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Austerity as enclosure: how austerity in Ireland after the global financial crisis acts as a method of inclusion and exclusion

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**Austerity as Enclosure:
How austerity in Ireland after the Global Financial Crisis acts as a method of inclusion and
exclusion**

A Thesis
Presented in
Partial Fulfillment of
the Requirements for the Degree of
Master of Arts

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ABSTRACT

This thesis argues that the austerity policies in Ireland after the 2007-2008 Global Financial Crisis acted as a form of second enclosure and increased economic inequality. This thesis uses a Marxian critique of neoliberal market society to analyze the policies enacted after the 2010 Irish Bailout. I situated the concept of enclosure within liberal hegemony arguing that enclosure must be conceptualized as a method of inclusion and exclusion. In addition, I connect Ireland's history of enclosure with the power relation between land ownership and capital accumulation. I contextualize Ireland's austerity policies within the neoliberal project and Ireland's membership in the European Union. Framing the bailout within these two contexts, I examine how these austerity policies act as a form of austerity through the inclusion and exclusion of the "common good" of welfare. I use Irish Travellers as an example of those excluded, as they are one of the most marginalized groups within Irish Society. Finally, I examine counter-hegemonic resistance centered on inequality in the form of newly create political parties. Understanding austerity as a recurring historical process uncovers the power dynamics reproduced within capitalist expansion and centers the discussion on the institutions creating these policies of inclusion and exclusion.

Keywords: Ireland, austerity, enclosure, 2007-2008 Global Financial Crisis, inequality, neoliberalism, liberalism

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INTRODUCTION

A BAILOUT FOR IRELAND

The austerity policies in Ireland enacted after the Global Financial Crisis of 2007-2008 acted as a form of enclosure, defined as methods of inclusion and exclusion, by cutting public goods and social programs, therefore increasing inequality. Ireland's neoliberal policies during the later 20th and 21st centuries created the conditions for its subsequent crisis and the resulting austerity policies tied to its bailout. Ireland experienced a period of neoliberal economic growth, called "The Celtic Tiger" from the late 1980s until the financial crisis. During this period, economic growth escalated and soon Ireland outpaced most European countries.¹ A younger population, an educated workforce, increased productivity, and low corporate tax rates drove this strong rate of growth.² Because of this growth, the global economic community saw Ireland as a "gateway" to European markets and a major destination for U.S. foreign direct investment.³ However, this growth led to a housing bubble. The housing market reached its peak in 2007, determined by the decline in tax revenue and a decrease in new home completions for the first time since 1998.

The commodification of financial instruments in conjunction with the bursting of the housing bubble created the beginnings of a crisis. Banks began to report outstanding liabilities, causing a loss of confidence and the threat of capital flight. The "hole" in the banking system was estimated to be about €64 billion.⁴ Foreign capital became harder to access due to the global financial crisis.⁵ Between 2007 and 2010, Gross Fixed Investment in Ireland fell almost ten percentage points, from being 29% of GDP to only 17%.⁶

¹ European Commission. 2012. *Ireland and the Euro*.

² Ibid.

³ European Commission. 2012. *Ireland's economic crisis: how did it happen and what can be done about it*

⁴ Halligan, Liam. 2014. "The mauled Celtic Tiger is ready to roar again."

⁵ European Commission. 2012. *Ireland's economic crisis: how did it happen and what can be done about it?*

⁶ Economist Intelligence Unit. 2015. *Ireland*.

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Fixed Investment (as a % of GDP)	31.022	28.624	24.734	21.134	17.748	17.155	19.07	17.682	19.311

Table 1: Ireland's Gross Fixed Investment 2006-2014

Source: <http://country.eiu.com.ezproxy.depaul.edu/Ireland>

In order to prevent the collapse of the banking system, the government issued a guarantee of banks' liabilities and used public funds to recapitalize them.⁷ International investors began to question the sustainability of Ireland's sovereign debt.⁸ The yields on Irish government debt reached 9% in November of 2010, rendering them uncompetitive in the international bond market. Faced with the inability to borrow, Ireland was faced with the prospect of internal adjustment through contractionary monetary and fiscal policy, including an abrupt decrease in spending affecting public services. These emergency measures put additional stress on the budget deficit.

To avoid the economic pain and political and social unrest created by harsh internal adjustment measures, the government negotiated a financial assistance package totaling €85 billion, with €17.5 billion of Ireland's own resources, from the European Union and the International Monetary Fund on November 29, 2010.⁹ This loan helped cushion the Irish economy from the shock of the burst property bubble while also continuing vital public services. As part of this financial assistance program, Ireland's government, the European Union, and the International Monetary Fund decided on a policy program to be implemented by the Irish government. The program consisted of three major elements: a financial sector strategy to help Ireland form a "smaller, better capitalized" banking sector, fiscal consolidation to make public finances more

⁷ European Commission. 2012. *Ireland's economic crisis: how did it happen and what can be done about it?*

⁸ Ibid.

⁹ Ibid.

sustainable over a medium term, and structural reform to restore competitiveness and strengthen the country's potential for growth.¹⁰

The above paragraph frames the bailout as some much-needed help for Ireland by the EU and IMF. The “structural reform to restore competitiveness” resulted in the privileging of elite and foreign capital over the Irish people through the cutting of welfare and public goods, such as various social programs. This thesis will examine how the hegemonic discourse of neoliberalism supported austerity policies in Ireland, resulting in policy that acted as a form of enclosure of public goods and services, furthering social inequality.

Approach

Hegemonic discourse “creates boundaries regarding what can be said and done, how it can be said and done, and how it can be understood; discourse creates legitimate speakers and discourse sets the stage for future discourses”.¹¹ The idea of discourse encompasses ways of producing knowledge—meaning how we come to understand the self and its relationship to others and the world it inhabits. These knowledge practices are constituted within societal practices within the parameters set by elites guided by the hegemonic discourse. In order to deconstruct knowledge practices, which inform policy, one must examine the power relations that create the parameters by which knowledge is produced.

In this thesis, I analyze neoliberal discourse using a Marxian framework of historical materialism. One may find Marxian historical materialism and Foucauldian discourse analysis at odds with each other. However, Foucault's approach is similar to Marxist method, as they are both attempts to account for history and analyze social structure. Both represent “social practices as transitory and all knowledge and intellectual formations as linked to social relations and power”.¹²

¹⁰ European Commission. 2012. *Ireland's economic crisis: how did it happen and what can be done about it?*.

¹¹ Foucault, Michel. 1972. "Discourse on Language" in *The Archaeology of Knowledge*

¹² Olssen, Mark. 2004. "Foucault and Marxism: rewriting the theory of historical materialism."

In Marxist historical materialism, discourse resides in the superstructure, which supports the material economic base. The economic base subordinates the superstructure. In other words, a Marxian reading centers the economy in its analysis and argues that the development of capitalism produced imperialism. However, as capitalism changed in the twentieth century, Marxist thinkers began to suggest a “dialectical” version where “the base *conditions* and *affects* the superstructure, it is in turn *conditioned* and *affected* by it”, with the economic base “determining in the last instance”.¹³ While Marxism centers its analysis on how the economy affects discourse, Foucault’s analysis focuses on power relations and the production of knowledge, rejecting the concept that discourse is separated from material practice.¹⁴ I use a Foucauldian model of historical materialism that holds that no one set of factors direct discourse, that existing social practices are transitory and that acknowledges the role of capitalism in imperial relations. The economic factors are important when discussing neoliberalism and austerity. However, the discursive relations of power are just as consequential. Discourse is grounded in and mediated through specific institutions. In relation to Ireland’s bailout, the institutions of the European Union, along with those in power in Ireland, must be examined, as they are the ones making the disciplinary economic decisions. The effect dominant discourse has on the economy and vice versa can be analyzed through Gramsci’s concept of hegemony.

Gramsci’s concept of hegemony centers both the role of bourgeois elites and the relationship between civil society and the state. To maintain capitalist hegemony, a strong bourgeois class needs to remain in power to perpetuate capitalist thinking through policy and norm-setting. In Northern Europe, countries where capitalism was first established have stronger bourgeois control.¹⁵ In this vein, countries colonized by England, such as Ireland, should also have strong bourgeois control, as the colonizers forcibly imported capitalist institutions and norms. The

¹³ Olssen, Mark. 2004. "Foucault and Marxism: rewriting the theory of historical materialism."

¹⁴ Ibid.

¹⁵ Cox, Robert W. 1983. "Gramsci, hegemony and international relations: an essay in method."

reproduction of hegemony is not limited to the state apparatus. Societal institutions such as the church, educational system, and the press create “certain modes of behavior and expectations consistent with the hegemonic social order.”¹⁶ In other words, these institutions reproduce hegemonic discourse through physical disciplining and the literal production of knowledge.

The scope of the relationship between the state and civil society must be expanded in consideration of the global economic society. A world hegemony results from the expansion of a nation’s internal hegemony established by a dominant social class. The current world hegemony is rooted in neoliberal economic and liberal policy from the United States and United Kingdom in the 1980s. Capitalist elites introduced economic and social institutions, cultures and technologies through globalist economic expansion such as foreign direct investment, multinational corporations, or development projects in other countries. For the purposes of this thesis, the hegemony immediately before, during, and after the Global Financial Crisis can be considered neoliberalism or the neoliberal, global capitalist economy. This world neoliberal hegemony is rooted in liberalism originating from seventeenth century Europe. States that participate in the global economy perpetuate hegemonic discourse internally and through their relationship with their civil society.

In this thesis, I argue that the neoliberal austerity policies in Ireland after the 2007-2008 Global Financial crisis acted as a second enclosure and increased inequality. Contextualized within the domination of liberalism in Irish policies, institutions, and values, these policies reproduce power relations that perpetuate inequality. Neoliberalism, as both a theory and project, created the conditions of possibility for the enclosure of public goods such as welfare. This second enclosure generated inequality that disproportionately affected those already on the margins of society. Neoliberal institutions, such as the European Union, the World Bank, and International Monetary Fund both benefit the implementation of neoliberal economic policy and reproduce neoliberal

¹⁶ Cox, Robert W. 1983. "Gramsci, hegemony and international relations: an essay in method."

ideology. Conceptualizing austerity in Ireland as a form of enclosure contextualizes austerity within a history of how capitalism changes to expand and uncovers the reproduction of power dynamics necessary for its expansion. When enclosure is a method of inclusion and exclusion, it becomes a value statement dictating who is or is not deserving of access. A person or institution in power decides this value statement or, in other words, who is worthy of access. In this case, austerity policies enforced who was deserving of an economic bailout (the banks) and who was not (those affected by the cuts to welfare and other social programs). In this thesis, I problematize who is making these policies of inclusion and exclusion and their reasoning for these policies. Conceptualizing these austerity policies and the institutions that execute them within Ireland's history helps us understand the growing inequality in Ireland as a historical process created through the power relations needed for capitalist accumulation.

Ireland's bailout required the implementation of classical liberal austerity policies prescribed by neoliberal institutions such as the European Union, European Commission, and International Monetary Fund. These policies emphasized a liberal economic tradition, privileging capital and the market over people. For example, Ireland kept its low corporate tax to entice Foreign Direct Investment while enclosing or cutting its state supported welfare programming. The enclosure of welfare deepened the structural inequality embedded in Irish liberal institutions while redistributing welfare upwards and out of Ireland itself. The enactment of austerity policies in Ireland not only resulted in an increase in economic disciplining through state power, but individual disciplining of those already on the margins of economic society. Increased incarceration rates accompany this increase in individual disciplining. The experience of Irish Travellers in Ireland demonstrates the methods of exclusion and inclusion relating to public goods within the context of a global liberal market.

