

# The Solidarity Factor Public Perceptions of Unequal Ireland

## 2008 TASC Survey Results

Survey carried out by *Behaviour & Attitudes* on behalf of TASC

### Introduction

Despite the transformations wrought by the boom years of the late 1990s and the early part of this decade, progressive economists and commentators – as well as international organisations such as the OECD – have long pointed out that Ireland is among the developed world's most unequal societies:

- The top 1% of the Irish population enjoys around €1 billion worth of assets ... and owns 20% of the nation's wealth<sup>1</sup>
- Of the EU-15, Ireland ranks first in terms of earnings inequality<sup>2</sup>
- 17% of our fellow citizens are classified as being at risk of poverty<sup>3</sup>
- The percentage of children living in consistent poverty<sup>4</sup> actually increased in 2006, the most recent year for which figures are available<sup>5</sup>

Now, research carried out on behalf of TASC shows that the public not only agrees with that inequality assessment, but also regards inequality as the central issue facing society.

The survey was conducted by *Behaviour & Attitudes* on behalf of TASC. Survey results are based on a sample of 1,000 respondents, quota controlled to reflect the profile of the adult population of the Republic of Ireland. All interviewing was carried out by trained members of the *Behaviour & Attitudes* field force working under ESOMAR guidelines, from April 11<sup>th</sup> -22<sup>nd</sup> 2008.

We were primarily interested in probing three aspects of equality: wealth distribution, the perceived role of equality in measuring a country's performance, and public willingness to accept higher taxation to remedy some of the impacts of inequality - the taxation/public services equation.

---

<sup>1</sup> Bank of Ireland Private Banking, *Wealth of the Nation*, 2007

<sup>2</sup> OECD, *Decile Ratios of Gross Earnings*, 2008

<sup>3</sup> EU Survey on Income and Living Conditions, 2006. The 'at risk of poverty' threshold is set at 60% of median income.

<sup>4</sup> 'Consistent poverty' indicators range from being unable to afford heating at some point during the previous year to being unable to afford new (rather than second-hand) clothes and experiencing debt problems due to ordinary living expenses. Definition: CSO, *Measuring Ireland's Progress 2007*, June 2008

<sup>5</sup> EU Survey on Income and Living Conditions, 2006.

The results of our survey show

- A pronounced awareness of – and concern at – high levels of wealth inequality in Ireland
- A strong sense that equality, social justice and poverty levels are important indicators when measuring a country's overall performance
- An increased willingness (when measured against similar surveys in the past) to accept higher taxation in return for improved public services

It is thus clear from our research that the '*solidarity factor*' plays an important role in both public perceptions and public responses.

### **Distributing the dividends: awareness of inequality**

We asked respondents to select the statement which they felt best described wealth distribution in Ireland. Well over two-thirds (70%) felt that wealth is distributed unfairly in Ireland. The OECD concurs, citing Irish wealth distribution as among the most unequal in the developed world – and just under two-thirds (64%) of those surveyed were unsurprised at the OECD finding.

#### *Perceptions of wealth distribution*

Wealth distributed not very/ not at all fairly	70%
Wealth distributed quite/very fairly	29%

When made aware of OECD findings that distribution of wealth in Ireland is one of the most unequal in the world, 80% said they were 'very' or 'fairly' concerned about high Irish levels of wealth inequality – while just 4% professed themselves to be 'not at all concerned'.

In this context, it should be noted that people were responding to a factual prompt, rather than offering spontaneous opinions.

#### *Concern at wealth inequality*

Very/fairly concerned at high levels of wealth inequality	80%
Not very/not at all concerned	18%

### **Equality and social justice as key performance indicators**

Given the high awareness of inequality, it is unsurprising that – when asked which factors are important in measuring a country's performance – more respondents cited 'equality and social justice' (64%) than cited 'economic

growth' (56%). 55% of those surveyed felt that quality of public services was a key performance indicator (multiple answers were allowed).

When asked to single out the most important factor in measuring a country's performance (only one answer allowed), the importance attached to issues surrounding equality and social justice was striking: while 21% cited economic growth, 20% cited equality and social justice, 16% cited quality of public services and 13% cited poverty levels. A further 9% cited work-life balance, while another 9% cited happiness ... and just 7% cited individual earnings. Surprisingly, just 3% mentioned the environment.

*Most important factor in measuring a country's performance*

Equality/social justice, public services, poverty, work-life balance, happiness	67%
Economic growth	21%

**Taxation and public services: putting solidarity into practice**

Despite high levels of dissatisfaction with public services ranging from health to education, there has been an historical public reluctance to pay higher taxes in order to fund improved services. However, TASC's survey shows that that reluctance is diminishing.

The comparison below is merely indicative, since the questions were not identically framed.

*Percentage of respondents willing to pay higher taxes to fund improved public services:*

Irish Times MRBI poll, September 2003	9%
Irish Times TNS/MRBI poll, May 2007	23%
<b>TASC/Behaviour &amp; Attitudes survey, June 2008</b>	<b>41%</b>

When broken down by social class, 50% of ABCI respondents professed themselves willing to pay higher taxes to fund improved public services - thus, those most able to afford increased taxes are also the most willing to do so.

Unsurprisingly, when we correlated a willingness to pay increased taxes with the performance measurement factors cited we found that those who considered economic growth the most important performance indicator were also the least willing to fund improved public services through higher taxation – unlike those who attached greater importance to 'social' performance indicators.

