Chapter 7: The Middle Class in Ireland

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This chapter outlines the position of the middle class in the Republic of Ireland since the economic crisis of 2008, and provides a review of the existing literature to outline the impact of national and European policies on the middle class. In doing so, it draws from existing analyses of the effects of the recession and subsequent austerity measures on Irish society and seeks to synthesise a number of individual studies, by exploring what happened to the middle-income groups that are the focus of this book, along a number of wide-ranging dimensions.

Ireland provides a particularly interesting context for the study of the middle class, for a number of reasons. Firstly, Ireland (as well as Poland) has experienced an increase between 2004 and 2013 in the size of the middle class (using a definition of 90-210 per cent of the median income). Secondly, Ireland proves to be a particularly interesting case study, given its recent period of macro-economic fluctuation over the past two decades. As indicated by Maître and Nolan (2016), Ireland experienced some of the fastest rates of economic growth in the Organisation for Economic Co-Operation (OECD) from the mid-1990s, followed by the most impetuous decline in national output of any OECD country at the onset of the Great Recession. Over the period of economic 'boom' and 'bust', the citizens of Ireland experienced sharp swings in taxation and public spending, making Ireland a clear outlier in terms of macroeconomic fluctuations.

This chapter seeks to expand this work, and explore what happened to the middle-income groups that are the focus of this book, along a range of further dimensions.

The Irish Economy

During the economic crisis, average incomes fell sharply as Ireland experienced the full force of a major recession. The overview chapter shows how real income growth in Ireland for the median household over the period 2007-2013 was among the lowest amongst the countries under investigation in this volume. The fiscal and social policy direction that Ireland took particularly between late 2010 and 2013 was largely influenced by the 'Troika'— the European Commission (EC), the European Central Bank (ECB), and the International Monetary Fund (IMF)— the three institutions from which Ireland received a bailout in late 2010.

In November 2010, the Irish government agreed to the provision of €85bn of financial support by Member States of the European Union through the European Financial Stability Fund (EFSF) and the European Financial Stability Mechanism; bilateral loans from the UK, Sweden and Denmark, and the IMF's Extended Fund Facility (EFF) on the basis of specified conditions relating to bank restructuring and reorganisation, fiscal policy and structural reform. Irish taxpayers shouldered the full costs of recapitalising the Irish banking system after its collapse[1].

Fiscal adjustment measures were severe, as the Irish government embarked on an austerity programme to restore balance to the public finances (see Keane et al. 2014; Reidy and White 2017). In December 2013, Ireland completed the EU-IMF financial assistance programme, with the vast majority of policy conditions under the programme substantially met and investor confidence restored for the sovereign and the banks. Ireland is currently subject to post-programme surveillance (PPS) until at least 75% of the financial assistance received has been paid— until at least 2031.

After several years of higher taxes and frozen or reduced public services and spending, the Irish economy began to recover, and by 2015 the macroeconomic conditions improved and the Irish economy grew faster[2] than any other in Europe in 2015. By summer 2017, the pace of employment creation and reduction in unemployment had increased, and the expected performance of the Irish economy (in GDP growth rates) in 2018 is expected to remain high among countries of the European Union at 3.6 per cent (McQuinn, Foley and O'Toole 2017).

1. Income perspective

As indicated in the overview chapter, Ireland is a particularly interesting case study because contrary to many of its European counterparts, it has been characterized as having had an increase between 2004 and 2013 in the size of its middle class (using a definition of 90-210% of the median income). Maître and Nolan (2016) examine the composition of the different income groups over the period 1995 to 2008, and 2008 to 2012. Figure 1 shows how the distribution of persons in terms of their household equivalised disposable income changed over the period[3].

From Figure 1 we observe an increase in the proportion falling into the middle-income category (between 80 and 120% of the median) from 24% in 1995 to almost 30% by 2012. With the exception of those at the bottom, an increase in all income groups also continued during the recessionary years. The proportion occupying the middle/upper-middle income groups grew modestly from 56.5% in 2008 to 58% by 2012, and the share of the top income group increased from 8.4% to 8.6%. These patterns are explained by

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[1] To restore the capital base of the Irish banking system, the Irish government provided up to €64bn to the banks, amounting to about 40% of GDP.