In my second chapter, I situate enclosure within liberal hegemony. The history of enclosure in Ireland uncovers a power relation between land ownership, the political elite, and capitalist

accumulation. First, I conceptualize enclosure and the commons. Next, I examine the relationship between liberalism and capitalism. It is within the context of this relationship that enclosure emerges in the seventeenth century. After, I examine how enclosure is a part of the process of capitalist accumulation and how it spread to different parts of the world through colonialism. Finally, I examine Ireland's position within its historical colonial context and within liberal hegemony. This chapter examines the relationship between capitalism and enclosures and how this relationship produces power dynamics required to reproduce capitalism. In other words, through enclosure, proponents of liberalism can maximize capitalist expansion by creating institutions and policies that support capitalist interests and the market over the access to public goods.

In my third chapter, I frame Ireland's policy response to the financial crisis within the neoliberal project and its relationship with the European Union. First, I examine neoliberal theory as a hegemonic discourse and how it set the conditions of possibility for a Global Financial Crisis I also examine the austerity policies enacted in Ireland as a condition of their 2010 bailout by the European Union and International Monetary Fund. By the end of this chapter, I will have argued that neoliberalism creates the conditions of possibility for austerity policies in Ireland after the financial crisis. This chapter sets up the relationship between capitalism and austerity measures within the context of neoliberalism.

In my fourth chapter, I argue that these austerity policies act as a second enclosure. First, I define the term "second enclosure". Calling these austerity measures a second enclosure contextualizes austerity within a history of how capitalism changes to expand. In order to grow, capitalism requires the continual production of its others through methods of inclusion and exclusion. Not all austerity programs should be considered enclosure. However, Ireland's unique history frames these social programs as a "common good" and social norm. Next, I use Ireland's austerity policies after the financial crisis to explain how they work as a form of second enclosure and increase inequality. As part of my analysis, I use the Irish Travellers as an example, as they are

one of the most marginalized groups within Irish society. Finally, I examine counter-hegemonic resistance centered on inequality in the form of the creation of new political parties. By showing that these austerity measures act of modes of enclosure that increase social inequality, I uncover the reproduced power dynamics inherent in the relationship between capitalism and liberal or neoliberal policies. As enclosures act as methods of inclusion and exclusion, they draw the line between who is worthy of access and who is not in the name of capitalist accumulation.

In interrogating the relationship of austerity and enclosure within neoliberalism, I deliberately chose Ireland as my site of inquiry. Ireland is one of the few countries that has been a colony, gone through “successful” development, and can be understood as, as evidenced by its inclusion in the European Union, a prominent and “successful” “developed” European country. Also, Ireland was the first country to exit its Eurozone bailout program in 2013.¹⁷ However, I question whether an economy can be considered healthy and recovered when the already marginalized are measurably worse off than before. The neoliberal project in Ireland is influenced “largely by institutions operating at the level of the nation-state and within a particular political culture and system inflected by the long history of Anglo – Irish relations and the country’s emergence as an independent postcolonial state”.¹⁸ Thus, because of its unique geo-political positioning and colonial history, it is a prime site from which to examine a new form of neoliberal enclosure. The austerity measures constituted the “single greatest challenge since its founding” to Ireland’s national sovereignty.¹⁹

I am not the first to claim that austerity measures reproduce imperial relationships and threaten state sovereignty.²⁰ Others have problematized the bailout in Ireland as a threat to Irish

¹⁷ McDonald, Henry. 2013. "Ireland Becomes First Country to Exit Eurozone Bailout Programme."

¹⁸ Kitchin, Rob, Cian O'Callaghan, Mark Boyle, Justin Gleeson, and Karen Keaveney. 2012. "Placing neoliberalism: the rise and fall of Ireland's Celtic Tiger."

¹⁹ Kiersey, Nicholas J. 2011. "Everyday Neoliberalism and the Subjectivity of Crisis: Post-Political Control in an Era of Financial Turmoil."

²⁰ Giannacopoulos, Maria. 2015. "Sovereign debts: Global colonialism, austerity and neo-liberal assimilation."

sovereignty,²¹ highlighting both outside intervention and the prioritization of foreign capital²² over the general welfare of the average person.²³ However, I am intervening in this conversation about the nature of austerity measures in the context of Ireland and its unique global positioning in order to shift focus to the reproduction of power dynamics necessary for capitalism to expand and be replicated in other parts of the world by its agents throughout its history. It is not enough to solely tie austerity measures to the neoliberal project, as neoliberalism exists within a genealogical tradition of “the West” and “Liberalism” that necessitated inequality and exclusion from its very inception. In other words, the conversation about austerity in Ireland must be situated within the greater context of the ongoing reproduction of capitalism and those who benefit from its necessary power dynamics.

²¹ Kiersey, Nicholas J. 2011. "Everyday Neoliberalism and the Subjectivity of Crisis: Post-Political Control in an Era of Financial Turmoil."

²² Mercille, Julien and Enda Murphy. 2015. *Deepening Neoliberalism, Austerity, and Crisis: Europe's Treasure Island*.

²³ Fraser, Alistair, Enda Murphy, and Sinead Kelly. 2013. "Deepening neoliberalism via austerity and 'reform': The case of Ireland."

CHAPTER 2

THE HISTORICAL CONTEXT OF ENCLOSURE WITHIN LIBERALISM

From the middle of the twelfth century until Irish independence, England influenced or directly controlled political, economic, and social policy. After the Anglo-Norman invasion, King John established a civil government independent of the feudal lords. For centuries after, proponents of both English law and Irish culture clashed for power in Ireland. Land ownership became a major site of this tension. From the 16th century onwards, the British government endorsed and executed policies relating to the plantations of Ireland, or the resettlement of Irish lands by Englishmen, in order to consolidate power in the region. Under King James I, the Ulster Plantation represented the official colonization of Ireland. Native Gaelic chiefs fled or had their land confiscated and given to colonists from Scotland and England. The English government required these tenants to be English-speaking, Protestant, and loyal to the king. Until the beginning of the nineteenth century, England and Ireland both had their own separate parliaments; however, the English parliament retained the power to pass laws that included the Irish. The Irish parliament consisted of the ruling landowner class of Scottish and English Planters.

The British ruling landowner class, known as the Protestant Ascendancy, understood the connection between land and power in Ireland and used this knowledge to pass Penal Laws in the Protestant Parliament of Ireland to restrict the political, and economic activities of the indigenous Irish through their Catholic religion. These laws associated land ownership with religious affiliation and were intended to pressure the colonized Irish to convert to Protestantism and declare allegiance to the ruler of England as both king and head of religion.²⁴ The Penal Laws stripped the indigenous Irish Catholics of their political power: excluding them from public office and legal professions, barring them from holding fire arms, banning membership to Parliament, and

²⁴ Schaffer, Patricia, JD. 2017. "Irish Penal Law."

disenfranchising them.²⁵ In addition, the English government rewrote multiple property laws to benefit the Protestant Ascendancy while undermining the political and economic power of the Irish Catholics through various bans, such as bans on Catholics inheriting Protestant land and Catholics buying land under a lease of more than 31 years.²⁶ The Popery Act or Gavelkind Act²⁷ incentivized the conversion from Roman Catholicism to Protestantism through inheritance law relating to property. Catholics inherited land through the traditional Irish law of Gavelkind, where an estate was divided equally by the dead person's sons. Protestants inherited land through male primogeniture.²⁸ If the eldest son of a Roman Catholic family converted to Protestantism, he gained the entire estate. Thus, this law incentivized conversion, with the goal of reducing the influence of landed Roman Catholic families. In other words, the colonizing British used property law to consolidate the power of the ruling class. In the context of Ireland's colonial history, the relationship between the ruling elites and property is directly connected to capitalist accumulation and the increase of elite power. Examining enclosure as inclusion or exclusion uncovers these power relations.

In order to understand the logic behind how neoliberal austerity policies act as enclosure, one should examine the historical context of their power dynamics within liberalism in Ireland. In this chapter, I begin by discussing the various definitions of enclosure. I argue that enclosure must be conceptualized more abstractly than its original first usage during the 17th century. Second, I examine how the societal values of freedom, private property, and rationality within liberalism supported capitalist expansion. These values created the conditions of possibility for enclosure to exist. Next, I analyze the first enclosure, its relationship to liberal capitalism, and how it created fictitious commodities. Enclosure exemplified how capitalism changed societal organization. I

²⁵ Schaffer, Patricia, JD. 2017. "Irish Penal Law."

²⁶ Ibid.

²⁷ Formally known as "An Act to prevent the further Growth of Popery".

²⁸ Male primogeniture is when the eldest son receives the entire estate.

explain how colonialism exported liberalism, private property rights, and enclosure to Ireland. This chapter situates Ireland within its historical colonial context and explains the role of enclosure in colonizing Ireland. Understanding the relationship between enclosure and liberalism gives necessary context to how a second enclosure can exist within a contemporary global capitalist society.

Conceptualizing Enclosure

While enclosure and the commons historically have been conceptualized as physical and related specifically to land and its resources, these presumptions are too narrow and ignore capitalist processes that work in a similar manner.²⁹ Conceptually, enclosure is tied to the idea of the commons—or resources used by a society or group as a whole. The first enclosure of the commons happened in England starting in the 1600s when the Enclosure Acts of 1604 created legal private property rights to land formerly held as lands open to common use. The valuation of private property and the concept of productivity undergirded the legal acts of enclosure. “Common” land was conceptualized as underproduced and economic elites claimed that enclosing it and making it individually owned private property would maximize its productive use. Proponents of liberalism justified private property by claiming that private property rights maximize the common good through institutions of fair and free market exchange.³⁰ Enclosure not only physically excluded people from property, it also facilitated capitalist accumulation by economic elites. The English exported the practice of enclosure to other parts of the world through colonization. Once again, the liberal valuation of property rationalized the expropriation of land from indigenous people to economic elites. Enclosure reorganized indigenous societies physical spaces and institutions to better allow for capitalist accumulation. Enclosure is not just a historical process—it occurs today

²⁹ Harvey, David. 2011. “The Future of the Commons.”

³⁰ Ibid.

in neocolonial settlements³¹ and through development processes. To understand how austerity can be understood as a kind of second enclosure, one must re-conceptualize enclosure beyond its original and traditional designation.

Traditionally, “the commons” is conceptualized as land, physical space, or natural resources. However, “the commons” can be seen as more abstract or socially defined and conditioned by different levels of access.³² For example, the air we breathe is open and everyone has access to it no matter their social or class designation. On the other hand, a city street is considered to have open access, but it is maintained by a governing body, one must follow a particular set of rules in order to use it, and it is policed. In other words, the politically defined commons work as a method of inclusion or exclusion and acts of enclosure legally facilitate this exclusion.

Legally, enclosing the commons acts a method of defining inclusion and exclusion. When land or resources are “enclosed”, there is a legal definition of who is allowed in or out, who is allowed to benefit from these resources, and who must remain outside of these legal bounds. Within a liberal system of private property rights, a primary authority defines and protects these rights. The state arbitrates the legal regulation of the included and excluded. Through the process of the privatization of public services, enclosure works to define those who have access to these rights or citizenship.³³

Enclosure as a Tool of Capitalist Accumulation

Enclosure exists within the context of liberalism and capitalist expansion. Practices of enclosure rely on the concept of private property rights. Emphasizing the individual and the individual’s participation in the market, liberal economics shifted societal reorganization in

³¹ Lloyd, David, and Patrick Wolfe. 2016. "Settler colonial logics and the neoliberal regime."

