

Quality of Life in Ireland

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Quality of Life in Ireland

Social Impact of Economic Boom

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Foreword

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Irish and international scholars continue to be curious about Ireland's exceptional economic success since the early 1990s. While growth rates peaked at the turn of the millennium, they have since continued at levels that are high by any current international or historical Irish measures. Despite differences of view among Irish economists and policymakers on the relative importance of the factors that have driven growth, there is widespread agreement that the process of globalisation has contributed to Ireland's economic development. In this context, it is helpful to recognise that globalisation has created huge changes in most developed and developing countries and has been associated, *inter alia*, with reductions in global income disparity but increased income disparity within individual countries.

This book reflects on how, from a social perspective, Ireland has prospered over the past decade. In that period we have effectively moved from being a semi-developed to being a developed economy. While the book's main focus is on the social changes induced by economic growth, there is also recognition that social change has facilitated economic growth. Although many would regard the past decade as a period when economic and social elements have combined in a virtuous cycle, there is a lingering question as to the extent to which we have better lives now that we are economically "better off". In the context of economic change, there are always winners and losers, which gives rise to the issue of how we determine whether and to what extent we are better off as a society. Those who see the glass as being half-full point to increased employment opportunities, better housing, greater participation in education, reduced poverty and long-term unemployment, etc. Those who focus on the half-empty glass point to greater inequality at the top end of the wealth spectrum, greater commuting times, greater stress, longer waiting lists for health care, some increase in crime, etc.

However the glass is viewed, all agree that the change has generated new opportunities and created great challenges. If we are to realise the opportunities and face up to the challenges, we need to understand and appreciate the combined economic, social and environmental implications of the change. In effect, we need to understand in a more analytical way the issues which have been raised in the media by many commentators, perhaps most effectively by David McWilliams. Only with this type of analysis, can we be sure that our policy responses are strategic and evidence-based rather than reactive and anecdotally driven. We need to get a handle on the heterogeneity of people's experiences in the context of this massive social and economic change.

The chapters in this volume cover all of the main issues one would expect to see in a collection looking at the social changes induced by rapid economic growth. This coverage includes employment, health, education, housing, income inequality, immigration, social cohesion, work–life balance and quality of life. The chapters review the current state of knowledge and understanding about this social change, drawing on a range of recent research and data sources, most particularly within the ESRI and the CSO. In addition, the final chapter by the distinguished Swedish sociologist, Professor Robert Erikson, reflects on the overall picture created by the book and on the extent to which it meets its own objectives.

In essence, therefore, this volume brings together what we know from research about how Irish society has changed as it has become more prosperous. And while we know a lot, it is clear that there is more to be known. Some steps are already in place to begin to fill in some of the current gaps in our knowledge. For example, Ireland is finally about to undertake its first longitudinal study of children – this will inform us about what determines the outcomes for our children as they grow up in a very different context to that experienced by their parents and by the nation's policymakers. Steps are in motion to develop longitudinal studies of older people, which will help inform us about the health and care needs of a more numerous older population. It may also be timely to contemplate a longitudinal study of migrants so that we are better placed to evolve policy and avoid the huge social problems being encountered by some of our EU neighbours. And to understand life–work balance, should we now invest in collecting time-use data, which is key to understanding how economic and social factors operate at the household level? In a knowledge-driven society, it seems imprudent to under-invest in programmes whose objective is to gain a better understanding of ourselves, so that our policy interventions serve us well. For this understanding, we need more data to be collected and more research to be undertaken.

The breadth of this book reflects the very broad scholarship of researchers at the ESRI across a range of key social issues. It is enhanced by the addition of the aforementioned chapter by Robert Erikson, as well as by the chapter by Mary Corcoran, Jane Gray and Michel Peillon at NUIM on the quality of life in the new suburbs surrounding Dublin, and Ian O'Donnell of UCD on how crime and social cohesion have been impacted by growth. To these authors and to my colleagues at the ESRI, we are indebted for a collection of scholarly articles on how our society has changed in the face of rapid growth.

Quality of Life After the Boom

Tony Fahey, Helen Russell and Christopher T. Whelan

Best of times or worst of times?

Over the past decade the Irish economy has soared and has brought levels of average income to among the highest in the world. This economic ‘miracle’ has generated a great deal of congratulation both at home and abroad, not only because of stellar economic performance but also because, as some commentators believe, Ireland is a good society as well as a strong economy. In 2004, for example, the Economist Intelligence Unit (EIU) forecast that in 2005 Ireland would be the world’s best country to live in – it scored the highest of 111 countries around the world on a quality-of-life index compiled on the basis of nine separate indicators, only one of which – Gross Domestic Product (GDP) per capita – was economic in the strict sense. Compared to other rich countries, according to the EIU’s analysis, Ireland’s quality-of-life advantage lay primarily in two key *social* factors: its higher than average level of stability in family life (measured by its low divorce rate) and its stronger community participation (measured by a combination of church attendance and trade union participation). These family and community factors together accounted for about three-quarters of Ireland’s superiority on the quality-of-life index compared to the average for the EU-15 (Economist Intelligence Unit, 2004).