[2] Growth was good even without the revision by Ireland's Central Statistics Office (in July 2016, revising the 2015 GDP growth number to 26.3%). This was caused by a change in the way investments are treated in GDP statistics. See https://www.economist.com/news/europe/21702232-why-gdp-growth-26-year-mad-not-full-shilling

[3] Based on the position of the Household Representative Person (HRP), defined as 'the person responsible for meeting the household's housing costs or the older of those jointly responsible'.

the high share of recipients (particularly pensioners) above the median-based poverty threshold in the crisis; despite increasing unemployment and increasing numbers in receipt of social welfare during the period Maître and Nolan (2016).

It is important to note that the size of the middle-income class varies with the exact definition. Using expanded categories, Whelan et al. (2017) find little change in the size of the lower- and middle-class income groups between 2008 and 2012. Using different class-income group thresholds[4], they find that the middle-income class groups represent approximately 55% of households, and that this has remained stable between 2008 and 2012[5].

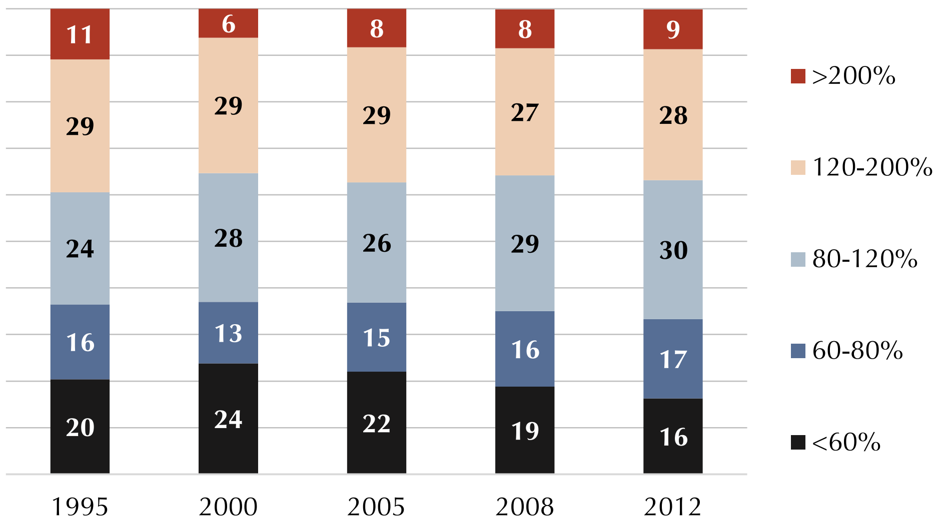

Figure 1: Distribution of persons by income category 1995-2012
Source: Maître and Nolan (2016)

An important question is whether the Irish middle-income class has been 'squeezed'. This subject has gained considerable attention among sociologists and economists in the Irish context (see, for example, *Irish Times* 2012; Callan et al., 2014; Mühlau 2014; Whelan, Russell and Maître 2016; Maître and Nolan 2016; Callan et al 2017; Whelan, Nolan and Maître 2017).

From an income perspective, from the early recession years, between 2009 and 2011, Callan et al. (2014) find an 8% fall in market incomes. They report that the greatest losses in income share were evident on the bottom and the top of the income distribution, while policy measures reduced incomes by more in the upper half than in the lower half

[4] In their analyses, they define the lower middle-income class as between 75-125% of median equivalised income, and the upper middle-income class within the range of 125-166% of median equivalised income.
[5] They also report that the share of the affluent income class remained stable at 16% between 2008 and 2012.

of the distribution[6]. That is, while all groups experienced a squeeze during the recession, they argued that it was less sharp than that experienced by the top and the bottom. A later paper, again using cross-sectional data, found that that the greatest losses in disposable income during this period (2008-2015) were at the bottom, with lower losses in the middle reaches of the distribution. With regard to losses in average earnings, the panel element of the EU-SILC, the greatest losses in average earnings are reported at the top of the income distribution, with lower losses for middle-income deciles, and gains in particular for the bottom income. This is also suggested by Figure 2 below, which shows the net effect of changes in tax and welfare policies.

