

**Naomi Fowler:** Hello and welcome to the Taxcast from the Tax Justice Network. I'm Naomi Fowler. Coming up later on the Taxcast: the life-changing, life-saving, transformational nature of tax for people and planet. Ireland's got a tax windfall of about 14 billion euros - that's \$15 billion, more or less. What are they going to do with it?

**Mansi Rawat:** This is the kind of moment that doesn't come around often and we really need to seize it. Or if we let the opportunity slip through our fingers, it's going to have impacts for the future.

**Naomi Fowler:** But the Irish government is a reluctant recipient, and it's oddly lukewarm about the multi-generational transformation that this windfall could achieve. It throws up all sorts of questions for Ireland and for other countries too. But before that:

[Audio of chanting]

**Naomi Fowler:** These are the sounds of Catholics gathered in Rome chanting for Pope Francis who died on the 21st of April, 2025. No matter what you think of the Catholic church, Pope Francis was a global ally of tax justice. Here he is addressing economy ministers around the world.:

**Translation of Pope Francis's words:** Structures of sin today include repeated tax cuts for the richest people, often justified in the name of investment and development. Tax havens for private and corporate profits, and the possibility of corruption by some of the largest companies in the world, often in tune with some dominant political sector.

**Naomi Fowler:** And here you can also hear Pope Francis addressing the Italian tax office:

**Translation of Pope Francis' words:** Please keep healthcare free of charge. This can only be done thanks to tax collection. Do protect it. We should not end with the private healthcare to which the poor have no access. It is one of the beautiful things of Italy. The transparency on this comes from the effort of men and women and shows the freedom and disposition of people to pay taxes. Particularly if tax collection helps in the fight against inequality.

[Audio of chanting]

**Naomi Fowler:** The late Pope Francis.

Now we're off to Ireland, where the government there is managing an unusual challenge you'd think would be a dream for them: a tax windfall of about 14 billion euros, or about \$15 billion. In 2024, the European Court of Justice ruled that the special tax service Ireland offered to Apple was illegal state aid. It was an arrangement that meant that the huge multinational paid as little as 0.0005% taxes on its enormous profits. Here's the EU's former Competition Commissioner, Margarethe Vestager reacting at the time:

**Margarethe Vestager:** I think it's a very important step towards tax justice that Apple now actually have to pay the 13 billion Euros to the Irish state. I think that shows European citizens that actually once in a while, tax justice can take place. And hopefully that shows that we are willing to push the envelopes also sometimes to take a risk in order to try to make sure that the market serves the consumer and that we are not just small pawns or meat for the machine. And I hope that is what people take down from today's judgment.

**Naomi Fowler:** The judgment has delivered a historic transformative potential for Ireland. I've been thinking recently about how we don't do enough blue sky thinking on what tax justice can mean for all of us. So, in this episode, I want to spend a bit of time exploring some of the big ideas people in Ireland have for this money. But first, let's examine who Ireland's tax haven economy is really serving. This is Paul Murphy.

**Paul Murphy:** I am a TD, a member of Parliament for People Before Profit, and I represent the Dublin Southwest constituency. The Apple tax money and the massive tax surpluses which come from the same place, it is an opportunity to transform the nature of the Irish economy, which is currently like a very strange two track economy where the GDP figures bears no relationship to the reality of people's lives, where there is a section of the workforce related to the multinationals, particularly big tech, who are doing reasonably well. And then there's a big section of the population who are completely being left behind and who are kind of feeling the negative impacts of massive rent increases and so on, some of which that is driven by the money from the big tech corporations. And so it's an opportunity to move away from reliance on foreign direct investment in such an extreme way that Ireland really has.

**Mansi Rawat:** Ireland today is facing multiple overlapping crisis and we have been deep in a housing and homelessness crisis as well as healthcare access and capacity.

