

Review of the Irish referendum on the TSCG (June 2012)

Caption: Review published by the European Movement Ireland in June 2012 on the referendum held in Ireland for the ratification of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.

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**EUROPEAN
MOVEMENT**
I R E L A N D

Fiscal Stability Treaty Referendum Review

European Movement Ireland
June 2012

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Background

At the European Council meeting on the 9th December 2011, all 17 members of the Eurozone agreed on the basic outlines of a new intergovernmental treaty to put strict caps on government spending and borrowing, with penalties for those countries that violate the limits. All other non-Eurozone countries except the United Kingdom expressed a willingness to join in, subject to parliamentary vote. Originally EU leaders planned to change existing EU treaties but this was blocked by the British Prime Minister, who demanded that the City of London be excluded from future financial regulations, including the proposed EU financial transaction tax.

On 30th January 2012 after several weeks of negotiations, all EU leaders except those from the United Kingdom and the Czech Republic endorsed the final version of the fiscal pact at the European summit in Brussels, though the Czech Prime Minister said his country may join later. The Fiscal Stability Treaty (FST) was signed on the 2nd March and will come into force on the 1st January 2013, if it has been ratified (which requires the approval of national parliaments) by at least 12 countries that use the euro. EU countries that signed the agreement will have to ratify it by the 1st January 2013. Once a country has ratified the FST it has another year, until the 1st January 2014, to implement a balanced budget rule in their binding legislation. Only countries with such rules in their legal code by the 1st March 2013 will be eligible to apply for bailout money from the European Stability Mechanism (ESM). The aim being to incorporate it into EU law within five years of its entry into force.

On the 28th February 2012, following the advice of the Attorney General Máire Whelan, the Irish Government announced that Ireland would hold a referendum on the ratification of the FST. The Tánaiste Eamon Gilmore announced in the Dáil on the 27th March 2012 that the Referendum would be held on the 31st May 2012. An Taoiseach, Enda Kenny, stated that “as this Treaty is a unique instrument outside the EU Treaty Architecture” a referendum is required “on balance”.

The questions put before the Irish people asked them to vote Yes or No to the following:

"The State may ratify the treaty on stability co-ordination and governance in the economic and monetary union, done in Brussels on March 2nd, 2012. No provision in this Constitution invalidates laws enacted, acts done or measures adopted by the State that are necessitated by the obligations of the State under that treaty or prevents laws enacted, acts done or measures adopted by bodies competent under that treaty from having the force of law in the State".

Role of European Movement Ireland

From the outset of the campaign European Movement Ireland made it clear that as with other recent Referenda, the organisation would not be advocating for either a Yes or a No vote. Instead European Movement Ireland aimed to provide a thorough and balanced information service for its members and the general public through the following:

- Submission to Oireachtas Committee
- Members' information meeting
- Just the Facts and Mythbusters campaigns
- Fiscal Treaty Information Forum
- Media appearances
- Count Day analysis

On the 5th April, the Executive Director of European Movement Ireland, Noelle O'Connell, presented to the Joint Oireachtas Committee on European Union Affairs: Sub-Committee on the Referendum on the Intergovernmental Treaty on Stability, Coordination & Governance in the Economic and Monetary Union.

European Movement Ireland's first event of the campaign was an information meeting for members where Dr Gavin Barrett from the UCD School of Law and Professor John O'Hagan from the Trinity College Department of Economics gave a comprehensive breakdown of the contents of the Treaty followed by a lively questions and answers session.

This was followed by the roll out of European Movement Ireland's "Just the Facts" Information booklet which contained: a summary of the Treaty itself, a guide to the ratification process and a collation of all the relevant Treaty documentation. This service was supplemented by a short "Mythbusters" information sheet which aimed to clarify misleading statements that had been made by both sides about the FST.

On the 17th May a Fiscal Treaty Information Forum was held by European Movement Ireland in the European Parliament offices on Molesworth Street. Opened by Senator Jillian Van Turnhout, the Forum was chaired by Margaret E Ward and saw contributions from David Begg, Jim Power, Glenna Lynch and Dr Jane Suiter.