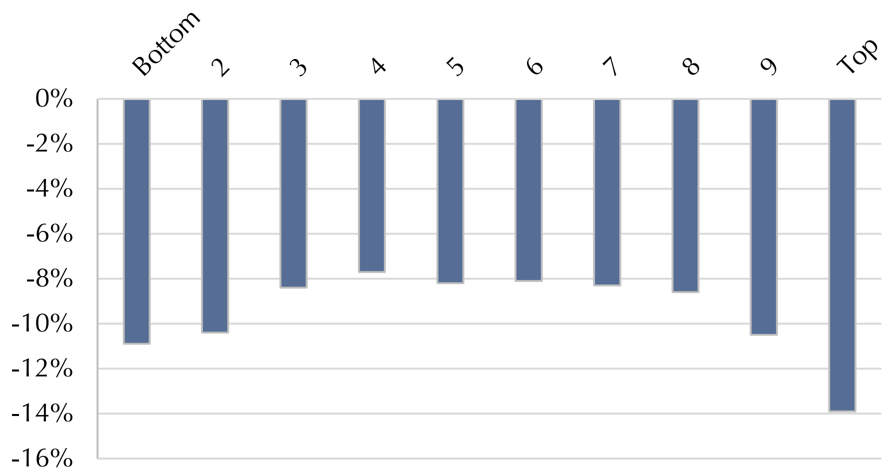

Figure 2: Net effect on household incomes of tax and welfare policy 2009-2013

Each bar represents a decile of the household income distribution. The size of the bar is the impact of discretionary changes in direct taxes and welfare policy, in percentage changes of household income for the period 2009-2013. Source: Callan et al. 2017: 17.

For disposable incomes, however, the effects are not like Figure 2. Based on the EU-SILC panel data, Callan et al. (2017) find the greatest losses in average earnings at the

[6] These policy changes included the introduction of a Pension Related Deduction (PRD) in 2009 for public sector workers, pay cuts for public sector workers in 2010 and reductions in entry wages by 10% for new entrants; incentivised early retirements; the introduction of an income levy payable on gross income (excluding welfare payments) in 2009 and later replaced with a new form of income tax— the Universal Social Charge (USC); in 2011, the standard rate band of tax was reduced, as were the main tax credits; property taxes in 2011; tax relief on pension contributions were reduced and employee pension contributions became liable for PRSI and the USC; indirect taxes were increased with the rise in the standard rate of VAT and a new carbon tax. While social welfare payments initially increased in 2009, the Budgets of 2010 and 2011 reduced the rates of support provided by most social welfare schemes applicable to those of working age; deeper cuts were made to the universal Child Benefit payment, payments to young unemployed people were reduced very substantially, while rates of payment for old-age pensions remained unchanged.

top of the income distribution, with lower losses for middle-income deciles, and gains in particular for the bottom income deciles. It is argued that the tax-benefit system partly offset inequality of the market income distribution during the crisis in Ireland. Welfare changes played the main role in driving changes at the bottom of the distribution, while tax and public sector pay changes dominated for the top of the distribution.

2. Non-income-related perspectives

The affordability of housing

Housing in Ireland has been under considerable pressure in recent years. The Irish housing market was one of the most affected across the OECD after the international financial downturn of 2007/08, with prices falling by 54 per cent in nominal values between 2007 and 2013 (McQuinn 2017). During the economic crisis the collapse of the housing market was felt by all groups and there is now considerable evidence that housing is socially stratified in the Irish context— not only in terms of homeownership but also in terms of mortgage arrears and mortgage default, and homelessness. At a time when homeownership rates are rising in some European countries, they are falling in Ireland and are currently at their lowest in almost 50 years (CSO 2017). Ireland's rate of homeownership peaked at 80% of households in 1991, with private rental accounting for 8% and social renting for 10%. By 2011, owner-occupation had fallen to 71%, while 19% of households rented from a private landlord, and 9% rented from a local authority or voluntary association (known as Approved Housing Bodies—AHBs).

The greatest declines in home-ownership levels have been among the younger generations, particularly those aged 35-44 (Hearne 2017). Figure 3 outlines changes in homeownership by social class among 35-44 year-olds in Ireland, over the period 1991 to 2011. Clearly, all social class groups have experienced declines in homeownership levels. However, while the professional and skilled manual groups experienced a 12% and 16% decline in homeownership, respectively, the unskilled manual group experienced a decline of 24%. Owner-occupation is also much higher among households headed by Irish nationals compared to non-Irish nationals— 77% compared to 34%, respectively (NESC 2014).