**Naomi Fowler:** This is Economic and Social Analyst, Mansi Rawat, of Social Justice Ireland.

**Mansi Rawat:** Ireland also has an aging population. So with an older demographic growing rapidly, the demand for accessible care, housing, transport will also rise dramatically in the coming years. Because of the policy choices made by this government, poverty is a huge thing over here. Almost 6% of those in employment are experiencing poverty, which should not be the case. We assume that a job is an automatic poverty reliever but this is certainly not the case. And the gap is only widening between those who are on the highest incomes and those on the lowest. And on top of that, we are potentially on the hook for billions in EU penalties for missing our climate targets. We need bold action. Right now, we do have the funds and this is the kind of moment that doesn't come around often and we really need to seize it. Or if we let the opportunity slip through our fingers, it's going to have impacts for the future generations to come.

**Naomi Fowler:** So the picture for many people living in Ireland isn't a rosy one. Again and again, it's housing - affordable housing - that comes up as the biggest challenge for people in Ireland. Everyone has their own experiences of the difficulties the housing problem causes people. This is Kieran Allen, co-author of the book, *Tax Haven Ireland*.

**Kieran Allen:** Ireland has an incredible housing problem. I mean, I've got two stepdaughters. They've both emigrated. The main reason they've emigrated is not because they can't get a job, but they can't afford their rent here. And that's the situation for a lot of young people. The average age of people now owning their own home is 39. So therefore you're finding that young people are left at home, stuck with home with their parents into their, certainly their early, mid-thirties.

**Naomi Fowler:** Parliamentarian Paul Murphy, again:

**Paul Murphy:** The number one crisis in Ireland is the housing crisis - an incredible situation where in the numbers of people in emergency accommodation, homeless people, has effectively tripled over the past 10 years. Over that time, rents have more than doubled and house prices are at a record high. So it's the number one issue. Unfortunately, I think the government has succeeded to a significant degree in kind of normalising this, that this is just how it is. Everywhere you go, if you come and visit Dublin, you'll see lots of building taking place, but it's building of hotels, building of fancy office blocks, and it's building of luxury apartments that are not satisfying the housing need. The root cause of the crisis is the reliance on the market to deliver housing. The vast majority of their housing interventions are really measures to prop up house prices, and by prop up, I really mean accelerate the rise in house prices - tax

incentives to landlords - direct money they just give money to developers. If a developer builds an apartment, they can get up to a hundred thousand euros. And actually the new government is planning to go even further so they're like saying the answer is more tax breaks for property developers. We have very weak rent controls and they want to get rid of those rent controls or weaken them even further in order to attract in vulture funds, so-called institutional investors. So if we allow rent rising higher, then we'll get investment and then we'll get supply and then that'll deal with the crisis. And like that's what we've been doing for 10 years and the crisis has been getting worse and the landlords have been getting very much richer, and the centrepiece of the answer to the housing crisis from our perspective is for the state to play a much, much larger role in the delivery of public housing on a massive scale and affordable housing.

**Naomi Fowler:** We'll get back to that vision and how it would work, along with some other thoughts. Ireland's not the only country, of course, with a government that thinks leaving everything to the market is the way to go. But after this court ruling, you'd hope that there'd be a rethink for Ireland operating as it has done for so many years as a tax haven that's been depriving other countries of tax revenue that's rightfully theirs. But not everyone wants to move away from Ireland's tax haven model or shout too much about the opportunity Ireland now has because of this court ruling.

**Brian O'Boyle:** When the 2016 judgment came through, it was quite a sticky moment for the Irish government because obviously, you know, to be a tax haven you have to make sure that your international reputation is precisely that you're not a tax haven.

**Naomi Fowler:** This is Brian o' Boyle, co-author of *Tax Haven Ireland* and Economics Lecturer in the Atlantic Technological University in Sligo.

**Brian O'Boyle:** There's has to be some form of justice and social contract in a society and that, you know, this could have been seen as a watershed moment where you say, actually it's now important that we play a really serious role in making sure that the deep inequality of the neoliberal period, which has hollowed out taxation, which has hollowed out democracy, which has undermined citizen sense of self, which has undermined trust in the elites, all of that stuff has been going on, and this was a moment where you could say, let's reset. Instead, of course, the Irish government have no interest at all in shifting away from a system that benefits the elites. And so again, there's like little moments, little silences, little contradictions in their official statements. So what they basically said, because they had to sort of, you know, it was quite a delicate public relations operation because on the one hand, the Irish tax haven relies

very heavily on being really central to Europe. So, you know when the highest court in Europe says that we are now convicting you for being a tax haven, it's very difficult for them to say, we fundamentally disagree because they actually need to be in the good graces of Europe in order for this tax haven to be effective. So they say, we note the judgment. We respect the judgment, but we respectfully disagree.