³² Harvey, David. 2011. "The Future of the Commons."

³³ Jeffrey, Alex, Colin McFarlane, and Alex Vasudevan. 2012. "Rethinking enclosure: Space, subjectivity and the commons."

Western Europe to better reproduce capitalism. Enclosure facilitated capital accumulation and allowed for the geographical export of capitalism to other parts of the world.

According to Foucault, liberalism marked a shift in governmentality in Western Europe in the 18th century.³⁴ In the previous two centuries, the strong centralized state used commerce as major tool of state power. However, liberalism as economic theory shifted the market from an instrument of governmental power to a source of a truth, particularly one revealing value.³⁵ In other words, the market economy constituted what Foucault called a “site of veridiction”, or the source of truth for the new liberal world view.³⁶ Political and economic elites shifted this site of truth through the construction of the liberal market economy.

Liberalism emerged during the period of Enlightenment within Western Europe and became a hegemonic discourse from the 16th century onwards. Prominent thinkers, such as John Stuart Mill and John Locke, espoused the values that ground modern democratic society, such as liberty, individuality, freedom, and equality, and defines the relationship between the individual and the state. However, liberal philosophy also advocated capitalism as a form of economic organization, directly in conflict with some of these values.³⁷ This conflict sets the conditions of possibility for inequality. Liberalism encompasses the economic, political, and social spheres, effectively embedding itself within all facets of Western culture and societal organization.

Advocates of liberalism claim:

That economic, political, and social relations are best organized through formally free choices of formally free and rational actors who seek to advance their own material or ideal interests in an institutional framework that, by accident or design, maximizes the scope for formally free choice. Economically, it endorses expansion of the market economy—that is, spreading the commodity form to all factors of production (including labor power) and

³⁴ Foucault, Michel, and Michel Senellart. 2008. *The Birth of Biopolitics: lectures at the Collège de France, 1978-79*.

³⁵ *Ibid*, 32-33.

³⁶ *Ibid*.

³⁷ Bell, Daniel. 1972. "The Cultural Contradictions of Capitalism."

formally free, monetized exchange to as many social practices as possible. Politically, it implies that collective decision making should involve a constitutional state with limited substantive powers of economic and social intervention, and a commitment to maximizing the formal freedom of actors in the economy and the substantive freedom of legally recognized subjects in the public sphere.³⁸

The above definition of liberalism shows that liberalism's scope moves beyond just an economic philosophy, it encompasses all layers of society from the government to the individual.

This liberal worldview spread throughout the world through western colonialism and imperialism.³⁹ Liberalism is so encompassing as a worldview or hegemonic discourse that the way we discuss governmentality or the economy must be done with its greater context. Liberal philosophy emphasizes the free choice and rationality of both the individual and the market, embedding liberalism in both the social and economic spheres and setting the conditions of possibility for capitalism and its growth.

Liberal philosophy produced the conditions of possibility for capitalism to reproduce itself because of its veneration of personal responsibility and the market. The supremacy of the market in liberal discourse sets capitalist society apart from other economic systems:

Capitalism is a system in which all economic actors—producers and appropriators—depend on the market for their basic needs. It is a system in which capitalist relations between producers and appropriators, and specifically the relation between capitalists and wage labourers, are also mediated by the market.⁴⁰

Because of its liberal foundations emphasizing the market as distinct from society, capitalism produces tension within society. While capitalists need the power of the state to enforce the rule of law and maintain social order along liberal values, they also maintain economic power. Liberal philosophy also perpetuated societal norms and values, such as that of individualism and private property, that helped embed capitalism as a mode of social organization. Liberal philosophy shaped

³⁸ Jessop, Bob. 2002. "Liberalism, neoliberalism, and urban governance: A state-theoretical perspective."

³⁹ Blaut, J. M. 1989. "Colonialism and the Rise of Capitalism."

⁴⁰ Meiksins Wood, Ellen. 2003. *Empire of Capital*.

the institutions and policies England would export to the colonies, as the discourse undergirds social change around new market practices.

Private property rights became integral to capitalist expansion. According to liberal philosophy, private property rights maximize common good. Liberalism rationalizes private property rights through the labor theory of value. Individuals receive this right by creating value by mixing their labor with land.⁴¹ Once the individual has created value through their labor tied to the land, they use that created value in the market. However, individuals who are not productive have no claim to property. The liberal concept of productivity contains moralistic connotations of who is participating in the market and society “correctly”—or to the benefit of all within that society. Those in power decide who or what constitutes productivity, creating the conditions of inclusion and exclusion. This valuation of productivity underwrote the rationale of removing indigenous people from colonized land during European imperialist expansion. The expulsion of non-productive occupants set a precedent of penalizing those who do not “participating correctly” in a market society.

The tenets of liberalism expose a contradiction between theory and praxis. Liberal philosophers used liberalism as justification for British imperialism. Despite a belief in both political and economic freedom, liberal thinkers such as Jeremy Bentham and John Stewart Mill:

Endorse the empire as a legitimate form of political and commercial governance; who justify and accept its largely undemocratic and nonrepresentative structure; who invoke as politically relevant categories such as history, ethnicity, civilizational hierarchies, and occasionally race and blood ties; and who fashion arguments for the empire’s at least temporary necessity and foreseeable prolongation.⁴²

In other words, while liberalism endorsed freedom and democracy, a strong government is needed to enforce the institutions and structures needed for a “liberal” market economy. Even in this early commentary, the role of the state to support the market usurps the freedom of the individual.

⁴¹ Locke, John. 2017. "Of property."

⁴² Mehta, Uday Singh. 1999. *Liberalism and Empire: A Study in Nineteenth-Century British Liberal Thought*.

The First Enclosure

Western European liberal capitalism arose within the context of a societal shift from an agrarian model to the modern market. The emergence of liberal economic theory within liberal discourse facilitated this shift, as it changed the relationship between people and the market. Polanyi chronicles this transformation and the subsequent tension between the self-regulating market economy and the society from which it was slowly separating.⁴³ According to Polanyi, the market was always an embedded part of society. The economy was a “function of social organization”.⁴⁴ Before the end of feudalism in western Europe, economic systems were organized by reciprocity, redistribution, and householding. Societal organization by patterns of symmetry, centrality, and autarchy institutionalized these forms of organization.⁴⁵ The emergence of liberal economics and its emphasis on private property and a self-regulating market created tension within society. The market began to separate or disembed from society through this tension. As the market pulls away through new economic policy (such as deregulation), society will attempt to pull it back or re-embed it, creating tension. This reaction could be in the form of societal protection, such as the Poor Laws in England, or in social movements, such as Owenism.⁴⁶ Polanyi calls this tension “double movement”.⁴⁷ The market was separating from its function in society through the creation of fictitious commodities made possible through liberal discourse and supported by 19th century British financial interests.

The creation and acceptance of fictitious commodities required the reorganization of society around the market. The capitalist market society necessitated the creation fictitious commodities out of labor, land, and money. Polanyi claimed these three things should not be

⁴³ Polanyi, Karl. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*.

⁴⁴ *Ibid*, 52.

⁴⁵ *Ibid*, 57.

⁴⁶ *Ibid*.

⁴⁷ *Ibid*.

commodified as they do not act as regular object commodities, having social rather than market value. However, capitalism and the market economy needed these false commodities in order to reproduce themselves. The emphasis of free labor markets required the development of an accepted new class of wage laborers never seen before in society. Before this new creation, many saw wage labor as below their dignity or akin to selling themselves for money.⁴⁸ Some people would rather be poor than working for a wage. The development of a new class of wage laborers required another new class: the unemployed. Capitalism and the reserve economy needed the “unemployed” to act as an industrial reserve army to keep the price of labor down. Land became a commodity after the rise of private property. Before this time, property was seen as a social convention defined by relationships. Land was held in common by a societal group and this society functioned based off of relationship between members. The enclosure of pastoral land in England in order for those now private landowners to profit changed the nature of property itself. Land was no longer a space for societal relationships, it was for self-interested profit and exploitation. According to Polanyi, money only operates in the market. In the local market, social bonds determine the accepted evaluation of things that are useful and products of human labor. The liberal economic establishment of the gold standard created a global account of exchange, raising the importance of national markets. The commodification of money changed its nature from a unit of exchange to something of profit. The money as a commodity accumulates interest, or makes more money, in financial markets. The fictitious commodification of labor, land, and money only could happen by changing the fundamental way these things were viewed by society. Liberal economic intellectuals and practitioners obtained this objective of changing our view of these fictitious commodities by creating the utopian fantasy of a self-regulating market and claiming that these unnatural institutions were in fact natural through liberal discourse.

⁴⁸ Polanyi, Karl. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*.

Colonialism as a Form of Capitalist Expansion in Ireland

The liberal conception of property drove the expropriation of land for private interest and capitalist accumulation. Just as they had enclosed the commons in their home country, the imperial agents of empire forcefully removed land from indigenous occupants based on the liberal valuation of land and the idea that these indigenous owners were incorrectly using this land within the market. In other words, the colonized land was expropriated by the rule of the colonizing state because of the liberal idea that land had an inherent economic value rooted in productivity. Colonizers replicated the usage of enclosure in early capitalism, reproducing liberalism through colonial practice.

The idea that land has intrinsic economic value grounded in liberal philosophy legitimized the forceful colonization of Ireland and the reorganization of Irish society. Before the formal English colonization, Ireland's institutions consisted of impermanent pastoral settlements led by clans and chieftains connected by a common legal system and indigenous social and cultural institutions. The Tudor state began its capitalist colonial expansion in the sixteenth century. Previously, the English had attempted to dominate using feudal imperial strategies, but they had not been successful.⁴⁹ England had already begun less formal and organized attempts at ruling Ireland, resulting in a small contingent of English-style towns and villages cultivated within the foundations of English society. Just as liberalism strengthened the state at home, exporting liberalism to Ireland helped to consolidate English state power. Britain reordered Irish society along liberal values with the forced settlement of the English and Scottish colonists, sent there to properly utilize the land.

While geographically originating in England, liberalism rationalized British Imperialism and led to colonization in Ireland, which further spread and embedded liberal philosophy, its institutions, and a capitalist economic structure. King James I of England oversaw the first large-scale, systematic colonization, called the Ulster Plantation in 1609. He took land from Gaelic chiefs

⁴⁹ Meiksins Wood, Ellen. 2003. *Empire of Capital*.

and native Irish and gave it to English and Scottish people from other parts of the British Empire to cultivate, similar to the enclosed land in England. The supposed barbarity of the Irish, juxtaposed by the rational Victorian morality of the British, was one rationalization for imperial involvement. Actually, the most barbarous of Irish behaviors was their waste of land. One of the major figures of English colonial rule in Ireland, Sir John Davies, claimed that the king had the moral imperative to confiscate land in order to improve and civilize the Irish people and property itself.⁵⁰ The expropriated land was both previously occupied and used, but it was not profitable by the standards of British capitalism. The new profitability of formerly Irish expropriated land legitimized further colonial conquest. After plantation, the implementation of British rule furthered the expansion of liberalism.