While one might query the details of the EIU’s index and dispute its ranking of Ireland as the world’s number one country, the key point to note is its view of Ireland as a socially as well as economically successful society. This point has evoked scorn in many quarters, and a chorus of commentators has portrayed the social side of the Celtic Tiger in darkly pessimistic terms. For example, in an address to a conference in Ennis, Co. Clare, on 3 November 2004, Emily O’Reilly, the current Ombudsman and Information Commissioner and formerly a high-profile journalist, excoriated Ireland’s recent social and cultural record. She spoke of the ‘vulgar fest’ of modern Ireland – ‘the rampant, unrestrained drunkenness, the brutal, random violence that infects the smallest of our townlands and

villages, the incontinent use of foul language with no thought to place or company, the obscene parading of obscene wealth, the debasement of our civic life, the growing disdain of the wealthy towards the poor, the fracturing of our community life' (O'Reilly, 2004). This unflattering portrait attracted a good deal of attention in the media, much of it sympathetic (*The Irish Times* printed an edited version of the address in a features page – 6 November 2004). A statement released by Céifin, the community development organisation that arranged the conference, reported a huge demand for copies of the speech and claimed that it 'articulated what the majority of people in Ireland feel about the direction Irish society is taking'.

Other observers have expressed similar sentiments. For example, in his introduction to a recent collection of sociological commentaries on the Celtic Tiger, Colin Coulter has written that '[t]he materialism that has overtaken the twenty-six counties in the era of the Celtic Tiger articulates a spiritual emptiness that invariably attends the process of modernisation'. He says that Ireland 'has become a place that elevates having over being' and criticises the 'rampant consumption', 'devotion to self' and 'arrogance and callousness' that has overtaken the country (Coulter, 2003, p. 25). Kieran Keohane and Carmen Kuhling, in a recent contribution with a similar tone, refer to the 'melancholy spirit of the Celtic Tiger' and catalogue a gloomy list of failings: '... urban growth that is squalid and blighted, a liberal culture that is shallow and vulgar, a new emancipated subjectivity that is aimless and listless, a promiscuous and indiscriminate "openness" to the new, ... a derision of past beliefs and ideals, softened by a note of nostalgia and wistful romance for their passing ...' (Keohane and Kuhling, 2006, p. 40). Elizabeth Cullen, a public health specialist, has presented an equally negative judgement on a more empirical level, assembling a mass of statistical indicators to support her view that the economic boom 'has seriously damaged the nation's health and the bonds between its people' and 'has depleted our true wealth – our health, our society and our environment' (Cullen, 2004, pp. 9, 43).

Objectives

The negativity of this line of commentary is striking, and has been rejected by some as excessive (entertainingly so by David McWilliams who, in his recent bestseller on Ireland, lampoons it as the utterings of a 'confused commentariat' – McWilliams, 2006). Yet concern about the social effects of the economic boom is widespread enough for the underlying question

to be taken seriously. Has the Celtic Tiger, on balance, been good for Irish society or has rapid economic growth come at too high a social cost? The purpose of this book – an edited collection of chapters written by specialists in their fields – is to bring to bear the latest research and empirical evidence to answer this question. It seeks to establish who has benefited from the economic boom and what it has done to Irish people's social and personal well-being and quality of life. There are some aspects of this question that are too elusive to come within the reach of conventional social science and so are passed over here – whether, for example, Ireland is becoming more 'vulgar' or 'shallow', or whether Irish people are less courteous or use more coarse language than before. The focus of the book on the *social* also rules out consideration of many important questions on other aspects of the Celtic Tiger's impact, such as its effects on the physical environment and its long-term sustainability even in economic terms.

Even with these restrictions, however, many questions remain for the book to grapple with. Some see Ireland's rising tide of prosperity as having lifted all boats, while others argue that the benefits have accrued mostly to those who were already well placed, leaving the disadvantaged further behind. Some highlight how economic growth has raised living standards, while others say that it has imposed strains on family life, eroded values and communities, and created problems in accessing adequate housing, health care and other services. Some see the 'Irish social model' as a template that the EU should learn from, while others criticise its failure to live up to European standards of social inclusion and solidarity. These issues arise against the backdrop of a larger debate in rich countries about current models of economic progress: do they bring real improvements in people's lives or do they increase the pressures we live under, over-emphasise work and competition for status, and encourage people to adopt selfish, materialistic values?

What can be said?