**Naomi Fowler:** There's another irony that while Ireland has been fighting not to receive this windfall and to protect its tax haven model - they spent 10 million euros fighting it - it's been forced by the European Court of Justice to receive fees, back taxes. Yet some of that money should really have gone not to Ireland, but to the exchequers of other countries Ireland was helping Apple deprive over the years. That includes the United States where the world's biggest corporate tax abusers are from. Brian O'Boyle again.

**Brian O'Boyle:** The people who the Irish elites really help are the richest, most powerful, most influential people in the American ruling class because actually in the end, what happens in Ireland is, and this is why it's so attractive, is that the American elites can sort of, divide the profits that they make globally into international profits which are made outside America and profits that are made inside America. So there has to be funds for the American state. What Ireland allows the American state to do is to allow American corporations to declare their foreign profits through Ireland and then minimize taxes that would go, as you say, to foreign countries. Now, some of those foreign countries are poor and it's mainly, uh, poor people who suffer, but it's also their economic rivals, so that like the German state gets less taxation, the French state gets less taxation and so are less likely to be able to compete internationally with American capitalism. So this whole thing is very complex and as usual, wealthy people benefit massively, disproportionately, and the poorest, most people suffer massively.

**Naomi Fowler:** Kieran Allen, again.

**Kieran Allen:** When you look, for example, at the situation in America where a black child below the age of two has a higher chance of dying than in some of the less developed countries then clearly there needs to be a properly funded health system in America as well as a properly funded educational system, social housing system.

**Naomi Fowler:** Yeah. Let's talk a bit about the way that the Irish government is treating this windfall in terms of the way they're communicating about the money, the way they're talking about proposals for their use. In some ways, I

would imagine that they might want to play down this windfall and in some ways try to minimize the massive social use potential in the way that they're allocating funds because this could be an inspirational, transformational moment of consciousness about the benefits of tax to society and to real people, and to transforming people's lives.

**Brian O'Boyle:** But then they have managed the expectations of the Irish people downwards, right? You never hear about this money. It's as if it doesn't exist. It's not something that's in the public discourse at all. And that in its own way is very interesting, right? Because it's a very sizable sum and it's very interesting judgment, one of the biggest judgments in antitrust law ever. But nothing, you hear nothing about it in Irish discourse. you know, people in Ireland are aware, right, that this 13 billion came in here. And they've lived through maybe 15 years of their living standards, generally for most people declining their sense of, uh, security weakening, uh, all of that going on for them and constantly being attacked by the elites. And then this windfall comes and the elites say nothing to see here. You know, don't expect too much from this.

**Kieran Allen:** The lack of imagination and what the way this works is that if you think about politics and political discourses in Ireland, it is very much reduced down to the laws of the market. You know, the main slogan of the state is 'Ireland is open for business' and therefore everything must be about how do we appease market forces? It's never, there is a political choice, there's political decisions made and so on. So that's one of the effects, I think, of an extreme neoliberal attitude that goes with the tax haven. the tradition in Ireland is one is comes from the Catholic doctrine of subsidiarity, namely that the families in particular should look after their own welfare and that the state has not got a duty to its citizens to give social rights. That has always been the pattern in Ireland, and therefore they want to ensure that nobody ever gets the idea into their heads that you have a right to a house, that you have a right not to have to wait for 13 hours in the emergency service of a hospital, that you have a right to be treated. And that's why they tell us you can't have this for day-to-day spending. What they have said instead, undefined, is that the money will eventually be used a) to pay down the national debt that's the main reason they talk about, and b) for infrastructure development.

**Naomi Fowler:** The vagueness by politicians and the lack of public debate about this windfall, public debate about this windfall is a sad thing to watch because it's not as if there's any lack of ideas.