In this chapter, I argued that the concept of enclosure exists within the historical context of liberal capitalism, thus acts of enclosure reproduce capitalist and colonial power dynamics. Conceptually, enclosure is tied to the idea of the commons—or resources used by a society or group as a whole. Enclosure could not exist without liberal philosophy and the concept of property rights. The first enclosure of the commons happened in England starting in the 1600s when the Enclosure Acts of 1604 created legal property rights to land formerly held as lands open to common use. While enclosure and the commons historically have been conceptualized as physical and related specifically to land and its resources, these presumptions are too narrow and ignore capitalist processes that work in a similar manner.

The relationship between capitalism and liberalism necessitates acts of enclosure in order to facilitate the reproduction of liberal capitalism. Liberal elites reorganized Western European society along values such as freedom, private property, and rationality, allowing for capitalism to grow and expand. Tension arose through this reorganization, as the establishment of a market society necessitated the creation of fictitious commodities. Capitalism expanded to other parts of

⁵⁰ Meiksins Wood, Ellen. 2003. *Empire of Capital*.

the world through colonialism, spreading liberal philosophy and embedding liberal institutions. As in other places, colonialism introduced Ireland to enclosure and forcibly embedded the institutions that supported liberal, and later neoliberal hegemony.

Situating the concept of enclosure within the relationship between liberalism and capitalism allows one to see its reproduction of power dynamics. The concept of private property created a method of inclusion and exclusion based on the idea of performing or utilizing something “correctly” while supporting physical acts of domination, such as enclosing or taking over land. When this rationale is used not only to dominate physical geographical space, but for entire cultures or groups, it becomes increasingly and intricately colonial. A more abstract conception of enclosure extends not just to physical space but to public goods. Using this conception, one can compare austerity policies Ireland after the financial crisis to enclosure. However, before proceeding to this analysis, I will first need to explain how these policies were decided and which institutions created these policies. In my next chapter, I will contextualize these austerity policies within the neoliberal project and Ireland’s membership with the European Union.

CHAPTER 3

THE NEOLIBERAL PROJECT IN IRELAND

In this chapter, I argue that the dominance of neoliberalism created the conditions of possibility in Ireland for both the crisis and subsequent austerity policies because policy leaders used neoliberal ideology to privilege the market over people, reinforcing the power dynamics that led to the crisis. Ireland's major economic development happened during the creation and duration of the Celtic Tiger. This period was characterized by increases in Gross Domestic Product (GDP), the labor force, employment, and Foreign Direct Investment (FDI). However, over the same period, relative poverty and inequality grew and remained at a higher level than other European countries. The Industrial Development Agency (IDA) continued its Foreign Direct Investment (FDI) campaign,⁵¹ focusing on technology investments. As part of the neoliberal project, Celtic Tiger policies privileged the market and capital to the point that they could not address the increasing inequality that accompanied these economic policies.

At the beginning of the 2000s, the European Union saw Ireland as a beacon of growth.⁵² Its rate of growth became so prolific that it was given the sobriquet "Celtic Tiger" in popular culture. In the mid-1990s, various factors produced by neoliberal policies, such as demographics, an educated workforce, increased productivity, and low corporate tax rates, caused this economic growth.⁵³ As economic growth escalated, Ireland soon outpaced most European countries and capitalists in the United States saw Ireland as a "gateway" to European markets.⁵⁴ Ireland became a major destination for U.S. foreign direct investment.⁵⁵ From 1995 to 2002, the economic strength of the Irish state allowed the unemployment rate to fall around 4%⁵⁶, or what can be considered full

⁵¹ Foreign Direct Investments are investments made by an individual or larger entity in the equivalent of 10% or more of business interests in another country.

⁵² European Commission. 2012. *Ireland and the Euro*.

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ Economist Intelligence Unit. 2015. *Ireland*.

employment.⁵⁷ Not only was the rate of growth (measured by the change in percentage of GDP) fairly steady and strong, at about 4 to 6% during this period, Ireland's inflation was under control, from between 2 and 4%. Advocates of neoliberal economics celebrated Ireland's growth as a model for developing countries.⁵⁸ Ireland's key industrial development strategy became low corporate taxes. Neoliberal discourse undergirded all of these developmental policies and set the conditions of possibility for Ireland's later crisis and bailout.

Neoliberalism as a Hegemonic Discourse and Form of Capitalist Expansion

Neoliberalism as a political and economic philosophy emerged out of a genealogical tradition of the hegemonic ideas of Western Civilization. The supposed superiority of the "West" allowed for the exploitation of those considered "non-Western". The idea of "The West" undergirds most Western European imperial projects, whether it is under the guise of "civilizing", "development", "modernization", or "globalization" projects. This universalism, rooted in the Western European colonial experience, is a structure of power shaping the world through reorganization and knowledge production.⁵⁹ The discourse of Eurocentric universalism is productive, as it helps create and perpetuate the systemic power structure in which it thrives and describes. Wallerstein describes how "European Universalism" provided the ideological justification for one group in power over the other to decide who is human and therefore the recipient of rights. Wallerstein traces how this Universalism underscored a "social" rationalization for the exploitative capitalist nature of these re-organizations by colonizers throughout different stages of history. This "European Universalism" applies to Ireland, in both the "civilizing" mission of colonialism by the British and in "developing" Ireland into its current position in the global neoliberal economy. It is through this legacy of centering a universal European experience that

⁵⁷ European Commission. 2012. *Ireland and the Euro*.

⁵⁸ Harkin, Shaun. 2013. "Ireland's Uneven Development."

⁵⁹ Wallerstein, Immanuel. 2006. *European Universalism: The Rhetoric of Power*.

liberalism and now neoliberalism perpetuate discourses of colonization and development as ways to reproduce imperial power relations in order to exploit both resources and labor.

Neoliberalism can be understood as being both theory and as a project.⁶⁰ David Harvey argues that neoliberalism as theory refers to reinvention of liberal ideas of free trade across open borders and deregulation with the fundamental political ideals of human dignity and individual freedom. Neoliberalism as a project aims to achieve the restoration of class power, particularly that of the economic elites. The contradictory nature of neoliberalism is rooted in the fact that the restoration of class power directly contradicts and inhibits personal freedoms.⁶¹ However, in the clash between the market and capital flows and the individual freedom, the market always takes priority. Because the project to restore elite class power is hidden in theory and elites or the ruling class are not bound by nation-state borders, proponents were able to powerfully entrench neoliberalism as a hegemonic power and, at the micro-level, as common sense. Harvey's definition and analysis is illuminating. It directly addresses the dynamic of power of elites within capitalism and the tension this dynamic creates in policy. Neoliberalism as a project seeks to maximize capitalist accumulation of economic elites and to protect liberal values such as private property. The neoliberal project benefits from enclosure, as the enclosure of public goods in favor of private interests maximizes capitalist accumulation.

Some have argued that neoliberalism is a response to twentieth century developments in the international economy, such as:

The increasing internationalization and/or globalization of economies; the interconnected crises of the mixed economy and the Keynesian welfare national state associated with Atlantic Fordism, of the guided economy and developmental state in East Asia, and of the collapse of the Soviet Bloc; and the rise of new social movements in response to the economic, political, and social changes associated with the preceding two changes.⁶²

⁶⁰ Harvey, David. 2005. *A Brief History of Neoliberalism*.

⁶¹ Ibid.

⁶² Jessop, Bob. 2002. "Liberalism, neoliberalism, and urban governance: A state-theoretical perspective."

Neoliberalism responds to these major changes in how capitalism operates throughout these new systems and institutions. The interconnected crises of the different economic systems and the new social movements that accompany these crises would not exist without internationalization or globalization. While liberalism contributed to the internationalization of the world economy through colonialism, the interconnectedness and transnationality of the “global” economy in the later twentieth century marked a potential shift in norms. No longer was outright imperialism and physical domination accepted by the international community. Liberalism needed a new mode of capitalist expansion in order to grow and survive. Neoliberalism is a new form of capitalist expansion responding to geopolitical and economic changes. As the mode of capitalist expansion changes, the new economic policies that accompany it help reorganize the society connected to the market.

Ireland’s Bailout under the European Project

After the 2007-2008 Global Financial Crisis, the term “austerity” came into popular discussions about the economy in Europe. The European Union prescribed austerity policies to periphery members undergoing crisis as a condition of its loans. Austerity itself has been defined many different ways. Austerity measures consist of fiscal policies enacted by a government in order to reduce large budget deficits.⁶³ These policies include spending cuts, increasing taxes or both. Austerity policies also act as a form of governmental intervention in the market, as these policies run counter to the traditional economic cycle. Colloquially, many equate the term austerity with punishment or pain of the social and political side effects, as seen in the way local newspapers wrote about the policies.⁶⁴ Because of this negative connotation and its effect on inequality, austerity becomes politicized and a subject of public contention.

⁶³ Buttonwood Notebook. 2015. "What Is Austerity?"

⁶⁴ Hearne, Rory. 2015. "Ireland’s austerity ‘success’ is no model for Greece."

Austerity policies exacerbate social inequality through the power relations they reinforce and reproduce. They create a power dynamic between the lender and the indebted by which conditions are set. After the financial crisis, austerity policies focused “on generating growth through cuts to ‘wages, prices and public spending’”.⁶⁵ The institutions in power created these policies in order to restore competitiveness in the global market, privileging the well-being of corporations over people. The concept of austerity rests on the liberal economic assumption that all debts must be paid above all else, itself premised on the inherent morality of neoliberalism and liberalism.⁶⁶

After the financial crisis, liberal institutions framed the repayment of debt as one of the most important policy decisions that a state makes; state policy-makers thought it was more important to protect the assets of international corporations and their involvement in the economy than it was to promote the welfare of the general public.⁶⁷ The very nature of austerity policies shifts the burden of economic pain onto those who are already most vulnerable. Because austerity produces policy that creates “government spending cuts and tax hikes, privatization, reforms to reduce labour protections and wages”, it reasserts the power of elites.⁶⁸ Austerity acts as a method of inclusion and exclusion, by limiting access to public goods through the cutting of social programs. These policies emphasize the class warfare inherent in the neoliberal project, as they enclose the welfare state and redistribute this income to the economic elite. The inequality produced by austerity policies can be observed in these policies in Ireland after the 2007-2008 Global Financial Crisis—which will be summarized below and further analyzed in the next chapter.

⁶⁵ Hearne, Rory. 2015. "Ireland's austerity 'success' is no model for Greece."

⁶⁶ Graeber, David. 2014. *Debt-Updated and Expanded: the first 5,000 years*, 3.

⁶⁷ Mercille, Julien and Enda Murphy. 2015. *Deepening Neoliberalism, Austerity, and Crisis: Europe's Treasure Island*.

⁶⁸ Ibid.

Ireland entered the European Economic Community⁶⁹ in 1973. As part of its membership, Ireland must follow policy decisions and norms set by the European Commission and the governing bodies of the European Union. As a member of the European Union, Ireland claims membership to a political and economic union based on the liberal values of free trade and open borders. The single market within the European Union acts as a unifying institution by which both economic and political policy decisions originate from. The European Union accepts European countries that can demonstrate that they “[are] complying with all the EU’s standards and rules, [have] the consent of the EU institutions and EU member states, and [have] the consent of their citizens – as expressed through approval in their national parliament or by referendum”.⁷⁰ Liberal political philosophy and neoliberal economics influenced the membership criteria, as countries wishing to join must have:

stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; a functioning market economy and the capacity to cope with competition and market forces in the EU; [and] the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union.⁷¹

These criteria do not just consist of economic goals in order to join, a country must also emphasize neoliberal political values. A country who joins gives up some economic and political sovereignty to benefit from the trade bloc.