There are many reasons why this or indeed any other book cannot answer these questions on anything more than a partial and tentative basis. First of all, there is the *cultural relativity* problem. Conceptions of the good society, or of what constitutes social progress, are founded on ethical and philosophical worldviews that vary across cultures and even across social groups and cannot readily be determined as right or wrong (for a lucid and sophisticated discussion of this issue by a philosopher from University College Dublin, see Cooke, 2006). In Ireland in recent times, for example,

whether one considers the declining social role of religion or the more liberal attitude to sexuality as progress or decline depends largely on one's philosophical standpoint. Second is the *apples and oranges* problem – how to weigh up different dimensions of social change and come to a judgement on the resulting balance. In most countries in recent decades, for example, crime has gone up (a bad thing) but so too have levels of education (a good thing). How can one add these two developments together in trying to decide whether social conditions have improved overall? Third is the *ambivalent good* problem: even those social changes that may be good in one sense may be bad in another. For example, more people in Ireland than ever before have a car, which greatly enhances personal mobility, but traffic congestion and environmental pollution have increased as a result, which restricts our mobility in some ways and makes our physical environment less pleasant. How can we decide whether the upside or the downside of any development be given more attention? Finally, there is the *ignorance* problem: we sometimes do not really know what has happened and therefore cannot begin to say whether change – if it has occurred at all – is progressive or not. Mental health, for example, is an important part of quality of life but is so difficult to measure that trends over time are difficult to track (as is outlined briefly in Chapter 2). Even areas of behaviour that would seem reasonably quantifiable in principle can have quite muddled data in practice (as is shown, for example, in connection with crime statistics in Chapter 14 of this volume).

Although these problems limit the judgements one can make about social change in Ireland, they do not place such judgement out of bounds altogether. There is cultural consensus on the valuation of many social trends – nobody disputes, for example, that unemployment or early death are socially undesirable – and even topics that are the subject of value dispute can be illuminated by good information. For example, it can help us to decide how much significance to attach to, say, an increase in marital breakdown if we know more about its precise extent and nature. Likewise, with the apples and oranges problem, factual details can help – it matters whether we are comparing five apples with five oranges or ten apples with one orange. The counterbalancing sides of an ambivalent good can similarly benefit from having factual light shone upon them. Even with the ignorance problem, it can help to point out where ignorance exists and thereby restrain us from jumping to ill-informed conclusions.

Starting from this somewhat cautious view of what it is possible to do in an exercise such as this, the book sought to encompass a fairly wide range of topics in assessing Ireland's present social situation – not an

encyclopaedic list but enough to give some sense of an overall picture and to include core areas, such as living standards, health, family, education, and so on, that are widely assumed to be central to quality of life. The approach was guided in part by the Swedish ‘level of living’ concept of welfare measurement, which is concerned with people’s access to resources in the form of money, possessions, knowledge, mental and physical energy and social relationships. It thus goes beyond economic resources to include, among other things, health, knowledge and skills. In addition, however, topics were included because of a mixture of their topicality in Irish public commentary and availability of research findings and expertise to write about them.

The analysis of these topics is mainly concerned with *outcomes*. It does not try to explain Irish economic performance nor assess its sustainability but focuses on the social consequences of the boom and their implications for people’s well-being. The main time frame taken into account is the past ten years or so, that is, from the onset of the boom in 1993–94 to the present day, though longer periods are also considered where these are needed to set recent developments in context. Much attention is paid to relative and absolute change. Pre-boom Ireland was both more unequal and poorer than the norm for Western Europe. Today it continues to be unequal but in a context where even the less well-off have seen major absolute improvements in their circumstances. This combination of stasis and advance could be judged a success or failure, depending on one’s point of view, but in any event it is important to keep both sides of the coin in mind and not simply focus on either relative or absolute change alone.

A further feature of the Irish case is the highly globalised nature of the Irish economy – it is exceptionally open to international trade and investment and to cross-border flows of labour. Some consider that such integration increases uncertainty, raises the risk of social marginalisation and reduces national autonomy, but others have stressed not only the positive potential of globalisation but also the continuing importance of domestic institutions, choices and values in mediating its impact (for an analysis of the European welfare state in these terms, see Ferrera and Rhodes, 2000). The Irish strategy, as Ó Riain and O’Connell (2000) argue, is far removed from the social democratic emphasis on equality and universalistic social services, though, equally, it is too wedded to such corporatist institutions as the national partnership agreements to be counted as a full-blooded instance of the Anglo-Saxon neo-liberal approach. The Irish social model, as Hardiman (2004) notes, involves a mix of market-oriented competitiveness, active labour market policy, an emphasis on incentives to work, sustained welfare provision, and a social partnership founded on a trade-off between pay and tax. In evaluating the

consequences of this model, account must be taken not only of its distributional consequences but also the pre-boom starting point and the dramatic scale of absolute change.¹

Outline of chapters

Doubts about the impact of the Celtic Tiger on our sense of well-being are a common source of the ambivalence sometimes expressed about the benefits, or lack of them, arising from the economic boom. While this theme recurs in a number of chapters, it is given primary attention in Chapter 2, which deals with the relationship between economic growth and happiness in Ireland in recent times. The claim that the rich are getting richer and the poor are getting poorer is another of the more commonly voiced criticism of the Celtic Tiger. Chapter 3 takes up this question by examining how rich and how unequal Ireland has become in income terms during the economic boom. It shows that Ireland's wealth has grown dramatically, though not as much as is suggested by some indicators, particularly GDP per capita. More meaningful measures of national income bring Ireland's relative position down more or less to the average for OECD countries. The chapter confirms that Ireland has a high degree of income inequality by rich country standards but disagrees that this problem has worsened in recent years: the Celtic Tiger may have failed to reduce income inequality but neither did it increase it.