**Brian O'Boyle:** With the collective imagination of lots of people who are actually encouraged and structured to think about their communities and given the democratic say in actually changing their communities we would have no problems in finding ways to be imaginative with using the resources. Our big problem is the political block of the elites who are consistently denying us the democratic spaces and the resources to live decent lives, and that's the problem we have to tackle.

**Naomi Fowler:** Paul Murphy:

**Paul Murphy:** The government has avoided for a long time the question of what to do with this money. What in reality they're shaping up for because it's what they'll do with the vast majority of the surplus is to put it in a so-called rainy-day fund. We basically think this is a disaster. It's, it's pouring now for lots of people in terms of the housing crisis, health crisis, cost of living crisis, and if you spend it on capital infrastructure projects it makes sense. You can simultaneously be addressing the crises facing ordinary people and be having an asset, uh, for the state, which will deliver a return. That's fundamental and, and we had the experience of like, we effectively had a rainy-day fund before, and what happened was the bank crisis came along and it was emptied out to pay for a bank bailout. And effectively, this is what's going to happen with this money again, it's going to sit there, it'll get bigger and bigger, and then a big crisis, global capitalism will come along and they'll say, oh, well, we have to raid it for this, and it'll be gone. Whereas, you know, in five years time, you could see a hundred thousand social houses across the state with people in quality, A1-rated, low bill home, warm homes, paying rent to councils, as opposed to just putting it away. I mean, that's the key argument.

**Naomi Fowler:** People Before Profit and others have big ideas for a state construction company that would build affordable social housing. Paul Murphy again.

**Paul Murphy:** By having a state construction company, you're able to invest directly in building social and affordable homes. You're able to employ workers directly and you're able to actually grapple with the housing crisis. The Apple tax money is the perfect money to use for this. Big capital expenditure projects, like above all the building of social housing on a massive scale makes all the sense in the world, um, in terms of, okay, one delivering, dealing with the housing crisis, but two, the state is then the state will have an asset, the state will be generating revenue from that asset. It will more than pay for itself over the years. So like this is the opportunity, uh, to do that. the cost of actually setting up the construction company is 500 million euros. That's just kind of like

the construction of a thing called the state construction company. But then we're saying like the key cost obviously is the actual building of the homes and so we have an estimate of building and acquiring 15,000 additional properties for social housing, increasing targets for cost rental, and affordable purchase to 10,000 per year appreciating there is, there is a real labour shortage. Like a state construction comp company can redirect labour, that's welcome. But, then ramping up to 20,000 and 30,000 homes a year.

**Naomi Fowler:** Kieran Allen again:

**Kieran Allen:** The reason for emphasising a state construction company is that we know that the two largest private building companies, uh, in Ireland are only capable of building about 3000 houses per year. So if you want a massive project, you're talking about a return to Roosevelt-type operations where you have a huge investment in a state project to build on a large scale housing.

**Naomi Fowler:** Paul again:

**Paul Murphy:** There's two models that we would be constructing. So one is direct social housing. Um, so this is like what people would generally call council housing in Ireland. Um. And it's where it's owned by the local council, rented to someone who is on the housing list. We're in favour of universal access to social housing, universal access to the housing list. This is not something that should be kind of marginalised or ghettoised. So everyone can have access to universal public housing. And you pay a rent, which is a differential rent. So as in it's a percentage of your, your income. Well then you have universal public housing. The other model that we have is an affordable housing model where people can buy their house at a significant reduction, so effectively at like actual building costs as opposed to the market rate. We would have a mechanism - the state holds onto the actual land that the house is built on, and you can sell it, no problem, at the same discount at which you got it at. There is a problem with affordable housing schemes, which simply sells off property paid for by society at large to individuals who later on are able to sell it off at market rates and effectively a transfer of wealth from the public to individual homeowners. So this is a model whereby, okay, people get to buy the property if they want to buy the property at reasonable rates, but it remains affordable housing into the future. There's another aspect of the state construction company that we envisage, which is the rolling out of retrofitting of people's homes across the country. What makes sense is that a state construction company should go into housing estate and house by house, by house, by house, retrofit the homes, significantly upgrade them, give people warmer homes, and massively reduce our energy usage and our carbon



emissions. I mean, it's really obvious, but it's not what's currently happening. Instead, you have this reliance on the private sector. The other kind of big thing that we would say again around all these surpluses is investment in renewable energy. In particular, Ireland has a massively untapped resource of offshore wind. I mean, we are an island in the Atlantic, you know, it's very windy out there and there's, there's almost no private investment. There's a tiny bit, but it's really, really a tiny amount of private investment. They're not willing to take the risk. State investment could make it happen. And that's another example of the kind of thing that we could and should be doing.