The European Union operates through its institutions to produce legislation for its member states. Treaties provide the basis for EU action while regulations, directives, and decisions originate from objectives within these treaties.⁷² The European Council, consisting of national and EU-level leaders, sets the European Union’s guiding priorities.⁷³ The European Council does not have the power to pass laws; however, it chooses the overall political direction of the EU. The European

⁶⁹ The European Economic Community (EEC) later evolved into the current European Union.

⁷⁰ European Commission. 2016. "Conditions for Membership."

⁷¹ Ibid.

⁷² European Commission. 2017. "EU Law."

⁷³ European Union. 2018. "Institutions and Bodies - European Union."

Parliament, the Council of the European Union, and the European Commission all produce policies and laws that apply throughout the EU. The European Parliament represents European Citizens through direct elections. Governments of each member country defend their national interests in the Council of the European Union. Consisting of members appointed by national governments, the European Commission provides the interests of the EU as a whole. Generally, the European Commission will propose new laws. The Parliament and the Council of the European Union will vote whether to adopt them. Once passed, member countries then implement the new laws while the Commission ensures these laws are executed. In other words, people from other countries determine some of Ireland's economic policy.

Ireland's European Union membership limited its economic options in handling the financial crisis. In general, there are a few different measures a state can use to get out of an economic downturn. Using monetary policy, a state can lower interest rates, increase bank reserves through quantitative easing, or devalue the currency. Ireland's EU membership prevented policymakers from pursuing this strategy. Through the institutionalization of the Euro, the European Central Bank controls monetary policy throughout the union. Individual member states do not have the ability to change their monetary policy. Outside of monetary policy, states can attempt expansionary fiscal policy, which involves running a budget deficit to increase government spending while decreasing taxes. Once again, Ireland's membership prevented its policymakers from pursuing this avenue. As a member of the EU, the Stability and Growth Pact affected Ireland's fiscal policy. The Stability and Growth Pact prevents EU members from pursuing a budget deficit along with other fiscal rules.⁷⁴ A stricter version, the Fiscal Compact of 2012, reinforced this policy directive.⁷⁵ The restrictions placed upon Ireland through these EU institutions forced Ireland into a

⁷⁴ European Commission. 2018. "Stability and Growth Pact."

⁷⁵ European Commission. 2018. "The Fiscal Compact – Taking Stock."

position where they needed to take a bailout engineered by the European central bureaucracy, the European Union, and the International Monetary Fund.

Austerity policies and the state's role in enforcing policy are rooted in neoliberalism hegemony and its relationship to capitalism. The Irish government implemented an austerity policy program decided by the Irish government, European Union, and International Monetary Fund as part of the financial assistance program. The program contained three major elements: a financial sector strategy to help Ireland form a "smaller, better capitalized" banking sector, fiscal consolidation to make public finances more sustainable over a medium term, and structural reform to restore competitiveness and strengthen the country's potential for growth.⁷⁶ As world hegemonic neoliberal institutions, the European Commission, European Central Bank, and International Monetary Fund recommended policy within the dominant discourse of neoliberal capitalism. Policy-makers used structural reforms in an attempt to bring down labor costs in order to make Ireland more competitive within the neoliberal global economy. The government reformed sectoral labor market agreements in an attempt to improve labor market activation for the unemployed. These economic changes could not have been made without the power and strength of the state consolidated as part of the neoliberal project.

The conditions set by the European Union, IMF, and the World Bank as part of the bailout of the Irish banking system after the financial crisis reproduced neoliberal ideology that increased inequality. The austerity policies imposed systems of inequality on Ireland through their focus on enclosing public goods while protecting foreign direct investment. These specific policies not only limited access to public goods—they also defined who was included or allowed to benefit from the bailout's assistance programs. The Irish government negotiated a financial assistance package totaling €85 billion, with €17.5 billion of Ireland's own resources, from the European Union and the

⁷⁶ European Commission. 2012. *Ireland's economic crisis: how did it happen and what can be done about it.*

International Monetary Fund on November 29, 2010.⁷⁷ This loan helped cushion the Irish economy from the shock of the burst property bubble brought about by the global financial crisis while also continuing vital public services. In 2013, Ireland was considered “graduated’ from its bailout by the EU and IMF. These two liberal institutions considered the bailout and subsequent economy recovery a success. Even after the crisis, Ireland’s inward Forward Direct Investment (FDI) per capita was higher than the EU average due to its business-friendly tax code.⁷⁸ In other words, despite the major cuts to welfare during the bailout, Ireland received high levels of Forward Direct Investment, incentivized by its low corporate tax. At the beginning of 2015, the EU Statistics office, Eurostat, announced that Ireland had the largest drop in its government debt to GDP ratio compared to the rest of the countries in the EU; however, it still maintained the fourth highest government debt to GDP ratio in the entire EU, behind Portugal, Italy, and Greece.⁷⁹ Economic analysts and the press referred to this group of heavily indebted countries, along with Spain, as the acronym “PIIGS”—Portugal, Italy, Ireland, and Greece.⁸⁰

These countries represented the backwards “Old World” thinking institutionalized through their previous colonial histories as both colonizer and the colonized. From its origins as a neoconservative pejorative conjuring animalistic imagery, the acronym PIIGS reproduces these power relations.⁸¹ All four, Portugal, Italy, Ireland, and Greece, experienced extreme financial instability and debt in the wake of the financial crisis. Through their acceptance of financial assistance packages from the European Union and IMF, each country assumed responsibility for its financial instability. Newspapers of member states published articles that reflected the attitude that European citizens and institutions⁸² believed that these countries should be punished for

⁷⁷ European Commission. 2012. *Ireland's economic crisis: how did it happen and what can be done about it?*.

⁷⁸ Halligan, Liam. 2014. "The mauled Celtic Tiger is ready to roar again."

⁷⁹ Taylor, Charlie. 2015. "Ireland records largest drop in debt in European Union."

⁸⁰ "Europe's PIGS: Country by Country." 2010. BBC News.

⁸¹ Spottorno, Carlos. 2013 "THE PIGS: Portugal, Italy, Greece and Spain through the Eyes of the Economists."

⁸² Tremlett, Giles, Heather Stewart, and Phillip Inman. 2012. "European Commission's Report Cards Tell Ailing Economies: 'Must Try Harder'."

“polluting” the financial stability of the EU with their bad and “irresponsible” behavior despite the visible structural problems apparent during each country’s individual admittance to the union.⁸³

In this chapter, I argued that the dominance of neoliberalism created the conditions of possibility in Ireland for both the crisis and subsequent austerity policies because policy leaders used neoliberal ideology to privilege the market over people. It reinforced the neoliberal power dynamics that led to the crisis. In order to receive a bailout, Ireland needed to put in place austerity policies that were deeply embedded within neoliberal tradition. These policies further deepened the inequality created by institutions within neoliberalism’s genealogical tradition. Austerity policies in Ireland could not exist without liberalism setting the conditions of possibility for capitalism. These conditions include the conceptualization of the market society, the values of individual freedom and responsibility, and the creation of private property.

The neoliberal project exists within a genealogical tradition of Western Civilization, liberalism, and modernity. The tenets of neoliberalism reflect the values of liberalism: market society, private property, and individual freedom and responsibility. The concept of austerity could not exist without a societal adoption of these values. The neoliberal project focused capital redistribution upward while consolidating elite power. In Ireland, upward capital redistribution was achieved through attracting foreign direct investment with low corporate taxes. This development exacerbated the tension between the market and society and came to a head during the 2007-8 Global Financial Crisis. In what could have been a historical moment for social reorganization, the austerity policies after the crisis instead further entrenched neoliberal policy in Irish society. The financial crisis hit Ireland hard and opened it to outside intervention by the European Union, the European Commission, and the International Monetary Fund in the form of a bailout.

⁸³ Roilos, Panagiotis. 2012. "Economic Crisis, the 'PIGS' and the European 'Animal Farm'."

The Global Financial Crisis of 2007-2008 resulted in Ireland receiving a bailout from larger international powers with the condition of implementing neoliberal policies that privileged the market while cutting public goods and services. These policies connoted a form of punishment for bad economic behavior, as evidenced by the usage of the pejorative PIIGS. Austerity and PIIGS both exist within the context of neoliberal hegemony. In my next chapter, I will connect Ireland's history of enclosure to the neoliberal project through an analysis of Ireland's austerity policies.

CHAPTER 4

AUSTERITY AS THE SECOND ENCLOSURE IN IRELAND

According to the institutions that initiated the bailout in Ireland after the Global Financial Crisis of 2007-2008, the European Union and International Monetary Fund, the bailout was considered a success and Ireland had completed its recovery. However, the EU and IMF made these conclusions based off of economic indicators focused on Gross Domestic Product, trade, and foreign direct investment. These indicators do not reflect the socio-economic health of the society. This chapter discusses how these austerity policies affected people in most need by examining how public goods were enclosed in the name of preserving the economy and foreign direct investment, resulting in the increase of inequality.

Throughout this chapter, I question whether an economy can be considered healthy and recovered when the already marginalized are worse off than before. Here, I argue that the neoliberal austerity policies in Ireland instituted after the global financial crisis of 2007-2008 act as a second enclosure. First, I define second enclosure within the context of the previous chapter's conceptualization of enclosure. Next, I analyze the usage of austerity policies within Ireland and how they act as a second enclosure. By examining the enclosing of public goods and services, one can see how economic elites benefitted from these policies while those already marginalized had to deal with further inequality. The case of Irish Travellers, a minority group in Ireland, illustrates the increased inequality of othered and marginalized groups. Finally, I examine how austerity policies produced counter-hegemonic resistance centered on the issue of inequality in the form of new political parties. As in the previous iteration of enclosure, the second enclosure of public goods and services increased inequality for the profit and privilege of economic elites.

During the period of austerity after the financial crisis, neoliberal policy introduced a new form of enclosure. Nineteenth century enclosure resulted from emergence of the importance of

private property in civil society, which ensured the continued growth of capitalism.⁸⁴ In this current iteration, the “commons” is no longer the public physical space, but the welfare or societal programs established in the post-war era from which the general population benefits.⁸⁵ As liberalism, even in the form of “neoliberal” policy, privileges capital, corporations, and the market over people, it allows for the “enclosure” or closing of these programs. Through liberal discourse, the state cuts these programs through austerity policy. These neoliberal policies reproduced power relations that yielded inequality.

My usage of the term “second enclosure”⁸⁶ derives from a synthesis of work by Karl Polanyi, Maria Giannacopoulos, and David Lloyd and Patrick Wolfe. Polanyi’s analysis of the enclosure of the commons provides the foundation for this term.⁸⁷ Giannacopoulos provides a temporal bridge between austerity and colonialism through her analysis of the imperial nature of austerity policies.⁸⁸ David Lloyd and Patrick Wolfe provided the final connection by tying neoliberal settler colonialism to a “second commons” defined as public goods provided by the state, such as welfare.⁸⁹ In other words, austerity policies reproduce imperial power relations and inequality through the enclosure of these public goods, including health spending, local authority housing, community development, and other forms of welfare. Before explaining what I call the second enclosure in Ireland, I must make an important distinction. I want to clarify that not all funding cuts to welfare should be considered enclosure. However, in this particular context of Ireland’s austerity, these welfare programs cuts are considered a “common good” citizens have a right to yet were cut in order to privilege the capitalist accumulation of foreign capital elites.

⁸⁴ Polanyi, Karl. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*.

⁸⁵ Lloyd, David, and Patrick Wolfe. 2016. "Settler colonial logics and the neoliberal regime."

