: New Economics Foundation, 2009, p. 14.
 15. Clifford Longley, 'The world has created a mindless monster it cannot control, but which now controls it', *The Tablet*, 8 October 2011, p. 5.
 16. *Ibid.*
 17. Michael Cronin, *op. cit.*, pp 5–19.
 18. Fintan O'Toole, *Enough is Enough – How to Build a New Republic*, London: Faber and Faber, 2010.
 19. Fergus O'Ferrall (ed.), *Towards a Flourishing Society*, Dublin: TASC, 2012, p. 14.
(<http://www.tascnet.ie/upload/file/Towards%20a%20Flourishing%20Society.pdf>)
 20. Iseult Honohan, *Civic Republicanism*, London and New York: Routledge, 2002.
 21. Riordan brings discussion of the common good explicitly into dialogue with Christian and in particular Roman Catholic concerns and formulations. See Patrick Riordan, 'A Blessed Rage for the Common Good', *Irish Theological Quarterly*, Vol. 76, No. 1, February 2011, pp 3–19.
 22. Fintan O'Toole, *op. cit.*, Part One, Chapter 3, 'The Myth of Parliamentary Democracy' and Part Two, Chapter 5, 'Ethical Austerity: The Decency of Citizenship'.
 23. I refer to think-tanks such as TASC and to movements such as Claiming our Future, with its aim for an alternative economic model that would better serve society and our environment.
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 27. Professor Justin O'Brien, director of the Centre for Law, Markets and Regulation, University of New South Wales, *The Irish Times*, Monday, 11 April 2011.
 28. *The Irish Times*, Thursday, 15 September 2011.
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Psychology and the Penal System

on Wednesday, 12 March 2014.

Paul O'Mahony



Introduction

In this article, I intend to look back and draw contrasts between the current situation of Irish prisons and what prevailed when I joined the prison service, as one of the group of four psychologists, newly employed in 1980.

Although the prison system in 1980 was under considerable strain and was preoccupied with the handling of paramilitary prisoners, who at that time comprised a substantial proportion of the prison population, this was actually a period of relative calm before the storms that were subsequently to shake the system and threaten to overwhelm it. It was also, in stark contrast to today, a period of intense, sustained public interest and concern regarding conditions in prison. From the late 1970s, several highly critical reports were published by the churches, trade unions, and groups of concerned citizens. Then, in 1985 the Committee of Inquiry into the Penal System (the Whitaker Committee), the state's only major official enquiry into the penal system, published its report.¹

However, what was to follow would dramatically change Irish prisons and alter the face of psychology in the prisons. I am referring in particular to the seismic changes begun by the disastrous heroin epidemic of the early 1980s and by the official 'discovery' of child sex abuse. The concentration of AIDS cases within the prison population and the growth of a violent drugs gang culture – now pervasive throughout Ireland but endemic in Irish prisons since the mid-1980s – were transformative. The criminal drugs culture in particular changed prisons beyond recognition and still poses immense challenges. A challenge of a different kind was the growing awareness of sex crime and the gradual strengthening of the collective will to prosecute and punish sex offenders. This eventually led to the imprisonment of many offenders from the respectable and privileged classes, including priests, religious brothers, and teachers.

Due to these changes but also because of the progressive closure of large mental hospitals and the failure to properly resource the community mental health movement (following the change in policy initiated by *Planning for the Future* in 1984²) the task facing mental health professionals in the prisons gradually became truly enormous. In 2003, Human Rights Watch estimated that in the USA there were three times as many people with serious mental illness in prisons as in mental hospitals. Harry Kennedy, head of the Irish forensic psychiatric service who has carried out a major study of the prevalence of mental illness in the Irish prison system,³ has written:

*It is now more difficult to provide treatment to those who because of paranoia and lack of mental capacity are unable to understand their own health needs. Prisons increasingly act as psychiatric A&E trolleys for such disabled citizens, mainly young men with schizophrenia.*⁴

If you broaden the definition of mental illness to include serious forms of mental ill-health such as phobias, personality disorders, paedophilic disorder, suicidal tendencies, anger control issues, and in addition take account of addiction problems and learning disorders, the enormity of the mental health needs of the prison population is very obvious. While the psychology service has grown over the last three decades, it is still inevitably and massively under-resourced.