Along with rising incomes, the jobs boom of the past decade has been one of the most striking products of the Celtic Tiger. Chapter 4 examines how widely spread and real its gains have been. It points to the decline in unemployment, including long-term unemployment, as a central transformation, and one that is broadly inclusive. Some groups, such as lone parents and those with low education, poor health or a disability, continue to have job problems, though less so than in the past. Trends in the nature of the jobs that are available contradict the sometimes expressed view that there has been a general decline in the quality of employment. Rather, the occupational structure has been upgraded and overall job quality has increased, with more job security, less involuntary part-time

¹ The need to do so is particularly well illustrated in Brady, Beckfield and Seeleib-Kaiser's (2005) comparative analysis of the consequences of globalisation for the welfare state, which encompasses the Irish case. They conclude that over the period 1975–2001 Ireland increased its trade, reduced its social welfare expenditure, in part due to an expanding GDP, while at the same time raising its level of 'decommodification' or insulation from market forces; as reflected in the combined effect of coverage, qualifying periods for eligibility and replacement rates for unemployment, sickness and pension welfare programmes.

work and temporary contracts, higher wages and a decline in long hours. These gains are tempered with a simultaneous growth in the lower-skilled service sector jobs but even these have a positive side since without them it would have been difficult to absorb the huge numbers of formerly unemployed. Furthermore, the Irish case has not been characterised by a polarisation into work-rich and work-poor households.

The contrast between intense growth and undiminished inequality has led many to argue that such growth has locked up social mobility and decreased equality of opportunity. Chapter 5 paints a picture that is a good deal more optimistic. There has been considerable intergenerational mobility in recent decades and the greater part of it has been upward. The rising tide has lifted many boats. However, the occupational playing field remained tilted in favour of children from more advantaged backgrounds even as the flow of children from working-class origins into middle-class positions increased dramatically.

Chapter 6 turns to those on the margins and assesses the recurring theme that social exclusion has increased amid the growing affluence. It identifies tiered levels of deprivation in Irish society, with the numbers affected decreasing as the intensity of the deprivation increases. However, it concludes that both levels and depth of such deprivation are less than in the past and are a good deal more modest than is suggested by the more extreme critics of the recent Irish experience.

Chapter 7 shows that there has been a considerable improvement in the health of the Irish population, though the advent of this improvement predates the economic boom. However, changing attitudes and expectations mean that very little of this improvement is reflected in people's assessments of their health. Despite the substantial increase in resources to the health system, the acute hospital sector remains under severe strain, primary care services have not expanded as intended and equity of access remains a major issue.

The booming housing market is often taken as emblematic of the social and economic transformation that has taken place since the mid-1990s. Chapter 8 looks at the social impact of the housing boom in Ireland in regard to issues such as affordability of housing, its implications for family/household formation, and significance for social inequality. The authors argue that the blockages and strains faced by new entrants to the housing market can be overstated. Young adults are more likely to form independent households now than ever before and problems of affordability are restricted to a minority of homebuyers, even among recent first-time buyers. The real losers in the current housing system are those in the private-rented sector and those who traditionally depended on social housing, where problems of affordability are much more common.

Inadequate provision of social housing has been a major factor behind this outcome. While this trend accentuated social inequalities, other groups who are income-poor, such as the elderly, are argued to have gained from the housing boom.

Chapter 9 examines an important part of children's experience – that represented by the education system, with particular reference to second-level schools. The authors argue that changes within Irish schools have not kept pace with changes in Irish society. Increased autonomy for young people within the family and in the spheres of work and leisure has not been matched by a greater involvement in school decision-making. Social relations in schools remain very hierarchical. While some positive steps have been taken to allow for the diversity of student needs and interests in terms of curriculum, the abiding picture of Irish secondary schools during a period of rapid social transformation is of continuity rather than change.

Chapter 10 looks at changes in attitudes and behaviour in relation to family and sexual relations in Ireland. It suggests that this area of life has been characterised by relative stability since the mid-1990s following a period of intense public debate over questions such as abortion, divorce and contraception. Attitudes have become gradually more liberal over the period, but there have been few radical changes in behaviour. The sometimes heralded collapse of the family is not backed up by statistics on marital breakdown or on family formation, which has stabilised at a level that is high by international standards. In contrast, economic growth is seen to have a relatively benign impact on family life. Changes in sexual behaviour have also been observed, but whether this should be interpreted as a sign of moral decline or a positive move away from a repressive sexual culture depends on one's moral standpoint.