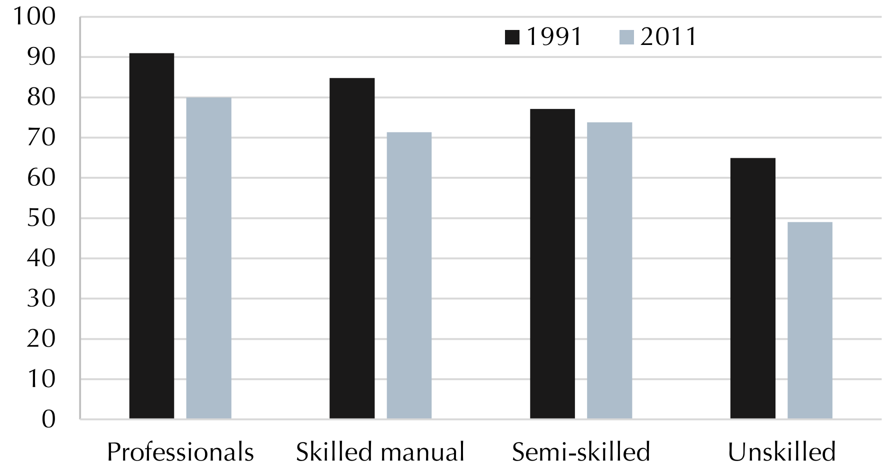

Figure 3: Owner-occupiers aged 35-44 by social class group, 1991 and 2011
Source: NESC 2014 in Hearne (2017)

In Ireland, levels of indebtedness among households are high by European standards. While in consistent decline since 2011, Irish household debt has fallen more than any other EU country as a proportion of disposable income in recent years (Central Bank of Ireland 2017). According to the Central Bank of Ireland, households remain highly indebted and vulnerable to increases in interest rates and unpredicted unemployment shocks. It is also argued that holders of mortgage tracker rates would suffer if policy rates were to increase (McQuinn et al., 2017).

However, the case remains that many people are in arrears with their mortgage payments which leads to stress (see Murphy and Scott 2013; O'Callaghan 2015; EU Spring 2017). The concentration of mortgage stress among poorer households is the result not only of the large expansion in mortgage lending among lower income groups in Ireland but also of a distinct decline in mortgage appraisal quality within the banks themselves (Regling and Watson 2010). A study of mortgage stress levels found that while mortgage stress is a feature of life for all social groups, it is socially stratified. Higher mortgage stress levels are also evident among particular social classes, with 61% of those in the overt group and 43% of those in the moderate stress group found among households from non-manual, skilled and semi-skilled backgrounds. Conversely, the majority of those *without* any mortgage stress (71%) are found among professional and managerial households (Waldron and Redmond 2017).

The severe social costs of the housing shortage are the most salient in the still-increasing levels of homelessness. The most recent figures from the Department of Housing, Planning, Community and Local Government show a record total of more than 8,160 people homeless in Ireland. Nationally, there are now 5,187 adults and 2,973 children homeless, a rise of 25% from July 2016 to July 2017.

Family stress

A key contribution by sociologists has been to tap into the effects of the recession through a broader understanding of economic stress and social exclusion. The recession brought with it considerable stress for families, and empirical research has identified changes in the composition of families that experienced deprivation and economic stress over the recessionary period (Watson et al., 2016; Whelan et al., 2016). In estimating the degree of family stress imposed on middle class families, the situation of the middle class must be placed in a context of absolute and relative change over time. With regard to measures of deprivation and economic stress, Whelan et al., (2016) report that those classified as income poor experienced the highest average levels of deprivation and economic stress while the affluent experienced the lowest average levels. While all income classes maintained their relative positions, the sharpest absolute increases were found for the precarious and lower middle income groups, pointing to a squeeze on these groups. Later research by Watson et al., (2016) suggests that the recession had a stronger economic stress impact, in relative terms, on families that had initially been more advantaged along the lines of household income, social class and family structure. What is interesting is that these findings suggest a divide within the Irish middle class.

Whelan et al., (2016) also report clear life course effects by social class - among those aged 35 or under, farmers were significantly more likely to experience economic stress than the higher salariat group; among those aged 35-64, lower social class groups are more likely to experience risk of rising economic stress, and among those aged 65+ all groups, with the exception of the lower salariat and farmers, were more likely to experience risk than higher salariat.

Families with children also bore a considerable brunt of the recession. Child poverty rates increased as did the percentage of children living in households reporting deprivation (Cantillon et al., 2017). More broadly, there is some contention in Ireland regarding the distributional implications of austerity measures. While some argue that the true effects of the recession were buffered by the redistributive impact of the direct tax and transfer system (Cantillon et al., 2017), others argue that indirect taxation is highly regressive in social class terms (Collins 2014).