In reality, the mental health issues of prisoners represent an utterly intractable problem. It is the kind of impossibly big problem that excuses us from really trying. Our penal system concentrates thousands of troubling and troublesome people, afflicted with multiple social, psychological, and emotional problems, into a handful of carceral institutions which are utterly unsuited to dealing with them – and then expects them to come out to lead law-abiding lives. It should be obvious that radically different approaches are required.

Psychology, Psychologists and Prisons

I would like to focus not on the specific challenges facing prison psychologists, but rather on why psychology as a profession should be more engaged with the prisons and also on some broader insights that psychology and particularly social psychology can offer us into the reality of prison and into how our penal system might be improved by radically different approaches.

Since I will be criticising the prison system in trenchant terms, I should first acknowledge the significant contribution of most of the teachers, welfare officers, psychologists, medical staff, volunteers, chaplains and prison officers who continuously and over the long haul have struggled, often against the institutional grain, to create a more positive and fertile environment for prisoners and to ameliorate the damaging effects of prison. Thanks to their efforts, I believe that decency and a humane approach still characterise most interactions with prisoners throughout the Irish prison system. Given all the institutional constraints, that is a considerable achievement.

Melba Vasquez, the 2011 President of the American Psychological Association (APA), chose to devote her presidential address to the topic of psychology and social justice. She began by stating that:

... our discipline of psychology has broad relevance to social issues and social justice ... and the APA has proclaimed a commitment to social responsibility and social justice, that is to decrease human suffering and to promote values of equality and justice.

Justice, according to Vasquez, means dealing with others as one would like to be dealt with oneself. This is, of course, a restatement of the Golden Rule, the central moral tenet of most major religions and related to Kant's categorical imperative and Rawls's 'veil of ignorance' approach. This rule translates into a straightforward and undeniably relevant and useful prescription for the design of the penal system. This prescription could be stated thus:

Ensure that prisons provide an environment that you would find adequate, decent and worthy of your trust, if your son or daughter or indeed you yourself were to be rightfully imprisoned for some crime.

In her thoughtful speech, Vasquez did not shrink from drawing attention to ‘the abuse of psychological science to support and maintain destructive and at times horrific and gruesome practices to maintain the status quo of dominance and subordination’. Psychology has undoubtedly been guilty of aiding and abetting oppressive systems of social control and is clearly wide open to abuse. The use of aversion therapy with gay people is just one example. Psychological techniques have also been widely used in prisons to establish control in a dehumanising and brutal fashion. The vast potential for the misuse of psychology surely demonstrates the need for an energetic commitment to the underlying principles of decreasing human suffering and promoting the values of equality and justice.

It is worth recalling that Mountjoy Prison’s original religiously-inspired penitentiary system, which isolated and silenced inmates and subjected them to Christian propaganda in order to engineer their repentance, was built on a specific psychological vision, a particular theory of human nature. The system quickly collapsed because, rather than converting and reforming inmates, it succeeded only in driving them mad.

The state’s behaviour towards its citizens is invariably animated by some kind of theory about human nature. Because these theories are often ill-founded and, however well-intended, frequently malign in their effects, it falls to psychology as an organised, scientific, caring profession to challenge them on the basis of both the best scientific evidence and psychology’s principled commitment to decreasing human suffering and promoting the values of equality and justice.

Before investigating these themes with respect to the Irish penal system, it is necessary to first outline how Ireland uses imprisonment.