The nature of wider social relationships within the community and neighbourhood are examined in Chapter 11, which considers the quality of life of those living in the expanding suburbs. In contrast with the negative view of the suburbs that infuses the popular and academic literature, the authors found a high level of satisfaction and social integration among the residents of four large suburbs. The majority of residents felt attached to their localities and cited positive reasons for the move to the suburbs. Young families, far from being isolated, had access to local social support, and embeddedness in the local community increased as children reached school-age. However, the demographic homogeneity of the suburbs may marginalise those at other stages in the life cycle. Involvement in more formal associations was also healthy, with between 31 and 48 per cent of residents in the four locations claiming membership of local voluntary associations.

Changing patterns of work, including the increased feminisation of the workforce, are the focus of Chapter 12. Burnt-out working parents, tensions between the demands of the workplace and the home, exhausted long-distance commuters, and children left in care for 12 hours a day are staple media symbols used to indicate all that is wrong with the Celtic Tiger (with the often implicit message that families would be far better off if women stayed at home). The chapter disputes many of these images. It finds high levels of work satisfaction and psychological well-being among those with paid jobs and a decline in the proportion reporting work–family tensions in recent years. There are some strains – some workers feel rushed and stressed and those who combine heavy workloads in the home and in the workplace feel less satisfied. But these factors do not cancel out the positive effect of employment on well-being. Rising female employment has not eliminated gender inequalities in earnings, training, occupational position and the division of unpaid work, though men’s and women’s attitudes in these areas are becoming less traditional.

Chapter 13 points out that the ending of mass emigration and the advent of net immigration are key indications of improvement in quality of life in Ireland in recent years – people now want to enter rather than leave the country. The economic impact of immigration has been favourable to date, with migrants making a positive contribution to GNP. Nevertheless, immigrant workers are often employed below their qualification levels and there have been a number of high-profile cases of exploitation, indicating the existence of some barriers to their proper integration into the labour market. Survey results show that the Irish population has a more favourable attitude to immigrants and immigration than many of our European neighbours, but a high proportion of asylum seekers and work-permit holders report experiencing harassment or have difficulty accessing jobs and services. The chapter concludes with a discussion of the need for a coherent policy for the integration of migrants into Irish society, for the sake of both migrants and the host community.

Chapter 14 assesses trends in crime and fear of crime since both can impact upon quality of life in society. Changes in recording practices and gaps in data make it difficult to compare crime rates across countries or over time. Official figures suggest no overall escalation in serious crime (including crimes against property, and violent crime) but there has been a rise in homicides. Victimisation surveys show a somewhat contradictory picture, with an increase in crimes against the person and no change in property crime. Public concern about crimes spiked after 1996 but has not led to public demands for harsher responses; this has prevented a shift in policy that has proved misguided in other countries. The chapter concludes that the crime problem remains manageable, despite periodic crises.

The overall picture

Taking all these chapters together, the conclusion they point to is that the Celtic Tiger, judged on the basis of its social as well as its economic impact, certainly deserves two cheers and perhaps even three. The authors have identified a fairly long list of social fundamentals that are stronger today than they were before the Celtic Tiger arrived. Subjective well-being and national morale are among the highest in Europe; living standards have risen and have done so more or less for everyone; jobs have become astonishingly abundant and have improved in quality; people are now flocking into rather than out of the country; young adults are forming couples and having children at an exemplary rate by rich country standards; and people are physically healthier and, as far as we can tell from the rather patchy evidence, generally feel good about their lives and the society around them. This is an impressive list of outcomes, and does not exhaust the positives identified in this book.

One could of course retort that problems still abound and point to the many warts that still mar Ireland's social face. Social inequalities are slow to narrow; the indignities of poverty and hopelessness, though less widespread than before, are still all too common; some public services are poor; traffic congestion frays the nerves; some types of crime have increased; and there is the niggling worry that the whole edifice of economic growth may come crashing down about our ears at some time in the future. There have always been and will always be problems, and they can hardly be said to be more abundant today than in the past. Utopia is not now and never has been available, though the struggle to do better must always go on. A curmudgeonly judgement might therefore be made that, at a minimum, Ireland now has the least worst of times – things may not be good everywhere, but on balance they are not as bad as they used to be. It would not be unreasonable, though, to go a little further than that. One might rather agree with President Mary McAleese when, in her address to the 'Re-Imagining Ireland' conference in Charlottesville, Virginia, in May 2003, she said that no generation had come as close to achieving a peaceful, prosperous, open, equal and opportunity-filled Ireland as this. As she imagined on that occasion, 'if the men and women of Ireland's past could chose a time to live, there would be a long queue for this one' (McAleese, 2003).

How Do We Feel? Economic Boom and Happiness

Tony Fahey

Much of the social science research on social progress has concentrated on things that can be measured, like income, housing conditions, educational levels, health, and so on. While all of these are important, the amount of attention they receive may lead to a feeling that some of the more crucial but less tangible aspects of the good life are being left out of the picture. This chapter deals with one of these: subjective well-being or, in plainer language, happiness. It addresses one of the big ‘buts’ that often arise in questions about the social impact of the Celtic Tiger: ‘We are wealthier than ever but are we happier?’