**Naomi Fowler:** We don't know yet what the Irish government is going to announce. Budget day is looming in October, 2025, and we'll cover what the government announces on the Taxcast. Of course, while a windfall like this is very welcome to people, if it's used wisely, Ireland faces challenges that can only be managed through longer term tax reform. Here's Mansi Rawat again of Social Justice Ireland:

**Mansi Rawat:** This Apple windfall tax that Ireland is getting, the thing is that these are volatile, and they're not guaranteed. This is something that is a cause for our concern because it's, it's not just about how much revenue we are getting, it's about how volatile and unsustainable much of it is, you know? Something that we have also consistently called for is a budgetary split. So by a budgetary split, what we mean is that windfall revenue should be accounted for separately from recurring revenues and windfall revenues should be used for one-off transformative investments, particularly in social housing infrastructure and other public infrastructure that has been underfunded since the financial crash. And then the recurring public spendings, like on healthcare, education, welfare, must be funded through stable, recurring taxation. A significant portion of Ireland's corporate tax revenue comes from a very small number of multinational which means we are vulnerable to global economic shifts, as you might have seen with the tariffs and corporate restructures. I think as a nation, we need a serious conversation about what level of taxation is adequate to sustain a decent society. We know that Ireland has one of the lowest tax takes in the EU. We need to talk openly about tax and about what level of taxation is fair and sustainable, and how we can resource a society that's fit for purpose. Social Justice Ireland has long argued for moving towards a per capita tax model. And this would mean that we match what we expect from services to what we collect in taxes, something that really needs to be talked about. And I think this is the kind of reform which is essential for building a resilient society.

**Naomi Fowler:** And finally, what does Ireland do now post Apple tax ruling, and what do they do in the new situation? All countries find themselves now

with the United States as a very unpredictable partner. International agreements like the OECD's BEPS project or Base Erosion and Profit Shifting, give a country like Ireland plenty of room to continue to facilitate tax abuse by multinationals from the looks of things. And I asked the authors of *Tax Haven Ireland*, Brian O'Boyle and Kieran Allen about that.

**Naomi Fowler:** You said Brian that Apple lost a tax dodging battle, but it's winning the war and that, you know, Ireland is going to continue with its tricks. How do you think that the government in Ireland is going to adapt to the new climate? They've lost this particular one. Ireland has signed up to the OECD's, pillar one, all about large multinational groups paying, taxes based on the actual locations where their customers and users are located supposedly; there's pillar two now with the global minimum tax rate, which they, reluctantly signed up to. How do you see the way that Ireland is going to progress now, after this case and the fallout? From what you're saying, there's lots of new ways?

**Brian O'Boyle:** So the sort of BEPS stuff started to become crystallized near the end of the process of us writing the, the book on Tax Haven Ireland. And so we sort of grappled with it near the end in a postscript. And, and the prediction we made was exactly what, more or less what you've said, which is that the Irish government will recognize BEPS as the, as the least worst option in the sense that a digital tax, for example, which is more transparent and easier to collect and more difficult to avoid, would be worse for the Irish government, as a tax haven. And so they kind of hitched their wagon to BEPS on the basis that number one, it was the least worst option. And number two, it's very difficult to know what will actually happen with BEPS. If you Google it now, the AI generator says, um, it's not actually law. It's a legal framework. It's a framework through which international states can, if they are willing adopt. What does that mean? It's a, precisely because it's so complex and so opaque, it's very attractive to tax havens because you never know exactly what it means to actually sign up to it, right? So in one sense, Ireland is signed up to pillar one. In another sense it isn't because there isn't one, there isn't really a pillar one, and let me be very clear on why it doesn't exist. The essence, the spirit of pillar one, is to align more clearly economic activity with taxation so that big corporations that have lots of intellectual property can't play the game of saying, we have our IP, we have our intellectual property in tax havens. We do all of our activity outside those tax havens, and then we move the resulting profits in there. But actually, as you know, Ireland has actually been since 2016 completely the opposite of that in the sense that it has improved its base erosion profit shifting tools, not, it has not weakened them, it has got them stronger so that at the moment, you know, the profits that were being declared in Ireland in 2015 was about 75 billion. The profits in the last accounts we have was 2023 was 317 billion Naomi, which is basically more than a hundred thousand euros of profits