Use of Imprisonment in Ireland

Arguably, the most important finding in the Report of the Whitaker Committee in 1985 was that prison is of ‘limited protective, deterrent or corrective value.’⁵ Certainly, the Committee’s most crucial recommendation to government was to ensure that imprisonment be used only as a last resort and that alternative non-custodial, community-based sanctions be greatly expanded. In line with this view and controversially, at a time when there was considerable public alarm about crime, the Committee recommended reducing the size of the prison population (which in 1985 stood at about 1,850) to 1,500 and, for the future, capping the population at that reduced level.

The trend in the prison population in Ireland since that time tells the disastrous story of the rejection of this advice. Prison numbers were not capped; on the contrary, they were allowed to burgeon out of all control – indeed, increasing at the fastest rate in the developed world. The daily average number of people in prison climbed steeply from 1,200 in 1980 to 4,390 in 2011.⁶

The recent higher level of prosecutions of sexual offending and a substantial increase in the number of homicides as well as mandatory ten-year sentences for certain drug offences have led to the accumulation of several hundred long-sentence prisoners within the system. However, compared with the early 1980s most categories of crime have increased only marginally and significant areas of crime have even decreased substantially. In other words, the more than tripling of the numbers held in prison cannot be justified by rising crime levels. Astoundingly, today in Ireland, an even greater proportion of those sent to prison are fine-defaulters or non-violent petty criminals than was the case in 1980. More than three times as many petty non-violent offenders are now held in prison despite largely unchanged levels of petty non-violent crime.

The Irish use of imprisonment is totally out of line with normal practice amongst our European neighbours. While our detention rate is close to the European average, our rate for imprisonment on conviction is much higher than average – this is because of the much greater Irish use of short sentences. This means we use imprisonment against a far wider range of petty crimes than do other countries. These countries use fines, alternative and community-based penalties and restorative approaches far more than we do. If you relate the use of imprisonment to the incidence of recorded crime, which is substantially lower here than in neighbouring countries, it is found that Ireland resorts to imprisonment between two and five times more frequently than these neighbouring countries.

Successive governments have sleep-walked into the current situation of gross prison overcrowding by adhering to two discredited, hardline doctrines, largely imported from the USA: first, that ‘prison as punishment’ works and that, if it doesn’t, harsher punishment of the same type will, and, second, that the offender has brought whatever the penal system does to him upon himself, so the state and its citizens do not have to answer for it.

Some structural factors in the Irish criminal justice system contribute to the disastrous failure to use prison only as a last resort. One example is the District Court’s role in dealing with the vast bulk of crime. In this court, justice is rapid and dispensed by judges sitting alone without juries. The District Court’s efficiency relies on guilty pleas – 80 per cent of those prosecuted plead guilty. These pleas are successfully incentivised by the fact that the District Court cannot impose a prison sentence of more than one year. This approach perpetuates the use of imprisonment against petty crime.

By contrast, hugely damaging financial crimes, which we now know have been widespread in Ireland, take years to get to the higher courts, where penalties may be much higher, but where expensive legal advice, the presence of juries and a more measured judicial approach all ensure that every trick in the book can be employed to delay or even avert justice. The structural features of the criminal justice system that result in current levels of imprisonment are not set in stone and so are open to change, but political inertia along with increasingly intolerant and punitive public attitudes and widespread ignorance and indifference about the criminal justice system are real stumbling blocks to achieving constructive reform.

Imprisonment and Social Disadvantage

It is highly relevant that the vast majority of offenders we imprison in Ireland not only tend to be convicted for relatively minor non-violent crimes but also tend to have a life-long history of failure and of being failed by society in areas that link to economic success and social acceptance. Irish prisons are full of those who, by accident of birth, come from deprived communities and from families that suffer from chronic unemployment, low income, poor nutrition, deficient education, and bad housing. Many people in prison have alcohol, heroin addiction, and emotional or psychiatric problems, and a large number come from disturbed family backgrounds. Most have left school without qualifications or before reaching the legal school-leaving age and consequently struggle with low levels of literacy and numeracy and have very poor employment records.

