

The Irish are at last smelling the coffee when it comes...

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As the Tax Justice Network has noted in its weekly email summary of tax justice news:

A recent editorial in the Irish Times demonstrates an extraordinary shift of opinion in one European tax haven. Ireland has for many years staunchly defended its corporate tax policy as being key to the economic development of the country. Attacks on Ireland's tax haven status have been interpreted as an attack on Ireland's right to share in a prosperous global economy.

Telling its readers that the county can no longer afford the damage being done to its reputation by Ireland's tax haven policy, the [article](#) - which would have been unimaginable in a major Irish newspaper even a few years ago - concludes:

"There is a broad consensus that Ireland must defend its 12.5 per cent corporate tax rate. But that rate is defensible only if it is real. The great risk to Ireland is that we are trying to defend the indefensible. It is morally, politically and economically wrong for Ireland to allow vastly wealthy corporations to escape the basic duty of paying tax. If we don't recognise that now, we will soon find that a key plank of Irish policy has become untenable."

I admit that I have been saying this for a long time. [I have always argued](#) that the 12.5% tax rate was like the 'Sale' sign on a shop window: it was an invitation to come in to see what deals were on offer, and Ireland had them aplenty. Now those deals, from that with Apple onwards, are unravelling. What is apparent is that the Irish economy is geared around a foolish tax arrangement that lets profits flow through, but not stay in the country. Paul Krugman has rightly called the result '[Leprechaun economics](#)'.

Are the Irish now smelling the coffee and realising more substance is required, most especially as they see the shambles on their doorstep that is Brexit? I hope so. The Irish Times may just be signalling a very important change.