Family stress can also be measured through work-life conflict, and sociological research has identified that work-life conflict is likely to have a disproportionate impact on females in middle class families (McGinnity and Calvert 2009; Notten, Grunow and Verbakel 2017). McGinnity and Russell (2013) examined the issue of work-family conflict in the period before and during the recession (2003 and 2009 respectively). Comparing employees in 2003 and 2009, they report, as with other European countries, a rise in work-family conflict in Ireland, with working hours and working conditions being particular influences on satisfaction with work-life balance. Later research conducted by the European Foundation for the Improvement of Living and Working

Conditions (2013) concludes that work-life balance was particularly under pressure in countries hit hard by the crisis such as Ireland and Spain.

The labour market

Against the backdrop of the macroeconomic bust and boom, Ireland saw dramatic changes in the labour market, in terms of patterns of employment and unemployment, earnings, occupational structures and job 'quality' and institutional context (Maître and Nolan 2016). The very poor employment prospects of young people, even among graduates, have been outlined above. As shown in the overview of Chapter 2, the unemployment rate rose sharply to almost 15%. ESRI research finds that while unemployment levels have been in visible decline in Ireland since Q3 2013, currently at 6.4% it is approaching pre-crisis levels (McQuinn et al, 2017). The decline in unemployment was very heavily concentrated among young men: unemployment rates for those aged 20-24 rose from 8% to 32% and for those aged 25-34 from 5% to 20%. Young people, particularly those without a higher education qualification, were very badly hit by the recession, and it is argued that they have not benefitted from the recovery (Roche, O'Connell and Prothero 2017). By May 2017, the youth unemployment rate for those aged 15-24 had reached 11.7%, down from a peak of just over 30% in Q1 2012. To this end, Ireland's performance is in line with the European Union average (Mc Quinn et al., 2017).

With regard to long-term unemployment, while OECD (2017) projects a gradual improvement of labour market conditions in Ireland, by 2016 the long-term unemployment rate remains high at 55.3 per cent.

Recent research drawing from European Social Survey (ESS) data highlights the issue of job insecurity among youth, whereby the proportion of young people on non-permanent contracts is particularly high in Ireland as well as in Poland and in Southern Europe (Russell, Leschke and Smith, 2015). Irish youth alongside Spanish youth and those from the UK have experienced the largest decline in employability perceptions between 2004 and 2010. In contrast, youth in other European countries are more positive about their employability than adults. During the recessionary years, youth were particularly exposed to a hiring freeze, as well as 'labour shredding' in the wholesale and retail sector (O'Reilly 2015). While graduates experienced a lower risk of unemployment than those without a higher education qualification, they were not protected from the recession.

Considerable disparities are evident in employment rates before and during the recession for graduates, as rates of full-time employment decreased and part-time employment and inactivity increased over the recessionary period (Byrne 2017). These patterns also differ considerably by field of study, with STEM and Education graduates experiencing greater risks of unemployment than previously. The impact of the recession on graduates in Ireland has been a particular issue for the middle class, as both employment probabilities and the earnings premium associated with a degree was hampered by the economic recession (Conefrey and Smith 2014; Maître and Nolan 2016). Rates of over-education in Ireland are also among the highest in Europe.

A Eurofound report finds that the resumption of modest employment growth over the period 2012-2013 was polarising, with the majority of new employment emerging from the low wage sector, largely due to an increase in agricultural employment. A more recent 2017 report suggest that gains in employment growth since 2013 has emerged from the lower/middle income quintiles, concluding that much of the new employment created has been in different, lower-paid jobs[7].

Ireland can be characterised as a country with relatively moderate levels of female labour force participation, and moderate levels of employment among mothers. On average across EU countries, 68% with children aged 0-14 are in employment compared to 60% in Ireland (including both full and part-time employment). OECD data reveals that female labour force participation has decreased since the pre-recessionary period, from 54.7% in 2007 to 52.8% in 2015. At the on-set of the recession, the gender-employment gap narrowed as the employment rate fell for both males and females, but more steeply for males. The recession ended the longer-term increase in female labour force participation, in spite of increasing education levels and a changing age profile of women in Ireland.