Psychology has been at the forefront in developing the risk factors model of the causation of criminality and this strongly confirms the role of deprivation and inequality. However, psychology has been slow to embrace the obvious political implications of the evidence. A key implication is

that criminal responsibility is diluted when certain bad things happen to you, and certain good things do not happen to you, in childhood.

When these negative childhood experiences are the result of inequitable social structures, unfair distribution of income and benefits, and uncaring social policy, criminal responsibility is not only diluted for the individual offender, but is shared by wider society.

The late Fr Fechin O'Doherty, Professor of Psychology and Philosophy at UCD, made a good attempt at describing the complexity at the core of this problem when he wrote:

Responsibility is not an all or nothing concept. We are not captains of our fate, masters of our soul. Responsibility admits of an infinite series of gradations to which many factors contribute. Of these the most important, perhaps, are education, humanisation and socialisation ... The capacity to obey the law is not equally distributed over the whole population.

Inevitably, the criminal justice system must hold people to account for their harmful behaviour regardless of the mitigating circumstances of their past lives, but to legitimate the kind of punishment it metes out, the system must also recognise society's contribution to criminal behaviour and actively set about correcting society's own flaws and deep-rooted inequities. A vital part of that process is assisting the imprisoned person to overcome his or her past social disadvantages and the unmet needs of childhood in an attempt to help the person to maximise his or her personal potential and learn to live in a pro-social manner.

A shocking example of government indifference to these fundamentally important principles was the decision of the then Minister for Justice, Michael McDowell TD, to close down Shanganagh Open Centre for young men in the age-group sixteen to twenty-one in 2002. This prison, set within many acres of fine land in a middle-class district, was one of the few effective and hopeful elements in the prison system's treatment of young offenders. The closure was a brazen act of cashing in on vital state assets at the cost of losing one of the most hopeful elements in the system and, like many other retrogressive steps in our penal system, it went almost unchallenged in both the public and the political domain.

Harms Caused by Imprisonment

On the issue of the reality and effects of imprisonment, the Whitaker Report observed that:

The possible rehabilitative effects of education, training, welfare and guidance are offset by the triple depressant of overcrowding, idleness and squalor which dominates most Irish prisons.⁷

Despite considerable investment in new, if largely poorly-designed, prisons, increased medical services, including a large-scale methadone maintenance programme, a more independent complaints and inspection system and concessions such as in-cell television, the triple depressant of overcrowding, idleness and squalor still dominates large sections of our prison system. This is clearly in part due to the system's failure to use prison as a last resort and as a rehabilitative opportunity. The drugs gang culture has also helped create a situation where the prison environment today is far more physically and psychologically damaging to inmates than in 1980. Incidents of assault, suicide, death by overdose, severe bullying, and initiation into injecting drug-use give testimony to the damage caused by our prisons.

But the damage caused by imprisonment is by no means confined to the harms resulting from poor prison conditions or the prisoners' own violent culture. As many social scientists have documented,

prisons are total institutions that deliberately isolate, control and stigmatise. They are powerful contexts that can overwhelm and reshape individual personalities. Traditional prisons are by their very nature effective tools for distorting the emotions and behaviour of inmates.

The negative and criminogenic psychosocial effects of imprisonment which have been well documented include:

- Stigmatisation; demonisation
- Alienation
- Disruption of relationships
- Negative socialisation and learning
- Dependency and lack of personal responsibility
- Displacement of responsibility
- Social rigidity and lack of 'genuine' communication
- Mechanisation of life, with consequent depersonalisation, dehumanisation

These psychosocial processes are inimical to normal psychological well-being; they combine to create a widespread climate of desperation and hopelessness and a brutalising culture of toughness. They also tend to undermine the deterrent, reforming and constructive purposes of imprisonment. The great paradox of prison, then, is that it tends to create more of what it is designed to eliminate.

