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Austerity and recovery in Ireland: Europe's poster child and the great recession

William K. Roche, Philip J. O'Connell & Andrea Prothero (Oxford: Oxford University Press; 2016; ISBN: 978-0-198792-37-6; 368 pp; £60)

Austerity and Recovery in Ireland offers the reader powerful insights into the causes, implementation and results of austerity in Ireland. Roche, O'Connell & Prothero introduce the reader to many aspects of austerity in Ireland, using a multidisciplinary approach to expertly explain the evolution of the process. This approach utilises a wide range of academic experts to explain what exactly spurred the policy of austerity and the subsequent other policy responses to the 2008 global financial crisis. Covering a vast array of topics, including fiscal policy, regulatory governance, public sector reform and the cultural response to austerity, the book is relatively accessible to a generalist, and manages to introduce the reader to a multitude of public policy issues in an understandable and direct way.

The first chapter introduces the content and provides the context. Ó Riain's contribution in the second chapter, 'The Road to Austerity', gives a comprehensive account as to why austerity became the preferred policy response of Ireland to the economic crisis. This chapter discusses the causes of the financial crisis in Ireland. It explains how the unique features of the Irish economy and economic institutions led to a preference for credit-led growth in the early 2000s. This growth encouraged the formation of a property bubble in Ireland, which would eventually lead to the collapse of the Irish economy in 2008. According to Ó Riain, the same institutional frameworks which encouraged this credit-led growth would also form the basis of the Irish Government's response to the financial crash. This response would be austerity, a very specific policy response aimed at reducing public expenditure and increasing the relative competitiveness of the

Irish economy. While it became the preferred response, alternatives to austerity did exist. Ó Riain investigates why these alternatives were not considered, concluding that the design of the Irish economy, and the institutions which governed it, had an inbuilt preference for austerity.

Following on from Ó Riain's contribution, Chapters Three to Six continue with further explanation of the economic and financial choices of Irish Governments during this period. As the crisis continued, the shape of Ireland's regulatory regime, fiscal and economic policy, and the private sector all began to shift heavily towards supporting a highly competitive export growth model. This regime suited the trends in the international economy, as a weakening euro led to a competitive gain for Irish exporters. By growing exports to both the UK and the US, Ireland was able to sustain consistent economic growth from 2013 through policies directed at restoring confidence in the Irish economy. Stronger regulation of the banking sector encouraged confidence in that sector, and assisted Ireland in 'reclaiming its image' as a hub for international financial services. Assisting in this, Ireland's FDI-led growth model ensured that it continued to maintain its policy preference for export-led growth, at the expense of its domestic economy. This polarised the Irish economy, allowing for a growing export sector and a shrinking domestic economy, and had knock-on effects in employment, political reform and workplace behaviours as Ireland became a more effective exporter.

Chapters Nine to Seventeen discuss the ways in which Ireland responded to the crisis and to austerity. These chapters collectively discuss politics, the internal economy, social inequalities, arts and culture, and public sector reform. They also discuss the policy options pursued by Irish Governments in dealing with unemployment and social inequality.

Farrell's comments in Chapter Nine, while explaining political reform, set the stage for a discussion across the subsequent chapters on the substantive impact of Ireland's reform agenda. Explaining that in politics this reform agenda was cosmetic rather than a substantial change to the processes and institutional design of the Irish political system, Farrell's comments on political reform share many similarities to the concluding statements for the following two chapters. Looking at public sector reform for instance, Boyle argues that it is unclear whether the public management reforms pursued by the Irish Government will result in any real improvements to the effectiveness

of the public service. These comments are echoed too by O'Connell in discussing welfare and labour market policies. According to O'Connell, Ireland's approach to welfare state reform lacked any real attempt at redesigning the social protection system. While the Irish Government had attempted to introduce a range of labour market activation policies, these policies lacked the institutional support and political commitment to be successful in the long run.

Chapters Fourteen to Seventeen give more detailed accounts as to how this policy framework impacted on Irish citizens. Chapter Fourteen discusses how inequality became a growing problem, detailing how austerity undermined the social protection system, which enabled Ireland to hide structural inequalities through heavy use of social transfers. Austerity, and growing levels of unemployment, put increased strain on the Irish welfare state institutions to maintain their redistributive roles. Already among the most unequal societies before social transfers in the EU, Ireland's austerity program increased the vulnerability of its citizens to poverty.

Chapter Fifteen details housing and how it was impacted by austerity. As a consequence of the over-reliance on the property market, in the early years of the crisis Ireland had an abundance of property. In responding to this, and in having a preference to allow for private actors to provide social housing services, the Irish Government significantly scaled back its construction of social housing. This led to static supply levels in housing. Initially, a legislative loophole prevented home repossession from 2011 to 2013. In 2013 the law changed to allow for repossessions. This, along with the lack of growth in the number of social housing units, created increased demand in the rental market. Kitchin, Hearne and O'Callaghan detail how this would ultimately lead to a vicious cycle, ending in a housing crisis within Ireland.

Chapter Sixteen discusses how migration was impacted by austerity, and details patterns of migration. This is used to explain the role that migration played in the Irish economy, while also discussing the limited social protest in Ireland. The final chapter gives a detailed account of the arts as a means of expressing social protest, and in particular the sense of abandonment felt by the Irish people during the implementation of austerity. It details the role the arts played in providing a consistent arena for social protest and dialog on a sense felt among the Irish of having no control over policy and politics. This chapter also discusses how the arts sector reacted to reduced funding

and state aid. It is also the most innovative chapter of the book, as the arts sector is not often discussed alongside economic policy.

Austerity and Recovery in Ireland is an excellent multidisciplinary book accessible to the general reader, and allows for one to develop a keen insight into how Ireland reacted to the 2008 global financial crisis. The book is intelligently edited and provides powerful arguments as to why Ireland reacted in the way it did to the great recession. Leaving no stone unturned, the book is a comprehensive account of a specific set of policy initiatives and social responses that occurred as a consequence of the need to implement an austerity program in Ireland.

David Eaton