Throughout the campaign the Executive Director of European Movement Ireland, Noelle O'Connell featured in the local, national and international media as a spokesperson for the organisation on the campaign and on the FST itself particularly urging people to get informed and to vote.

On the day of the count, European Movement Ireland provided a constant information stream across our social media platforms, including Facebook, Twitter and LinkedIn. This stream featured updates every fifteen minutes in relation to early tally figures, turnout data and results. Executive Summaries of predicted and ultimately final results were also provided by European Movement Ireland to all its members as well as to the various Member State embassies.

The Campaign

The Participants

On the No side ...

At five weeks, this was perceived to be a particularly long Referendum campaign largely because the issues remained the same and there were no great “game changing” moments. Early momentum belonged to the No side as the far left United Left Alliance (ULA) made up of the Socialist Party, People before Profit and the Clonmel based Workers and Unemployed Action Group sought to merge their opposition to the FST with their existing campaign against the Household Charge. Sinn Féin soon wrestled the leadership of the No campaign away from the ULA with commanding Dáil performances from a number of its more prominent TDs such as Gerry Adams, Mary Lou McDonald and Pearse Doherty. Both the ULA and Sinn Féin sought to rechristen the FST, “the Austerity Treaty”. Due to the McKenna Judgement both organisations and their spokespeople received a large amount of media coverage.

On top of the ground and poster campaigns, Sinn Féin engaged in online campaigning by launching the voteno2012.ie website. Other less traditional forms of campaigning were used, such as the release of ‘Austerity Treaty’ beer mats while Sinn Féin courted controversy in the final week of campaigning launching ‘Euro 2012 – Support Ireland’ posters which advocated a No vote. The European United Left/ Nordic Green Left group stated it gave Sinn Féin €15,000, to be used mainly for their poster campaign.

The ULA ran a solid poster campaign, disseminated leaflets and organised an online campaign through their voteno.ie website. On the day of the count Socialist Party Leader Joe Higgins TD estimated that his party contributed in the region of €55,000 to the overall ULA campaign. The ULA were reported to have received €15,000 in funding from the European United Left/Nordic Green Left group, also mostly for their poster campaign.

Other left wing parties to oppose the FST included the Workers Party, the Communist Party of Ireland, Eirigi and Republican Sinn Féin.

A number of prominent TDs such as Luke ‘Ming’ Flanagan and Thomas Pringle from the Technical Group campaigned vigorously against the FST from the outset whilst TDs Shane Ross and Finian McGrath belatedly came out against the FST.

Beyond the Dáil, opposition to the Treaty was found in three of the major Trade Unions – UNITE, Mandate and the TEEU although neither ICTU or SIPTU advocated in favour or against the FST. A number of Euro sceptic MEPs from the UK and Denmark such as Nigel Farage, Nikki Sinclair and Morten Messerschmidt also spent some time campaigning in Ireland.

Libertas leader Declan Ganley made a late entry into the Referendum campaign though his presence did not have the same impact as in the previous Lisbon Referenda. Backed by a team of

volunteers, Ganley admitted his campaign would be “run on a shoestring” with just €50,000 being spent for the campaign, most of this being spent on posters.

Prominent economic commentators David McWilliams and Eddie Hobbs both advocated a No vote.

On the Yes side ...

The Yes campaign was led by the Government parties of Fine Gael and Labour. Minister for Agriculture Simon Coveney was the Director of Fine Gael's campaign while Minister for Social protection Joan Burton led the Labour campaign.

There was an intense ground campaign strategy with approximately two million pieces of literature disseminated by Fine Gael TDs, MEPs, Councillors and members, as well as approximately twenty-six thousand posters. As well as this, Fine Gael operated an effective online campaign by using online advertising, social media and running a dedicated campaign website. Overall, Fine Gael was estimated to have spent in the region of €250,000 in their campaign, €60,000 of which was funded by the European People's Party group.

The Labour Party were believed to have spent a little less than their Government partners, estimating the amount they would spend at the beginning of the campaign to be in the region of €100,000-€200,000. Labour also engaged in an intensive ground and poster campaign, the latter of which was notable for a change in strategy in the last week as posters directly targeting Sinn Féin were erected. Additional funding for the referendum campaign was not made available to Labour MEPs from the Group of the Progressive Alliance of Socialists & Democrats as they were actually opposed to the Fiscal Treaty.