declared for every single worker in the state, more than a hundred thousand euros of profit. So clearly then if we go by what's actually happening, rather than the formal declarations and the spin and the rhetoric of 'we are compliant,' Ireland has actually moved much further away from complying to pillar one than it was even when it said it was signing up. And so it's a nonsense basically. And it is designed in lots of ways to be a nonsense. And as you said, they also recognize that in the end, Ireland is a small player and so it hitches its wagon to a very important and powerful player, which is the American corporate elites. And so long as the corporate elite in America are not going to sign up, Ireland can piggyback on them. And that's what's been happening.

**Naomi Fowler:** And when it comes to the OECD's pillar number two, the minimum global corporate tax rate, supposed to ensure that multinationals pay a minimum effective tax rate of 15% on their profits in each jurisdiction where they operate. Well, President Trump pulled the US out of that agreement. What'll happen now with that is anybody's guess. Here's Kieran again.

**Kieran Allen:** Well, the Irish, if you look at the issue of the 15% tax rate, the basic practice of the Irish government is not so much to focus on the headline rate, but rather the loopholes. So even if you had a 15% tax rate, the experience in Ireland is they would find so many loopholes that once a corporation could go to a good accountant and get advice on what loopholes to use the Irish government would build in the loopholes. So therefore, even if the American Senate did not agree to it and it was imposed to 15%, you can be sure the Irish government would find sufficient loopholes to reduce the tax rate to a very low level. You know, what people are told in Ireland is you must wear a green jersey and that what's good for the Irish system, who the hell cares what happens with the rest of the world? Well, I'm sorry, I don't agree with that. Whether you're a poor person in America or a poor person in Ghana, you deserve this money which has been produced in your country, the, the wealth has been produced in your country. Why at the, at the very least, at the very least, shouldn't the taxes on this go back to you? we are very much for the taxation of multinational comp corporations in Ireland to be used for the benefit of Irish society. But, where the profits have been made in other countries, the taxes should flow to those countries to fund their public and social services. There's an endless list that you could find of how money could be redistributed to give people uh, proper public services with a minimal amount of political imagination. What we hope happens is that over the next period, not immediately, but certainly over the next period, the left will be able to mobilize people on some of these issues, which at the moment the right are focusing on and, trying to get poor people to blame other poor people. So we hope that there are mobilizations on these particular issues that really affect people. If that emerges, then you can talk about seeing the possibility of a different Ireland. If

it doesn't emerge, we're going to see a retrenchment of authoritarian neoliberalism.

**Brian O'Boyle:** Wasn't it Gramsci, that said you need to have pessimism of the intellect and optimism of the will? So, you know, what I think has happened in Ireland is a very angry population because increasingly people are aware that there is this divide in society. we need genuine united fronts on these issues, and work in good faith with people who want to fight on those issues. And maybe as that happens, as you know, expectations can increase. They've managed people's expectations down but when you struggle and when you fight for yourself and when you get clarity on what your interests are, expectations can also rise. And so for us it's struggle and organising that actually will give us the sense in which we can then take on the tax haven and its logic.

**Naomi Fowler:** You've been listening to the Taxcast. Tax justice really is key to everything, and it's been good to talk in this episode about unlocking our imaginations. You can find the details of Kieran and Brian's book *Tax Haven Ireland* in the show notes, as well as Social Justice Ireland's budget analysis. We'll be back with you next month. Thanks for listening. Bye for now.