⁸⁶ When I use the term second enclosure, I am not referring to James Boyle’s usage of the term within public domain law. Instead, I am using as new application of Polanyi’s original analysis on enclosures.

⁸⁷ Polanyi, Karl. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*.

⁸⁸ Giannacopoulos, Maria. 2015. "Sovereign debts: Global colonialism, austerity and neo-liberal assimilation."

⁸⁹ Lloyd, David, and Patrick Wolfe. 2016. "Settler colonial logics and the neoliberal regime."

The Second Enclosure in Ireland

To understand how austerity policies in Ireland acted as a form of second enclosure, one should understand how these welfare and social programs became societal norms for the people of Ireland. The history of welfare in Ireland traces back to its colonial history. The 1838 Poor Relief (Ireland) Act became the first national system of welfare in Ireland.⁹⁰ The British government enacted this law in the context of the revision of the Elizabethan Poor Laws, also known as the “new” Poor Laws. These original poor laws connected the need for welfare to the negative connotation of pauperism. In other words, these laws established a morality around welfare and who was deserving or worthy of help. The new Poor Law revised previous relief laws to reflect liberal *laissez-faire* philosophy in the context of Britain’s growing industrial economy.⁹¹ The new Poor Laws designed a highly-surveilled workhouse regime that restricted access to those who were deserving of aid and prevented those believed to be unproductive from receiving relief. The Poor Relief Act in Ireland did not consider Ireland’s economic history, such as its reliance on agriculture, imposing a near copy of the Poor Laws in England. This lack of consideration for Ireland’s context led to more abject poverty and destitution. The law was to be funded by collecting a “poor rate” from the landowners. However, the low percentage of indigenous land ownership could not support the large number of those needing relief. The legacy of the 1838 Poor Law imparted a “deep-seated revulsion” from the stigma associated with the law, becoming the rationale for improving social policy in the future.⁹²

Toward the end of the 19th century and the beginning of the 20th, policymakers in Britain started shifting from the Poor Laws to income maintenance provisions and national insurance. As a colony, Ireland received benefits such as pensions and unemployment insurance. However, the Catholic Church, with its influence on the Irish Party in the House of Commons and the medical

⁹⁰ McCashin, Anthony. 2004. “Historical Development of the Irish System of Social Security”

⁹¹ Ibid.

⁹² Ibid.

profession, prevented the adoption of national health insurance. Through its earlier Poor Law, medical benefits were provided by a network of local voluntary hospitals, usually through the Church. The Catholic Church continued to be a major provider of welfare even after Irish independence into the late 20th century. Until the fifth amendment in 1972, the Catholic Church even held a “special position” in the Irish Constitution.

The early leaders of the new Irish Republic highly valued welfare and social programs, as shown both by the constitution and early policies in the nascent republic. The 1934 Constitution of Ireland contains an entire article entitled “Directive Principles of Social Policy”. Article 45 of the Irish constitution set principles of social policy fundamental to the new Irish state.⁹³ Many of these principles directly or indirectly relate to what can be considered welfare or social programs for the “common good”. These principles listed include:

- Protecting the “social order in which justice and charity shall inform all the institutions of the national life”
- “That the ownership and control of the material resources of the community may be so distributed amongst private individuals and the various classes as best to subserve the common good”
- “The State pledges itself to safeguard with especial care the economic interests of the weaker sections of the community, and, where necessary, to contribute to the support of the infirm, the widow, the orphan, and the aged”
- “The State shall endeavour to ensure that the strength and health of workers, men and women, and the tender age of children shall not be abused and that citizens shall not be forced by economic necessity to enter avocations unsuited to their sex, age or strength”

The writing of the constitution of any new state creates the opportunity for leaders to codify their political, economic, and social institutions and values. The inclusion of these social policy directives shows the importance of welfare and the “common good” to the leaders of the new Irish Republic and the Irish people, setting a norm for later social and welfare programming. Éamon de Valera introduced the new Irish constitution and became the first Taoiseach⁹⁴ under it. His party, Fianna Fáil, expanded welfare schemes such as “the introduction of unemployment assistance (1933), the

⁹³ Ireland. *Bunreacht Na Héireann (Constitution of Ireland)*.

⁹⁴ The Taoiseach is the prime minister, chief executive, and head of government of Ireland.

unification of national health insurance (1933), a new widow's pension scheme (1936), and children allowances (1944)."⁹⁵ The party also oversaw the creation of other social policy areas such as healthcare and public housing. In 1947, the Fianna Fáil government established both social welfare and health departments. The combination of putting these social values in the constitution and creating new social policies and expanding pre-existing ones during the beginning of the Irish Republic established the norm in Ireland of a state-curated welfare system based on a citizen's right to these programs.

As mentioned previously, Ireland entered the European Economic Community in 1973. The EEC developed over time beyond an economic community into the European Union we know today. As a member of the EU, Ireland participates in the European Project. According to article 29.4.6 of Ireland's Constitution, EU law takes precedence over the constitution if it is necessary for Ireland's membership in the EU.⁹⁶ Ireland is party to the European Social Charter—a treaty system of “integrated set of international standards concerning social rights and a mechanism for monitoring their implementation.”⁹⁷ The charter considers everyday essential needs, such as everyday needs related to employment and working conditions, housing, education, health, medical assistance and social protection as guaranteed human rights. The charter emphasizes the protection of vulnerable people such as elderly people, children, people with disabilities and migrants and that these protected groups should receive these rights without discrimination.⁹⁸ In other words, countries bound by the European Social Charter recognize welfare and social programs as essential rights foundational to the European Project. The people of Ireland consider these programs a “common good” they have a right to, through the emphasis of these values in both the constitution of Ireland and European Social Charter.

⁹⁵ Cousins, Mel. 2005. “The development of the Irish welfare state”. *Explaining the Irish Welfare State: An historical, comparative, and Political Analysis.*

⁹⁶ Ireland. *Bunreacht Na Héireann (Constitution of Ireland)*.

⁹⁷ The Council of Europe. 2018. “The Charter in Four Steps.”

⁹⁸ *Ibid.*

As mentioned previously, Ireland received a conditional bailout from the European Union, International Monetary Fund, and the World Bank after housing bubble collapsed and the ensuing financial crisis. The funders required the Irish government to cut its social programs in order to pay back the loans while still keeping low tax rates for international corporations in order to attract foreign direct investment. Prioritizing foreign direct investment over social goods in state policy exemplified the neoliberal project working within political-economic institutions in Ireland. The policy plans created by the European Union, International Monetary Fund, and European Commission were supposed to reduce the domestic pain caused by internal adjustment measures. However, it seemed for many of its citizens that the policies only made it worse.

The International Monetary Fund has a history of giving countries advice that protects the creditors at the expense of the debtors, as seen repeatedly throughout past debt crises, including the ones in Latin American and East Asia in the decades prior to Ireland's own.⁹⁹ While the liberal international institutions themselves framed the bailout as "the Irish bailout" or a "bailout for Ireland", it was actually a bailout of European financial institutions that had lent to Irish banks.¹⁰⁰ The IMF and EU forced the Irish government to take on €60 billion of liabilities and then accept an €85 billion bailout, which then made them subject to IMF and EU policies and "debt servitude".¹⁰¹ For the Irish public, it seemed as if Ireland was forced to suffer in order to avoid spreading the financial crisis throughout the rest of the Eurozone.¹⁰² The view of austerity measures as "punishment" for bad economic decisions underlined the "mainstream debate over the causes of the financial crisis [which] turned on a discourse of good citizenship, delineated in terms of economic responsibility and moral courage".¹⁰³ EU leadership, such as Angela Merkel, echoed this

⁹⁹ Stiglitz, Joseph E. 2003. *Globalization and Its Discontents*.

¹⁰⁰ Mercille, Julien and Enda Murphy. 2015. *Deepening Neoliberalism, Austerity, and Crisis: Europe's Treasure Island*.

¹⁰¹ Halligan, Liam. 2014. "The mauled Celtic Tiger is ready to roar again."

¹⁰² Ibid.

¹⁰³ Kiersey, Nicholas J. 2011. "Everyday Neoliberalism and the Subjectivity of Crisis: Post-Political Control in an Era of Financial Turmoil."

statement of responsibility and reinforced this “good citizenship” framing.¹⁰⁴ In other words, the interests of capital and the market were privileged over the interests of the public, as that was the economically responsible and morally courageous solution. State intervention in the form of a bailout resulted in the transformation of private debt into public debt specifically for corporations.¹⁰⁵ This privileging of the market over social welfare echoes Polanyi’s double movement in response to enclosure. Austerity policies disembled the market from society, privileging the market over individual people. Instead of enclosing the commons to create private property needed to support capitalism, the second enclosure features the enclosing or cutting of welfare programs in order to support capitalism in the form of foreign direct investment.

Structural adjustment policies not only deepened inequality but furthered the neoliberal project of increasing elite capital accumulation through the enclosure of public goods such as welfare. They focused on finance, property, the labor market, and government spending, resulting in the “re-positioning of Ireland relative to wider financial flows; labour market changes designed to discipline Irish workers, ostensibly to improve their competitiveness, whilst also creating new elite labour market segments that aim to draw in new investment; and new efforts to activate and mobilize the unemployed”.¹⁰⁶ While Ireland hit all major targets set by EC, ECB and IMF, the public felt that the majority of the economic and social pain of these policies.¹⁰⁷ A major line of attack through policy specifically targeted public sector workers. The Croke Park Agreement froze pay for public sector workers between 2010 and 2014, causing nominal wages to remain stagnant and real wages to decline.¹⁰⁸ These policies also benefited business over labor in the private sector, as firms

¹⁰⁴ Kiersey, Nicholas J. 2011. "Everyday Neoliberalism and the Subjectivity of Crisis: Post-Political Control in an Era of Financial Turmoil."

¹⁰⁵ Fraser, Alistair, Enda Murphy, and Sinead Kelly. 2013. "Deepening neoliberalism via austerity and ‘reform’: The case of Ireland."

¹⁰⁶ Ibid.

¹⁰⁷ "The Eighth Austerity Budget; Ireland." 2013.

¹⁰⁸ Fraser, Alistair, Enda Murphy, and Sinead Kelly. 2013. "Deepening neoliberalism via austerity and ‘reform’: The case of Ireland."

used the crisis as rationale for cutting wages or renegeing on wage agreements through “inability to pay” clauses.¹⁰⁹

The austerity policies enacted in Ireland and produced by liberal discourse enclosed the “second commons” of welfare and social programs. The Irish government enacted these policies fairly immediately in order to repay the bailout, as both the state and international neoliberal institutions operated on the assumption that all debts must be repaid despite the economic and physical harm to the populace, especially since this debt was framed by these institutions as punishment for poor economic behavior leading to the crisis.¹¹⁰ In 2010, Prime Minister Brian Cowen pledged €10 billion in spending cuts and €5 billion in tax increases over four years.¹¹¹ These spending cuts included decreasing the minimum wage, slashing the government payrolls, and discontinuing valuable health and welfare programs. Not only did austerity policies cut social programs, they re-entrenched liberalism within the state’s social welfare programs. The new Pathways to Work program forced recipients of welfare to fulfill “their personal responsibility” of pursuing employment and training support in order to receive their payments.¹¹² Another “Pathway” involved the unemployed working in a “Community Employment system” for 19.5 hours in return for a small amount in addition to their normal payment.¹¹³ The moral implications of this particular form of a Pathways to Work program reinforced a liberal conception of poverty while forcing the unemployed to perform labor without reasonable compensation.