Social Mobility

Ireland has comparatively low levels of absolute and relative mobility and is characterised as a relatively rigid system where the chances of children ending up in the same hierarchical position of their parents are great. Work experience and job mobility, both facilitated by the acquisition of higher educational qualifications, are key drivers of social mobility in the Irish context. Participation in HE in Ireland is particularly high by European standards, and continues to increase. Over the recessionary period, the share of applicants to higher education among school leavers was maintained at just under 60%, and increased from 2014 onwards. However, sectoral differentiation in the HE system in Ireland results in considerable social stratification, whereby middle and upper class students are more likely to attend a university while working class students are more likely to attend an Institute of Technology or not attend HE at all (Byrne and McCoy 2017; McCoy and Smyth 2011). The returns to higher education differ depending on the sector attended, where there is an earnings premium attached to university graduates, all else being equal (Kelly, O'Connell and Smyth 2010).

In their study of the middle class, Maître and Nolan (2016) consider the educational levels of income groups. Figure 4 shows the distribution of people having tertiary

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[7] https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1710en.pdf

education degrees, based on the Household Reference Person (HRP). Reflecting the discussion above, it shows that, across all income groups, there has been a marked increase in the proportion of HRPs with tertiary education[8]. The educational gap between income groups declined due to growth in higher educational attainment at the bottom of the income distribution. By 2012, over a quarter (28%) of low-income households had third-level qualifications, up from 11% in 2008.

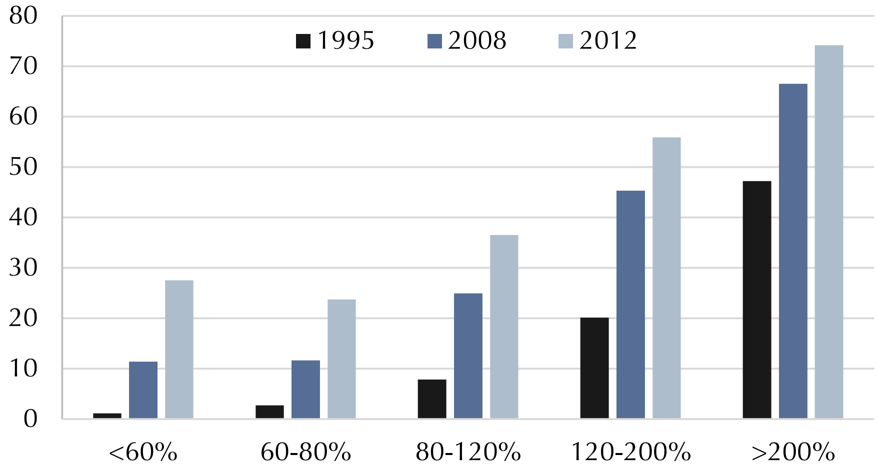

Figure 4: Tertiary education per income class 1995-2012
Percentage of households in income class with the Household reference person (HRP) having tertiary education 1995-2012. Source: Maître and Nolan, 2016

On average, the share of workers with a third-level education increased from 37% in 2007 to over 50% in 2013 (see Holton and O'Neill 2017). Maître and Nolan (2016) argue that this reflects the wide-ranging impact of the recession on employment levels across the distribution, and the very poor employment prospects of young people, especially those coming entering the labour market for the first time during the recession. This has led many people to obtain a higher educational degree.

Generational issues

The composition of the middle class changed somewhat over the period in terms of age. Those aged 65+ were most protected, as they saw an increase in their share in the middle/upper-middle- and top-income groups. While older workers (those aged 36-64) experienced some loss in the middle-income group, they were relatively protected in the upper-middle/top-income groups. Younger working-age persons increased their share in middle-income positions, but saw a decline in their share of upper-middle/top

[8] Holton and O'Neill (2017) used EU-SILC from 2003-2014 to report striking improvements in the education levels of the workforce during the recession. The data reveal an increasing proportion of workers with a third-level qualification, from 37% in 2007 to over 50% in 2013. This was accompanied by a decline in the proportion of workers with primary education or less, from 11% in 2007 to less than 5% in 2013.

income groups. These age patterns illustrate how those of working age experienced the greatest impact of the recession in terms of falling employment and earnings, while pensioners were protected to a greater extent and so their household income moved up the income categories (Maître and Nolan 2016).