The aim of the chapter is in part to attempt to answer this question directly, since some factual information is available that enables us to go some way in responding to it in its own terms. In part also, however, the concern is to query the question itself, since the usefulness of happiness as a yardstick of social progress is by no means self-evident. The chapter, therefore, gives some attention to what social science research on happiness tells us in general terms, as well as to the specifics of the situation in Ireland. The thrust of the argument is sceptical: the idea that an across-the-board deficit in human happiness is a real problem in today’s rich societies may be superficially compelling but seems doubtful on closer examination. Happiness may indeed be a vital human aspiration, and there are many afflicted people in the world today – mostly but not only in the poorer parts of the world – for whom a happier life is a real and urgently to-be-wished-for goal. It is a different matter whether the privileged majority in rich countries such as Ireland are, on the whole, seriously short-changed in happiness, whether there was a time in the past when they were substantially better off on this front than they are today, or whether a significantly higher plane of happiness is a real possibility for the future. At issue here are quite profound questions about the goals that the good society should be designed to pursue and, in the realm of human happiness, the limits of what is attainable within the constraints of the

human condition. This chapter cannot address these underlying questions, but it can present some thoughts and information that will throw light on the impact of the Celtic Tiger on the happiness of people in Ireland and what that tells us about the present condition of Irish society.

Happiness: issues and trends

Social science has recently discovered happiness, both as a subject of research and as a goal that human societies might be geared to pursue. Part of the impetus for this new interest is the accumulation of quantitative survey-based indicators which researchers in this area believe provide meaningful and reliable measures of subjective well-being in human populations (see the bibliography and databases on this issue in the *World Database of Happiness* at <http://www.eur.nl/fsw/research/happiness>). The two main dimensions of subjective well-being that are typically quantified in this way are *happiness*, which is viewed as the affective side of subjective well-being, and *life satisfaction*, which is thought to be based on cognitive evaluations of one's day-to-day situation. In practice, these measures are based on survey questions that ask people how happy they are or how satisfied they feel either with life in general or with particular domains of daily existence. The various measures that are available on these dimensions are often grouped together under a single label of 'happiness indicators'.

Based on a faith in the methodological soundness of these indicators, happiness has caught on as a research topic even in economics, the branch of the social sciences that traditionally was the least interested in human emotions (for a representative selection of work in this area, see Bruni and Porta, 2004). A recent prominent example is provided by Richard Layard's book, *Happiness: Lessons from a New Science* (2005). Layard, a leading British economist, sets out a now common view as to why happiness is important for social scientists and policymakers. He points to 'a paradox at the heart of our lives':

Most people want more income and strive for it. Yet as Western societies have got richer, their people have become no happier. ... [W]e have more food, more clothes, more cars, bigger houses, more central heating, more foreign holidays ... and, above all, better health. Yet we are not happier. (Layard, 2005, p. 3)

This 'devastating fact', in Layard's view, should lead us to re-appraise our whole approach to how we try to improve our lot. Instead of continuous

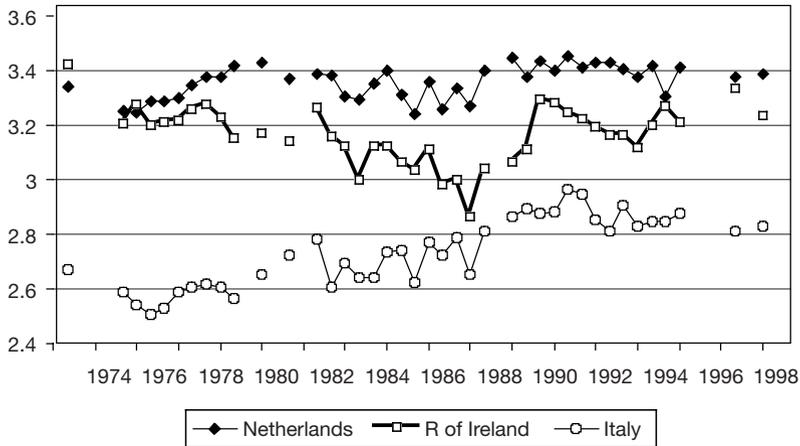
dedication to the ‘joyless economy’, to use Scitovsky’s (1976) phrase, where people constantly pursue more wealth in the futile belief that it will make them happier, we should focus on the things that really matter, such as stronger social relationships, lower unemployment and poverty, less commercialism, and a stronger sense of moral values, and by that means strive for a real and meaningful increase in human happiness (Layard, 2005, pp. 233–235; for a similar view, see Diener and Seligman, 2004).

Economic growth and happiness

One part of the story that inspires Layard’s views is not in doubt: economic output has multiplied manifold in recent decades in rich countries but the average level of human happiness, as measured by the standard instruments used for this purpose, has remained more or less unchanged. In the US since the 1950s, for example – the country with the longest time series on happiness indicators – economic output has grown almost fourfold but the trend in subjective well-being has been completely flat (Frey and Stutzer, 2002). The situation in Ireland is in keeping with this pattern. The longest data series we have on happiness in this country derives from Eurobarometer surveys which have been carried out a number of times per year since the early 1970s and which regularly include measures of life satisfaction, based on a four-point life satisfaction scale. Figure 2.1 compares the trend on these data for Ireland and two comparison countries that represent the extremes of variation found within the old EU–12, namely, the Netherlands, which consistently scores highest or nearly highest in the EU on various measures of subjective well-being, and Italy, which, among the original EU Member States, typically scores at, or close to, the bottom of the range on the same measures.