Throughout most of the Irish government’s new taxes and cutting social program policies, the Irish public handled the economic pain that comes with austerity. However, the introduction of water fees for those connected to the public water supply in the summer of 2014 after the

¹⁰⁹ Fraser, Alistair, Enda Murphy, and Sinead Kelly. 2013. "Deepening neoliberalism via austerity and 'reform': The case of Ireland."

¹¹⁰ Graeber, David. 2014. *Debt-updated and expanded: the first 5,000 years*.

¹¹¹ Shah, Neil. 2010. "Ireland Outlines Austerity Measures."

¹¹² Fraser, Alistair, Enda Murphy, and Sinead Kelly. 2013. "Deepening neoliberalism via austerity and 'reform': The case of Ireland."

¹¹³ Ibid.

government claimed austerity was over was the last straw for many.¹¹⁴ The water fee sparked mass protests across the country, with a third of households refusing to register with the state authority in charge of running the country's water service.¹¹⁵ Mobs attacked government employees installing water meters. In a September 2015 poll by the *Irish Times*, almost 60% of people claimed they would never pay the fee.¹¹⁶ This water fee acted as an act of enclosure, monetizing a previously public resource—effectively limiting the access of those with lower income. The extreme reaction from the public resulted in a suspension of this enclosure through the “Water Services (Amendment) Act 2016” less than a year later and its official repeal in the “Water Services Act 2017.”¹¹⁷ While these type of cuts to public goods affected the general population, they directly increased inequality, hurting the most vulnerable in society.

Austerity policies actively targeted the most vulnerable populations, such as those on welfare, furthering inequality and rationalizing it based off of liberal social values. Inequality worsened in Ireland after the enactment of austerity policies enclosing the second commons of welfare. The Gini Coefficient measures the degree of inequality in the distribution of family income in a country.¹¹⁸ When looking at a table or graph of Gini Coefficients, the lower the number equals the greater equality and the higher the number equals the greater inequality.

¹¹⁴ Daley, Suzanne. 2015. "A New Irish Rebellion, This Time Against Water Fees."

¹¹⁵ Ibid.

¹¹⁶ Ipsos MRBI Poll. 2015. *The Irish Times Poll*.

¹¹⁷ Citizens Information Board. 2018. "Water Charges."

http://www.citizensinformation.ie/en/environment/water_services/water_charges.html.

¹¹⁸ Worth, Jessica. 2013. *Income Inequality in Ireland*.

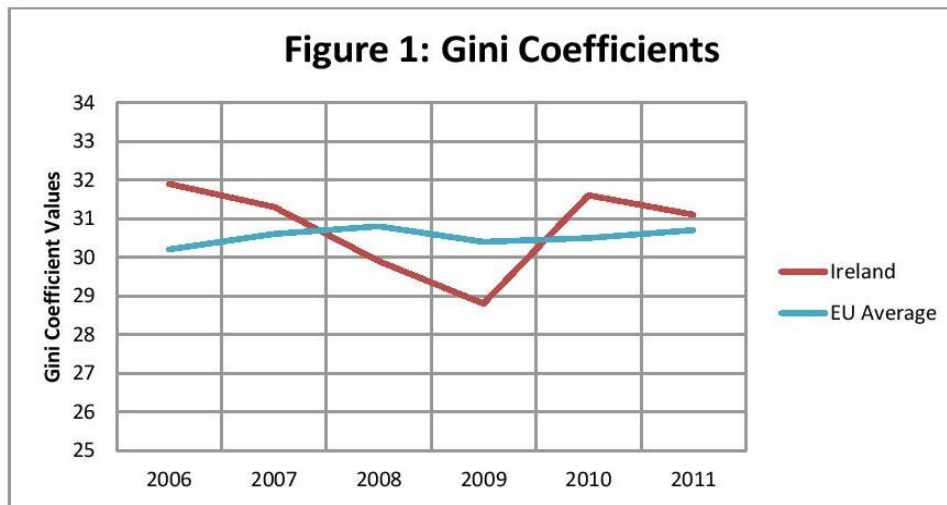


Figure 1: Gini Coefficients

Source: <http://www.publicpolicy.ie/income-inequality-ireland-2/>

In the years before the crisis, Ireland's Gini Coefficient was slowly decreasing, indicating an increase in income equality. During the Celtic Tiger, a period of increased economic growth from the 1990s until the crash, Ireland had decreased its Gini Coefficient greatly by reducing previous levels of inequality through many government programs and social welfare policies.¹¹⁹ In the years immediately following the crisis, 2008 and 2009, the Gini Coefficient was relatively stable, possibly due to the fact that most jobs lost were high-to-middle income and welfare payments remained stable.¹²⁰ However, the conditionality of the loans—that Ireland's government must enact austerity measures as part of receiving the bailout—given by the European Union and the International Monetary Fund forced Ireland to cut some of its social programs, effectively enclosing these programs. The sharp increase in Ireland's Gini coefficient, as shown in Figure 1, coincided with the government's initialization of austerity measures in 2010. Many citizens in Ireland blamed the bailout out for worsening Ireland's inequality, as their wages stagnated, their welfare was cut, and their taxes increased.¹²¹ Ireland's regression to its Pre-Celtic Tiger levels of income inequality

¹¹⁹ Worth, Jessica. 2013. *Income Inequality in Ireland*.

¹²⁰ O'Brien, Carl. 2015. "How Unequal is Ireland?"

¹²¹ Ibid.

resulted in it becoming the European Union’s eighth most unequal country.¹²² After the bailout, Ireland’s Gini Coefficient decreased as the European Union’s as a whole increased in 2011. The Gini Coefficient, as measured before the bailout and after the liberal structure adjustment policies were implemented, show how these policies “enclosing” the “second commons” of welfare policies in order to promote capital contributed to an increase in inequality while re-entrenching liberalism at the institutional level.

The enactment of austerity policies in Ireland not only resulted in an increase in economic disciplining through state power, but individual disciplining of those designated as participating in the market “incorrectly”. Incarceration rates in Ireland are an important tool in understanding how the individual is disciplined by state institutions undergirded with liberalism.

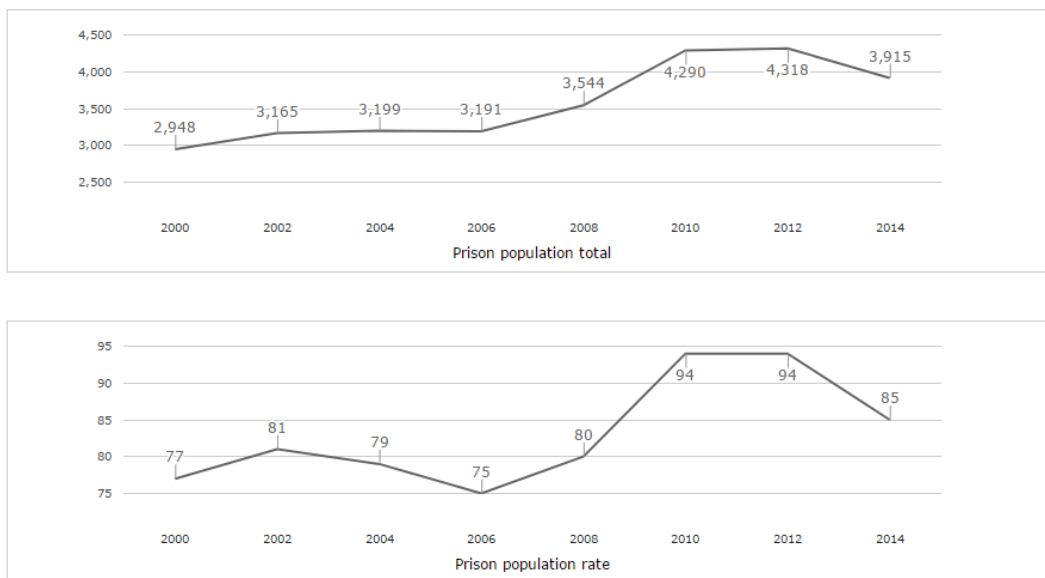


Figure 2: Population Rates in Irish Prisons- 200-2014

Source: <http://www.prisonstudies.org/country/ireland-republic>

¹²² Worth, Jessica. 2013. *Income Inequality in Ireland*.

In the period from the Celtic Tiger in 1997 to 2011, the number of those in custody increased by 100%.¹²³ From 1970 to 2011, the prison population increased by 400%.¹²⁴ As shown in Figure 2, the highest number of people imprisoned coincided with the introduction of austerity policies in Ireland. The homeless or poor make up 60% of those serving sentences of six months or less and over half of Irish prisoners left school before the age of 15.¹²⁵ In other words, a majority of those incarcerated benefit or depend on social programs and welfare. Irish Travellers, a specific group that tends to fall into both of those categories, are disproportionately imprisoned in the Irish penal system. While making up only 0.6% of the population, they account for 22% of the female prison population and 15% of the male prison population.¹²⁶ As shown by these percentages, Irish Travellers disproportionately experience institutional discipline compared to the population as a whole.

According to the All-Ireland Traveller Health Study (2010), 36,224 Travellers live in the Republic of Ireland.¹²⁷ Irish Travellers are one of the most marginalized and excluded groups in Irish society, facing an 84% unemployment rate.¹²⁸ The government refuses to recognize the Irish Travellers' status as a separate ethnic group—legitimizing the systematic racism and discrimination they face and institutionalizing liberal ideals of modernity. They are excluded from most of the anti-discrimination or anti-racism laws in Ireland and have very little access to health or reproductive care. According to the All-Ireland Traveller Health Study of 2010, 40% of Travellers have experienced discrimination in accessing health services and have a 14.1% infant mortality rate, compared to the settled population at 3.9%.¹²⁹ Waiting lists, embarrassment, lack of information, cost, and difficulty getting to services, health settings and refused services were identified as barriers

¹²³Institute for Criminal Policy Research. 2017. *World Prison Brief: Ireland, Republic of*.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Devlin, B. 2015. "Travellers in Prison Initiative."

¹²⁷ "Pavee Point." 2015. Pavee Point.

¹²⁸ Ibid.

¹²⁹ Ibid.

to accessing health services. In nationalistic discourse, Travellers are seen outsiders who endanger public security and national identity.¹³⁰ This view as outsider excludes them from the “commons” of public services and goods.

Contemporary Irish society’s exclusion of Irish Traveller’s from the cultural narrative of Irishness, its participation in the global economy and the disproportional representation of Irish Travellers in prison are all related. The incorporation of liberal values into austerity policy further “punish” marginalized groups who do not fit the normative narrative of Irishness. While they make up less than 1% of the population, Traveller men are between five and 11 times more likely than other men to be imprisoned and Traveller women are 18 to 22 times more likely to be imprisoned than other women.¹³¹ Over half of the crimes committed by those imprisoned are related to unlawfully obtaining property or other desperation-related crimes.¹³² Austerity policies enclosing welfare directly targeted the most marginalized communities in Ireland, including welfare-dependent Irish Travellers. As mentioned previously, Irish Travellers have an unemployment rate of 84%. As the availability of legitimate opportunities decreased with the implementation of austerity policies, Irish Travellers relied on criminal activity to supplement their previous welfare income. Low education and literacy rates, maintained by both structural and social discrimination, act as barriers to greater social and economic participation of Irish Travellers within Irish society, preventing access to information and entitlements. The disciplinary nature of liberalism—that those who do not participate productively in the market should be punished—continues the cycle of discrimination, poverty, and criminality further marginalizing a specific ethnic group othered by their refusal (whether intentional or forced) to participate. The conditions attached to austerity policies not only discipline (or punish) the borrowing state, they also discipline those already marginalized by the state and society.