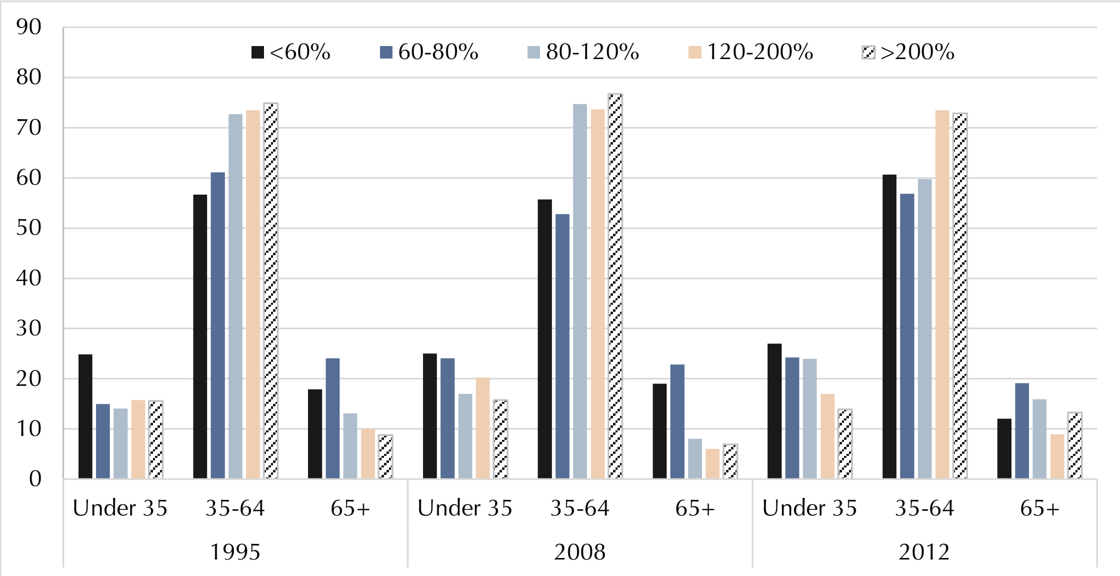

Figure 5: Income per age-group 1995-2012
Source: Maître and Nolan (2016)

The composition of the middle class changed in terms of age and educational attainment during the crisis years. As indicated in Figure 5, middle/high-income groups are predominately occupied by those aged 35-64. Between 2008 and 2012, the share of the middle-aged group declined from 75 to 60%. Their share of the high-income groups remained relatively stable over this period[9]. Younger households— those aged 35 or under— increased their participation in the middle-income group from 17% in 2008 up to 24% in 2012; however, they also experienced a fall in their share within the upper-middle- and top-income groups. Over the crisis years, those aged over 65 obtained an increasing share among the middle-income, upper-middle income and top-income groups.

Regional differences

The Central Statistics Office (CSO) provides data on the geographical dispersion of household incomes across Ireland[10]. Between 2004 and 2013, household disposable income grew higher than average in Dublin, and lower elsewhere. The Midland, Border and West regions have continuously earned less than the State average.

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[9] It should be noted that their share of the top-income group declined from 77% in 2008 to 73% in 2012.

[10] See http://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2013/

Household composition

From the 2016 census[11] of the CSO it seems that the steady decline in the number of children per household has halted. It stands now at 1.38 children per household, the same number as in the 2011 census (from 1.82 in 1996). However, it could be that this number is influenced by the increase in the number of adults (18+) that still live at home. This increase, of 19%, could be related to the economic crisis after 2008, and it fits with the large increase in enrolment rates in higher education. Young adults seem to have chosen to delay their entry into both the labour- and the housing markets by staying at home longer.

Families with children also bore a considerable brunt of the recession. Child poverty rates increased as did the percentage of children living in households reporting deprivation (Cantillon et al., 2017).

3. Household perceptions

Interestingly an OECD study finds that just under 60% in Ireland consider themselves as middle class, lower than the two-thirds who do so in the OECD. There is an impression in the public discourse in Ireland that the middle class has been particularly hard-hit by the crisis. An example is the 'Squeezed Middle Class' series in the *Irish Times* of February 2012. It suggests that, in the austerity measures taken by the Irish Government, the middle class is suffering the most economically. Another argument featured in the *Irish Independent* article of July 2016, under the title of 'The unmaking of the middle class'[12]. It lists the aspects of lifestyle and upward mobility that were traditionally connected to middle class life, but have disappeared or are now much harder to achieve. However, it is important to note that the relativities between social class groups remain.