According to these measures, life satisfaction in Ireland was no higher in the late 1990s than in the 1970s, though it dipped for a time in the late 1980s. As the latter was a period marked by economic recession, high unemployment and the resurgence of high emigration, it is plausible to attribute the dip to the poor state of the economy, particularly since the sense of a crisis in the economy at that time was ‘talked up’ by the political parties in the context of the general election of 1987 (see Laver, Mair and Sinnott, 1987). However, following a recovery in the satisfaction level in the period 1987–1990, fluctuations around the longer-term flat trend resumed. The onset of an economic boom in 1994 brought no upward shift in the trend, and the much higher living standards that had emerged by the late 1990s merely left people with more or less the same level of life satisfaction that was present 25 years previously.

Figure 2.1: *Mean life satisfaction scores in Ireland, the Netherlands and Italy, 1973–1998*



Note: Means are based on a four-point scale where 1 = not at all satisfied and 4 = very satisfied.
 Source: Mannheim Eurobarometer Trend data file.

This more or less static level of happiness over long periods, despite economic growth, is replicated in many countries and has prompted Layard and those who write in a similar vein to question the benefits of rising prosperity for subjective well-being. It is this which leads Layard to ask, in one of the chapter titles in his book, ‘If you’re rich, why aren’t you happy?’ However, it is possible to view the static nature of happiness in rich countries in a more positive way than Layard does, since it matters a great deal for how we interpret this stasis whether happiness is stuck at a high or a low level and what further increases beyond present levels we think are attainable in normal human conditions. For many researchers in this field, the implicit view is that overall happiness levels are in an unacceptably low trough – especially in rich countries where one might have expected the abundance of resources to benefit people’s sense of well-being – and can be significantly increased. The alternative possibility is that in the rich part of the world happiness is in fact on a reasonably high plateau, beyond which further increases are constrained by a ceiling effect: the upper limit of what is possible is so close to being reached that further large increases are more or less impossible.

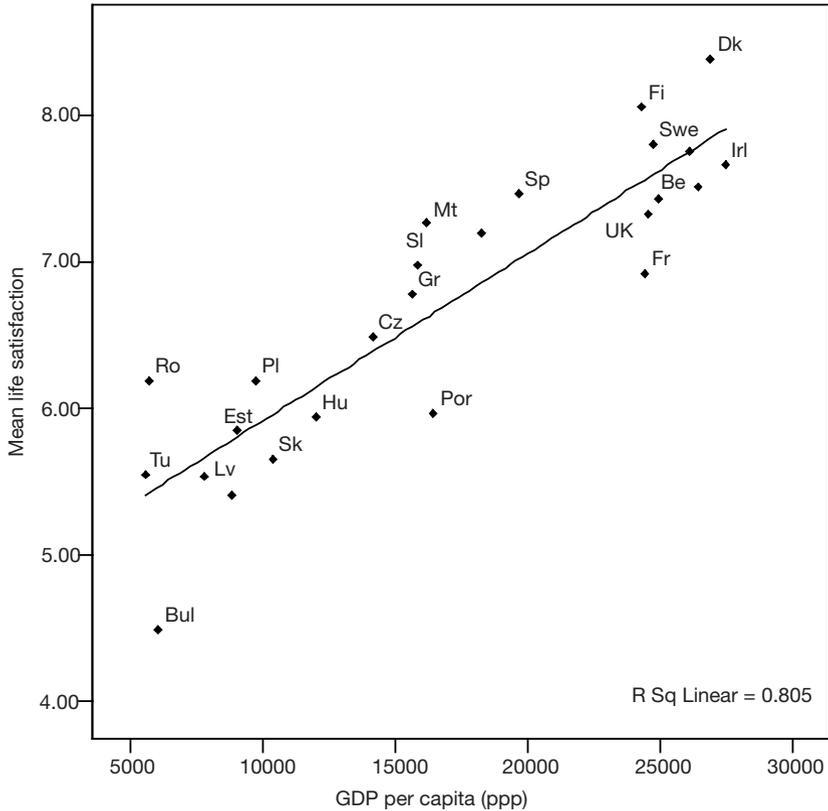
The data assembled by happiness researchers seem to suggest that for most people in rich countries the high plateau rather than the low trough seems to apply – so much so that a concern for how unhappy people are, particularly rich people, would seem to be misplaced. The data report that