## Conclusion

Despite ten years of an economic boom, inequality in Ireland remains scandalously high. The standard measure of inequality, the so-called Gini coefficient, was 0.30 in 2000 – and had actually increased slightly to 0.32 by 2005<sup>6</sup>. It is estimated that 5% of the population controls 40% of Ireland's wealth<sup>7</sup>. The top 20% of the population earns five times more than the bottom 20%<sup>8</sup>. Inequality has become entrenched. There are, of course, those who view inequality as a necessary by-product of economic growth (closely allied with beliefs that 'rising tides lift all boats' and 'wealth trickles down'). Such views are not, however, shared by the Irish public. On the contrary, TASC's survey shows that the vast majority of respondents view wealth inequality as a major challenge confronting Irish society.

Since the fieldwork for the TASC/Behaviour and Attitudes survey was carried out, Ireland has officially entered a recession, and this change in the economic climate may have impacted on public attitudes towards the issues examined above.

What is certain is that the economic downturn, coupled with high food and fuel inflation rates (which impact most severely on low income households) and rising unemployment, has the potential to increase inequality still further.

The challenge now is to put in place responses which marry the twin goals of social justice and economic development.

---

<sup>6</sup> EU Survey on Income and Living Conditions, 2006

<sup>7</sup> Bank of Ireland Private Banking, *Wealth of the Nation*, 2007

<sup>8</sup> EU Survey on Income and Living Conditions, 2006

## **Behaviour & Attitudes survey on behalf of TASC**

June 2008

### **Tables and Their Corresponding Questions**

- Table 1:* Which of these statements best describes how you feel wealth in Ireland is distributed?
- Table 2:* According to the OECD, distribution of wealth in Ireland is one of the most unequal in the world. How surprised or not are you that this is the case?
- Table 3:* To what extent are you concerned that distribution of wealth in Ireland is one of the most unequal in the world?
- Table 4:* Compared to many other EU countries, the quality and level of public services, such as transport, health, education, social security and pensions in Ireland, is extremely low. How willing would you be to support higher taxation in order to achieve the quality of public services that Countries like Sweden have?
- Table 5:* Same as Table 4
- Table 6:* Which, if any, of these do you feel is important in measuring the performance of a country? (Multiple answers accepted)
- Table 7:* And which one factor do you feel is the *most* important in measuring the performance of a country?
- Table 8:* Same as Table 4

*Note: Not Stated/Don't Know not included; therefore, figures may not add up to 100%*

## 1. Views on Wealth Distribution

Table 1

<b>How Wealth is Distributed in Ireland</b>	<b>%</b>
Very fairly	3
Quite fairly	26
Not very fairly	45
Not at all fairly	25
SUMM: Distributed Fairly	29
SUMM: Distributed Unfairly	70

Table 2

<b>Awareness of High Level of Wealth Inequality in Ireland</b>	<b>%</b>
Very surprised	13
Fairly surprised	21
Not very surprised	30
Not at all surprised	34
SUMM: Surprised	34
SUMM: Not surprised	64

Table 3

<b>Level of Concern About High Level of Wealth Inequality in Ireland</b>	<b>%</b>
Very concerned	28
Fairly concerned	52
Not very concerned	14
Not at all concerned	4
SUMM: Concerned <sup>5</sup>	80
SUMM: Not concerned <sup>6</sup>	18

## 2. Willingness to Support higher taxes to improve public services

Table 4

Willingness to Support Higher Taxation to Improve Public Services	%
Very willing	8
Fairly willing	33
Not very willing	27
Not at all willing	29
SUMM: Willing <sup>7</sup>	41
SUMM: Not willing <sup>8</sup>	57

Table 5<sup>9</sup>

Willingness to Support Higher Taxation to Improve Public Services	SOCIAL CLASS						
	AB	C1	C2	DE	F	ABC1	C2DE
SUMM: Willing	49	51	35	33	35	50	34
SUMM: Not willing	48	49	62	61	65	48	62

## 3. Factors influencing Ireland's performance as a country

Table 6 (multiple answers allowed)

Important Factors in Measuring the Performance of a Country	%
Equality and social justice	64
Poverty level	59
Economic growth	56
Quality of public services	55
Work-life balance	45
Individual earnings	40
How happy people judge themselves to be	39
Quality of the environment	36

<sup>9</sup> Unweighted base size

Table 7

<b>Most Important Factor in Measuring the Performance of a Country</b>	<b>%</b>
Economic growth	21
Equality and social justice	20
Quality of public services	16
Poverty level	13
Work-life balance	9
How happy people judge themselves to be	9
Individual earnings	7
Quality of the environment	3

Table 8

<b>Willingness to Support Higher Taxation to Improve Public Services</b>	<b>MOST IMPORTANT IN MEASURING PERFORMANCE OF A COUNTRY</b>							
	Happy People	Poverty Level	Equality & Social Justice	Ind. Earnings	Econ Growth	Work-life balance	Qual. of the environment	Qual. of public services
SUMM: Willing <sup>7</sup>	50	44	50	44	30	44	34	38
SUMM: Not willing <sup>8</sup>	44	52	50	54	69	53	62	61

<sup>8</sup> SUMM: Not willing: Not very willing + not at all willing