I will focus briefly on just one of these issues – stigma – in order to provide an example of these far-reaching negative effects. Self-enhancement is a key motivator in human behaviour and is inextricably bound up with how we are seen, or think we are seen, by others. What has been termed the 'struggle for recognition' is universal and it is especially difficult for those who find themselves in stigmatised and marginalised groups. Many forms of mental illness or emotional distress are experienced as, and are most clearly manifested in, perturbed self-perceptions and self-related fantasies and anxieties. Prisoners, then, face a particularly difficult struggle for the respect of others – a struggle which has probably already begun in their schools and marginalised communities and which is inevitably and profoundly influenced by the treatment they receive in prison and by their acute awareness of the public's frequently excessive and hypocritical condemnation and demonisation of them.

The point is that, while some people have problems because they internalise other people's negative evaluations of them, a common psychological reaction of the rejected is to reject their rejectors, sometimes angrily and violently. Prisoners very often respond to imprisonment by finding acceptance and a positive identity in a counter-culture that upholds renegade and antisocial values, such as personal toughness, daring, quick resort to violence, disrespect for private property, and callous indifference to the feelings of others. This is one of the important but largely unrecognised reasons that the traditional prison is an inherently negative environment which promotes resentment, rationalisation of criminal behaviour, increasingly anti-social attitudes, and reckless drug use.

In 1974, Hans W. Mattick, criminologist and Director of the Center for Research in Law and Justice, University of Illinois at Chicago, wrote:

If men had deliberately set themselves the task of designing an institution that would systematically maladjust men, they would have invented the large, walled, maximum security prison.

What Psychology Can Contribute

Psychology can make a contribution by identifying and analysing these essentially social psychological processes, but in my view it could and should make a further contribution by helping design, on the basis of sound psychological principles and evidence, less self-defeating, less harmful and more constructive forms of imprisonment. Following the lead of the American Psychological Association, I believe that the profession also has an important role in advocating for change.

There are practical, well-established models for how to do things better, embracing everything from colour schemes for walls to the design of holistic, psychosocial environments that actively counter the ill-effects of the total institution. The therapeutic community, for example, sets out to provide, in the words of one practitioner, a '24-hr per day learning experience in which a drug user's [or prisoner's] transformations in conduct, attitudes, values, and emotions are introduced, monitored, and mutually reinforced as part of the daily regime'.

The successful therapeutic community for seriously violent offenders in the English system, Grendon Prison, provides an inspiring model for an alternative to the predominant forms of imprisonment that are not just inert in terms of rehabilitation but even counterproductive.

The Nordic prison systems offer other excellent examples of prisons where genuine attempts at normalisation and humanisation of the prison environment have proven effective and beneficial.

With regard to advocacy, the American Psychological Association (APA) has been part of a movement that has shown that the law itself can be used to improve the quality of imprisonment. One of the many APA *amicus curiae* briefs focusing on prisons has helped win a US Supreme Court victory in the case of *Plata v Schwarzenegger*. This effectively placed a cap on the number of prisoners that can be held in a particular prison. The APA argued, and helped convince the court, that the overcrowding permitted in the Californian system was actively damaging to the mental health of inmates and was therefore in contravention of the US Constitution's prohibition on cruel and unusual treatment.

Distorted Perceptions of Prisons and Prisoners

Ultimately, little significant improvement in prison conditions is likely in this country until such time as imprisonment is truly used only as a last resort. The chief barriers to progress in this area are, arguably, distorted public, political and media perceptions and the misunderstandings and injustices they drive. These distortions result from a lack of information about the true facts but more importantly from a stubborn resistance to being informed. Public, political and media representations feed on and reinforce each other and play a crucial role in creating, not just describing, social reality.

This is an immensely complicated cultural issue, but one of relevance to psychologists who study group processes, collective decision-making, attitude formation and attitude change. Particularly important in the criminal justice area are pervasive cognitive distortions such as the fundamental attribution error, which favours persons over situations as causes, and the 'just world' bias, which tends to blame victims and accept our current social reality as the best of all possible worlds.