Adopting a retrospective approach, Mühlau (2012) analyses the perceptions of Irish households regarding their financial situation. Manual workers appear to be the most severely hit, more than people in service occupations. One reason that may be driving the negative perception has to do with the good fortunes of many households prior to the economic downturn, i.e., the period until 2008. For example, the assets of Irish households almost doubled between 2001 and 2008. Such a development cannot continue indefinitely and came to an end in 2008. Households faced unemployment risks and a sharp decline in the value of their house. These are factors outside of the control of the household and have led to fears and anxiety. Mühlau describes this development as a 'qualitative change' in the situation of the middle class households, while their relative position within society has not changed by much.

[11] http://www.cso.ie/en/releasesandpublications/ep/p-cp4hf/cp4hf/fmls/
[12] https://www.independent.ie/life/the-unmaking-of-the-middle-class-34876346.html

While economists often view class position through the lens of class income groups, there is less consensus regarding what constitutes class from a sociological perspective. That is, on the one hand sociologists such as John Goldthorpe adopt a contained approach to the meaning of social class, others such as Mike Savage argue for an expanded and transformed class theory. In the Irish context, research demonstrates that the relationship between family social class of origin and opportunities and choices result from differential resources and experiences. However, while the previous sections of this chapter indicate that there is strong class consciousness in the Irish context, there is also abundant evidence that ethnicity, sexuality, gender, nationality, age and location also play a part. Addressing the intersectionalities with class is an important context for the future study of the middle class.

4. Political representation

The macroeconomic fluctuations have left Ireland with a fragmented political landscape and a partially reformed political system. Marsh and Mikhaylov (2014), comparing voting behaviour in 2002, 2007 and 2011, find that the crisis did not result in the redefinition of the electoral landscape. However, Tilley and Garry (2017) demonstrate that social class influenced voting choices more during the recession— in 2011— than in earlier elections of 2007 and 2002. That is, in the 2011 election, as one centre-right party replaced another, there was some shift in class support.

Over the period prior to the recession 2002-2007, middle-class support for the centre-right parties increased, but in a context of economic crisis, middle-class and relatively right-wing defectors of the ruling party (FF) opted for another centre-right party (FG), while working-class and relatively left-wing defectors opted for Labour and Sinn Fein (Tilly and Garry 2017). Unlike some other European countries in this volume, Ireland has, politically speaking, less anti-immigrant feeling and there is no serious right-wing populist party or movement (O'Riain 2017). Instead, working class voters, through local organisation, have been attracted to the by left nationalist Sinn Fein, and a variety of smaller left parties and independents, thus helping to obstruct the emergence of anti-immigration platforms (O'Riain 2017).

Unlike in other European countries, there has been very little resistance in Ireland to austerity, with the exception of protest coalitions around water charges and other single-austerity issues (Coulter & Nagle, 2015). Reidy and White argue that 'the increased popularity of leftist parties in Europe and Ireland is largely based on a public that has greater interest in providing increased benefits for the middle- and lower classes than for high-income earners' (Reidy and White, 2017:121). However, they caution 'In Ireland and elsewhere an economic system that favours the extremely wealthy or even those in the higher income brackets, but does not improve the economic conditions of the poor or the middle class, will increasingly face electoral challenges from those who promise higher standards of living for those who have been left behind by the policies of austerity'.

5. Conclusion

Ireland provides an interesting context to examine the middle class. Political discourse in the Irish context regularly promotes an economic agenda and policies for the middle class, and this has been particularly pertinent of late. This review indicates that it is less a case of shrinking, and more of persistence with regard to the middle class in the Irish context. In contrast to a range of countries across the EU, research on the middle class in Ireland suggests that the size of the middle class has increased or remained stable. Just over half of households can be described as being middle class. It would appear that the middle class are older and more educated than those in other social class groups.

This chapter shows that the effects of the recession and subsequent fiscal and social policy developments had an impact across the whole class structure. While much of this research is in its infancy in the Irish context, and is more often than not cross-sectional in nature, what has often emerged is an undeniable decline in the fortunes of the middle class over the recessionary period, coupled with greater opportunities to maintain their relative advantage over time.

While it has been argued that attending to the middle class will have a positive impact on reducing income inequality, this must be balanced with improving the economic and social outcomes of the poor and most vulnerable in Irish society.

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