¹³⁰ Mac Laughlin, Jim. 1999. "Nation-building, social closure and anti-Traveller racism in Ireland."

¹³¹ Costello, Liza. 2014. *Travellers in the Irish prison system: a qualitative study*.

¹³² Ibid.

The Emergence of the Alternative Left as Resistance

As mentioned previously during the discussion of water fees and their repeal, in the enclosure of public goods and the struggle between the market and society during austerity, the public did not remain silent. The public reaction to the austerity policies that enclosed public goods enacted by the Irish government and the new Water Fee caused the creation of a new political party in late 2015 The Anti-Austerity Alliance- People Before Profit party.¹³³ The party started as separate social movements. The Anti- Austerity Alliance was formed in 2014 by Paul Murphy, Ruth Copping, and Joe Higgins, all previous members of the Socialist party. Their main goal is to oppose austerity policies along with:

The abolition of the Property/Home Tax. No to Water taxes, metering & to privatisation and profiting from water. Defending our council and public services. No more cuts or erosion of worker's pay and conditions. Our Councillors will not go into coalitions or make deals with the austerity Parties (FF, FG, LP) and will not participate in junkets or the gravy train. We support a united movement of all affected by home taxes and austerity. We oppose divisions based on race, nationality, gender or age. End the bailout of the banks and bondholders. No to all Austerity – ordinary people have paid enough. Tax the Wealthy as the alternative to austerity: For progressive taxation on the wealthy and corporate sector. Public investment to creat jobs, stop emigration and provide housing and socially useful infrastructure. Planning for the community, not for developers or vested interests. For mortgage debt write-down to real house values to keep struggling families in their homes. The banks should be run in the public interest and to assist in economic recovery. Save our health, education and social services – reverse the cuts and restore staff levels.¹³⁴

As evidenced by their goals, this alliance seeks to directly counter austerity as enclosure and reduce the inequality created by these policies.

The People Before Profit Alliance was created in 2005 in order to “reverse neo-liberal policies which place wealth creation for the few over the welfare of communities in Ireland”.¹³⁵ It contains members from the Socialist Workers Party, the Community & Workers Action Group and

¹³³ Bardon, Sarah. 2015. "Anti Austerity Alliance and People before Profit to launch new party."

¹³⁴ The Anti-Austerity Alliance. 2015. *About the Anti-Austerity Alliance*.

¹³⁵ People Before Profit Alliance. 2015. *About People Before Profit Alliance*.

members of the Campaign for an Independent Left.¹³⁶ Their main platform consists of “Free, Quality Healthcare for All, A Fair Tax System, Housing for All, Decent Public Transport, Workers’ Rights, Real Local Democracy, Protect our Environment, Keep Ireland out of US led War, People Power, [and an] Alternative Economic Agenda”.¹³⁷ In other words, this group was committed to fighting liberal and neoliberal policies centered on capital accumulation that inherently reproduce imperial power relations and inequality.

The existence of this new political party is the embodiment of social unrest and political dissatisfaction in Ireland. According to the party itself, the Labour Party was losing favor due to its acceptance of the neoliberal agenda, water fees, and the cuts to social welfare program.¹³⁸ One of the most telling statements was published by the Anti-Austerity Alliance positions the party outside of inherent power dynamic within liberal between the market and society:

Neither PBP nor the AAA will participate in any government with the parties of the capitalist establishment i.e. Fine Gael, Fianna Fail, Labour and or any right-wing parties/independents. Instead we are fighting for a genuinely left government that will ensure that the economy and country’s resources are used for people needs not profits.¹³⁹

This statement voiced the public dissatisfaction with the fact the contemporary coalition ran on the premise they would fix austerity measures. However, they continued to impose more and furthered the economic divide between the rich and the poor by prioritizing the market over needed public services. This incendiary new party suggested that the public is unhappy and is willing to vocalize its discontent through the electoral process. In the 2016 election following their alliance, the public elected three members to the Dáil Éireann, the lower house of the Oireachtas.¹⁴⁰ In 2017, the party rebranded itself as “Solidarity” in order to reflect “many movements emerging on workplace, economic and social issues”.¹⁴¹ This rebranding as a “new left alternative” centered its

¹³⁶ People Before Profit Alliance. 2015. *About People Before Profit Alliance*.

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Ibid.

¹⁴⁰ The Oireachtas is the legislative body of Ireland.

¹⁴¹ RTE News. 2017. "Anti-Austerity Alliance Rebrands as Solidarity."

platform on “repealing the 8th amendment [which denies abortion rights], challenges the 1%’s rigged economy, and standing with workers and the 99%”.¹⁴² The citizens of Ireland appeared to be growing tired of the neoliberal agenda and of its imposed austerity—possibly limiting the power of the parties in power due to the parliamentary nature of its government. The government imposed internal adjustment measures, inflicting pain on its citizens and causing social unrest, as seen by the country-wide mass protests in response the enclosure of public water access with a new water fee and the creation of a new political party in direct opposition to these policies.

In this chapter, I argued that austerity policies in Ireland act as a second enclosure of the commons, increasing inequality and reproducing the power dynamics inherent in neoliberal capitalism. Austerity as a second enclosure expands inequality by defining the inclusion and exclusion of access to the public goods. Enclosure perpetuates the inequality inherent in capitalist accumulation. The austerity policies in Ireland after the 2007-2008 Financial Crisis enclosed welfare programs, lowered the minimum wage, and decreased government jobs while prioritizing foreign direct investment. This form of enclosure physically affected, or punished, those already excluded from “common” public goods. Irish Travellers exemplify how already marginalized groups are affected by increased inequality by these methods of enclosure. The increase in Irish Travellers who were incarcerated for deprivation-related crime underlines how austerity punishes those already in most need. However, this increased inequality sparked counter-hegemonic resistance in the form of a water tax protests and a new political party. Examining Ireland’s austerity policies as a second enclosure situates these policies within neoliberalism’s genealogical tradition and highlights the continuity of inequality within the genealogical tradition of neoliberal capitalism.

¹⁴² Solidarity. 2018. "Solidarity Is a New Left Alternative."

CONCLUSION:

AUSTERITY AS METHODS OF INCLUSION AND EXCLUSION

In this thesis, I argue that the neoliberal austerity policies in Ireland after the 2007-2008 Global Financial crisis acted as a second enclosure and increased inequality. Neoliberalism created the conditions of possibility in Ireland for both the crisis and subsequent austerity policies because policy leaders used neoliberal ideology to privilege the market over people, reinforcing neoliberal power dynamics. The concept of enclosure exists with the historical context of the relationship between liberalism and capitalism, thus reproducing capitalist and colonial power dynamics. The concept of private property rights and who is “correctly” and productively participating in the market underlines enclosure as a method of inclusion and exclusion. Austerity policies in Ireland act as a second enclosure of the commons, increasing inequality and reproducing the power dynamics inherent in liberal capitalism. Situating austerity policies and its neoliberal power dynamics within a genealogical tradition of liberalism, modernization, and “The West” allows this analysis to extend beyond this original case study of Ireland.

This argument rests on the idea that enclosure should be conceptualized beyond its historical and physical or geographical designation. While historically the enclosure of the commons relates to the enclosing of physical common land or resources, enclosure now should include common goods needed for the good of society, such as welfare. More abstractly, enclosure acts as methods of inclusion and exclusion. In its previous iteration, the enclosure of the commons resulted from a new definition of common good relating to the productive use of land. In the case of Ireland, enclosing public welfare using punitive austerity policies disciplines those already in need, usually those who are not participating in the market society correctly and are not “productive” enough on their own without welfare. The bailout and subsequent austerity policies set a dangerous precedent of who is deserving of help during a financial crisis. If we take Ireland’s bailout as an example, foreign direct investment and corporations received state and institutional

aid while the individual was left to navigate a financial crisis and economic pain that comes with it without the traditional welfare that is supposed to be for the collective common good.

Conceptualizing austerity measures as a form of enclosure creates political implications. If enclosure is a method of inclusion and exclusion, there is a value assigned to those included and a different value assigned to those excluded. Framing austerity as enclosure means acknowledging that there is a stated policy difference in worthiness in who is and who is not allowed access to a public good, such as water or welfare programs, at a state level. The person or people who create austerity policies make this value statement. Once again, I emphasize that not all austerity measures should be considered enclosure. I characterize austerity as enclosure when it consists of cuts to “common good” welfare programs considered a right by its citizens in order to promote policy that privileges the capitalist accumulation of foreign capital elites. In other words, policymakers in power chose to “bailout” foreign capital by cutting “common goods”. Conceptualizing austerity as enclosure questions who is making these value statements and centers the relationship between capitalism and liberalism and its influence these policy decisions that prioritize the market over individuals. This conceptualization of austerity as enclosure helps us understand the growing inequality in Ireland as a historical process created through the power relations needed for capitalist accumulation.

As the hegemonic discourse of the global economy, neoliberalism sets the conditions for counter-hegemonic thought and action. As mentioned previously, discourse “creates boundaries, regarding what can be said and done, how it can be said and done, and how it can be understood; discourse creates legitimate speakers and discourse sets the stage for future discourses”.¹⁴³ Anti-neoliberal thought can only exist within the context of neoliberal discourse as it sets the conditions for all future possible discourses. Counter-hegemonic movements must navigate the neoliberal systems they exist within. For example, the previously mentioned Solidarity party must exist with

¹⁴³ Foucault, Michel. 1972. "Discourse on Language" in *The Archaeology of Knowledge*

the parliamentary structure of Irish politics embedded in the neoliberal market society. However, its existence as a viable political party with seats in parliament and continued momentum, including a name change to further solidify its counter-hegemonic platform shows that there is popular support at the individual level. Austerity policies in Ireland revealed the power dynamics and social divisions between the market and those already in need by further exacerbating disparity. The creation of this counter-hegemonic party reveals both discontent for the second enclosure and the neoliberal policies that undergird that enclosure. The repeal of the water tax shows that vocal community opposition threatening neoliberal hegemony works as part of Polanyi's double movement in the ongoing tension between the market and society. The Global Financial Crisis 2006-2007 created a flashpoint opportunity for alternatives to the global financial system within the tension between the market and society. Instead, neoliberal institutions and elites used this time to re-entrench neoliberal policy in the form of austerity policy. However, counter-hegemonic movements, such as the Solidarity party, are slowly gaining power and favor as many are losing faith in neoliberal institutions—wondering if there is an alternative.

The British exit, or “Brexit”, from the European Union complicates this conversation. I chose not to add this complication to my analysis because it was an ongoing, changing, and incomplete process during my time writing this thesis. In the United Kingdom, Brexit can be read as a reaction against the neoliberal European project in the decade after the financial crisis.¹⁴⁴ Brexit adds another layer to this analysis because Irish economic and political policies have been shaped overwhelmingly by its relationship with the United Kingdom, specifically through the introduction of liberal economics through colonization and later trade relations. Brexit is a disruption between the historical, political, and economic relationship between the Ireland and UK, as Ireland's allegiance to the European Union takes precedence. As of late 2018, the UK and EU are still

¹⁴⁴ Corbett, Steve. 2016. "The social consequences of Brexit for the UK and Europe: Euroscepticism, populism, nationalism, and societal division."

negotiating the future of Ireland's border and largest trade relationship. A future analysis of Brexit may show that the rejection of the neoliberal project and the inequality it produced within Ireland is mirrored in other parts of Europe.

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