One major problem is the skewed coverage of crime and punishment by the media. Public zeal for the use of imprisonment is fuelled by endless tabloid headlines about vicious crimes and violent and dangerous offenders. A clear example of the low level of debate on prison conditions was a *Late Late Show* of some years ago, which featured a journalist who – to huge applause – remarked that

‘prison was meant to be traumatic, meant to be degrading and the more traumatic it is the more likely it is to deter’.

In fact, psychology tells us that it is highly dangerous and counterproductive to inflict unnecessary trauma and degradation on human beings, whether you think they deserve it or not.

Moreover, international human rights conventions, Irish law and the Irish Prison Service’s own Mission Statement state that loss of liberty should be the sole punishment and that the deliberate creation of traumatic and degrading prison conditions is morally wrong and totally unacceptable from the human rights perspective.

The general tone of public, political and media debate is often self-righteous, emotive, condemnatory and vengeful. Debate tends to individualise blame, excuse society of responsibility and reject the wrong-doer, not just the wrong-doing. This process both strengthens the malign psychosocial effects of prison and effectively closes minds to any concern for the vast majority of people passing through the system, who, as we have seen, are petty offenders and tend, in a serious misuse of state power, to be further damaged, hardened and criminalised by the system. It turns attention away from core issues such as the efficacy and legitimacy of state punishment and the scandal of the avoidable harms inflicted by imprisonment.

Need for a New Mindset on Imprisonment

Changing the national mindset on imprisonment is a challenge akin to transforming or preventing, through counter-cyclical actions, the kind of blind optimism of the ‘Celtic Tiger’ period that led us straight over the economic cliff. Crime and punishment is an especially controversial area, even amongst psychologists, involving very emotive and fiercely defended beliefs. But this is not an entirely hopeless cause.

Just as there are more sensible countries with a more rational grasp of economic realities, so also there exist countries with a more mature collective understanding of the complexities of crime and punishment. The Scandinavian countries, in particular, offer models that we could follow – models that demonstrate a more credible commitment to justice and equality and are rooted in a more realistic understanding of society, individual psychology and the potential of institutions for both good and harm.

By raising awareness of the broad factual situation, and the distorting psychological processes that prevent us from seeing that situation, it may be possible to persuade leaders in politics and the media to self-correct the lenses through which they view crime and punishment. It is surely possible to plot our way towards a society where a mother, while not happy to see an offending child sent to prison, would no longer be terrified for his or her physical, psychological and moral well-being and may even anticipate some genuine benefits.

Notes

1. Committee of Inquiry into the Penal System, *Report of the Committee of Inquiry into the Penal System* (Whitaker Report), Dublin: Stationery Office, 1985.
2. Department of Health, *The Psychiatric Service: Planning for the Future, Report of a Study Group on the Development of the Psychiatric Services*, Dublin: Stationery Office, 1984.
3. Harry G. Kennedy, Stephen Monks, Katherine Curtin, Brenda Wright, Sally A. Linehan, Dearbhla M. Duffy, Conor Teljeur and Alan Kelly, *Mental Illness in Irish Prisoners:*

Psychiatric Morbidity in Sentenced, Remanded and Newly Committed Prisoners, Dublin: National Forensic Mental Health Service, 2005.

4. Harry Kennedy, “‘Libertarian’ groupthink not helping mentally ill’, *The Irish Times*, Wednesday, 12 September 2012.
5. Committee of Inquiry into the Penal System, *op. cit.*, par. 2.10, p. 11.
6. It should be noted that there has been a reversal in the upward trend in prison numbers since the second half of 2012, with the result that the daily average for that year was 4,318 as against 4,390 in 2011 (a decline of 1.6 per cent). Throughout 2013, the number in prison on the last day of each month showed a general downward trend. On 13 January 2014, the number was 3,955. (Irish Prison Service, ‘Statistics and Information’ (<http://www.irishprisons.ie/index.php/statistics>)).
7. Committee of Inquiry into the Penal System, *op. cit.*, par. 11.6, p. 90.

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