the vast majority of people in rich countries, and especially the most affluent in those countries, have quite high levels of subjective well-being and indeed are so far up the scale of what happiness researchers usually measure in this area that further large increases seem hardly possible in their case. In the US, for example, according to data Layard cites, only 4 per cent of those in the upper quarter of the income distribution say they are 'not too happy'. All others – 96 per cent of this income bracket – are either 'very' or 'quite' happy. The situation in Britain is similar: here, 94 per cent of those in the upper income quarter are 'very' or 'quite' happy (Layard, 2005, p. 31). In these instances, in other words, it is the generally high level of happiness rather than of unhappiness that seems striking. This is not to say that the poor in these countries are unhappy: in the US and Britain, 85–90 per cent of those in the bottom quarter of the income range say they are very or quite happy – a slightly smaller share of happiness than for the better off but still very large. In the case of Ireland, surveys which posed a similar question (as was done in the European Values Surveys in 1981, 1990 and 1999–2000) revealed more or less the same result: the proportion of respondents who said they were 'not at all happy' was less than 1.5 per cent in all of these surveys, while in the region of 95 per cent said that they were either 'very happy' or 'quite happy' (Fahey, Hayes and Sinnott, 2006, p. 172).

These quite high levels of subjective well-being cannot be taken for granted, because when we look at poor countries we generally find that their populations score much lower on subjective well-being indicators (in Eastern Europe in particular, there are countries where over half the population say they are not happy – Halman, 2001, p. 17). Instances where people in these countries are 'poor but happy' do occur but they are the exception rather than the norm (Veenhoven, 1995). The positive link between national wealth and average national level of subjective well-being is particularly pronounced in Europe, as is shown in Figure 2.2, which is based on data for 28 EU Member States and candidate countries in 2003. Here the measure of subjective well-being employed is a ten-point life satisfaction scale, a standard indicator used for this purpose. National wealth is measured by means of GDP per capita, adjusted for differences in the cost of living (using purchasing power parities).

This graph shows that the higher the GDP per capita, the higher the level of satisfaction. Ireland, as a rich country, belongs to a group of countries with the highest satisfaction levels in Europe. Generally speaking, Northern Europe has higher levels of subjective well-being than Southern Europe, while Southern Europe is in turn happier than Eastern Europe. It should be said that a high level of economic development is itself strongly correlated with other societal characteristics that are known to affect

Figure 2.2: Life satisfaction and GDP per capita in EU Member States and candidate countries



Source: European Quality of Life Survey (2003) micro data; see European Foundation (2004).

subjective well-being, such as long-established, well-functioning democratic political systems. Even in Western Europe, the countries with the most recent experience of non-democratic government – Greece, Spain and Portugal – may have the sunniest weather but nevertheless tend to have somewhat lower levels of subjective well-being. In Eastern Europe, the legacy of communism appears to have a strong depressing effect on subjective well-being. However, Turkey, which was never communist, is just as badly off in subjective well-being as most of the ex-communist states. Thus, we can say that while it is not necessarily national income on its own that supports national happiness, it is clear from Figure 2.2 that there is *something* about living in a rich country that tends to add to

people's subjective well-being. These European patterns, therefore, give some grounds for believing that a high level of national prosperity is part of the package of advantages held by rich countries that help to sustain their happiness at reasonably high levels.

The second notable feature of Figure 2.2 is the corroboration it offers to the point made earlier about the ceiling effect on subjective well-being, arising from the closeness of happiness scores in some countries to the upper limit of the scale. In this instance, Ireland is one of a group of 5 countries with mean scores on the 10-point life satisfaction scale above 7.5, while a further seven countries have a mean between 7 and 7.5. Other surveys confirm that while the precise scores vary slightly, there are a number of Northern European countries (of which Ireland is one) that generally show average national scores on such 10-point scales in the region of 8 or slightly below, and few people in these countries rate themselves at less than 5 on the 10-point scales (Fahey and Smyth, 2004; Delhey, 2004; Böhnke, 2005).

Given how high these means are, the scope for further large increases among most of the population is limited, though the circumstances of the small minorities who fall further down the scale could be open to improvement. Even in the best of circumstances, there are always likely to be some people who are unhappy, either temporarily because of some upset in their lives (such as illness, bereavement or conflict with family members) or because of longer-term depressive tendencies, and these will pull population averages down from the top of the scale. It thus may be possible for national averages to rise just a little bit further, but the idea that there are large deficits in subjective well-being that can be made good in the future is not supported by these figures. In these countries, in other words, for the majority of the population who are already high up on these scales, it might well be said that as far as happiness is concerned, *this is as good as it gets*.

This finding could be dismissed as a measurement artefact, having to do with the bounded scales normally used to measure subjective well-being (such as the 10-point life-satisfaction scales just referred to). If the scales only go up to 10, how could measurement record increases beyond 10? However, this feature of the data, far from being a technical quirk, could reflect a profound truth. There is a real doubt as to whether human beings are psychologically hard-wired in such a way to enable them to sustain highly elevated levels of subjective well-being over a long time. The 'set-point' theory of happiness in psychology supports this view. It proposes that people have *set points* of subjective well-being that are largely determined by personality and that anchor our happiness to levels that are fairly stable over the long term, irrespective of changes in the social