Fianna Fáil leader Micheál Martin faced down internal opposition to the Treaty from his Deputy Leader Eamon O'Cúiv to play a key part in the Yes campaign. Fianna Fáil engaged in an intense ground campaign as well as their poster campaign. Fianna Fáil were estimated to have spent in the region of €180,000 for their campaign, with the Alliance of Liberals and Democrats for Europe group providing €65,000 of funding.

Independent TD Stephen Donnelly was a reluctant but prominent advocate of a Yes vote while other Independent TDs such as Michael Lowry, Michael Healy Rae and Noel Grealish were thought to be supportive.

As with the second Lisbon Treaty, the Yes campaign benefited greatly from a strong civic society campaign in favour of the FST. The Irish Business and employers' confederation (IBEC), the Irish Farmers Association (IFA), the Irish Small & Medium Enterprises Association (ISME), Chambers Ireland and a range of other representative groups, notably from the business community, were extremely outspoken in their support for a Yes vote. Both IBEC and the IFA in particular waged very prominent campaigns involving public meetings, posters and leaflets.

On top of the strong support from the business community for the FST, many prominent economists such as Colm McCarthy, Karl Whelan and Moore McDowell were particularly outspoken while Dr Gavin Barrett featured prominently in the media and at public meetings where he was able to give a thorough legal breakdown of the FST.

Veteran Referendum campaigners Pat Cox and Brendan Halligan set up the Alliance for Ireland Group and were able to bring together a number of prominent business and sports people to

endorse the campaign. All Ireland winning GAA Managers Pat Gilroy and Brian Cody, rugby star Ronan O’Gara and businessman Pat McDonagh were among the famous faces who endorsed the Treaty through a number of high profile advertisements taken out by the Alliance. Overall, a small six-figure sum was reported to have been spent on their newspaper advertising, posters and debates.

A number of Trade Unions also came out in support of the Treaty namely IMPACT, the Civil Public and Services Union and the Communications Workers Union. The Green Party did not take a position on the FST.

In the Middle ...

Once the Referendum was called, the Minister for the Environment Phil Hogan signed the order establishing the Referendum Commission. The Referendum Commission is an independent statutory body in Ireland which is set up in advance of any referendum. The membership of the Referendum Commission was as follows:

- Kevin Feeney Chairman / High Court judge
- Gerard Smyth Secretary and Director of Audit of the Office of the Comptroller and Auditor General
- Emily O'Reilly Ombudsman
- Kieran Coughlan Clerk of the Dáil
- Deirdre Lane Clerk of the Seanad

The Referendum Commission aimed to provide impartial information about the FST throughout the campaign. The Chair of the Commission appealed repeatedly for people to inform themselves and to exercise their right to vote.

The Commission disseminated information through a variety of means by establishing a website, by sending a booklet to each household explaining the FST, by sending a copy of the FST to each household and also by fielding questions through a range of interactive methods including a radio phone in show.

Arguably the most significant contribution made by the Referendum Commission to the campaign was its ruling on whether Ireland would still have access to the ESM if the country did not sign up to the FST, further information on this is provided in the next section.

Themes

Unlike many of the EU-related treaties which required a referendum before, the scope of issues which could be debated in the FST was relatively restricted. From the outset of this campaign, the Government understandably sought to keep the issues simple and focussed on the need for stability if Ireland was to continue to recover. Sinn Féin largely stuck to reiterating their claims that the FST would produce permanent austerity. As a result, two issues dominated the referendum campaign – funding from the European Stability Mechanism (ESM) and the fiscal rules in the FST.

The main source of debate revolved around whether ratification of the Fiscal Treaty was necessary for access to the ESM. Confusion reigned in the early stages of the campaign as the No campaign, particularly Sinn Féin, claimed that a veto could still be used on the ESM treaty to stop it coming into force – a claim strongly denied by Yes campaigners. The Referendum Commission aimed to clear up the confusion at an early stage in the campaign by stating that Ireland would not be entitled to access to the ESM following a No vote. Despite this debating on this particular issue continued right up until the final day of the campaign when Sinn Féin lost a High Court challenge over the Referendum Commission's remarks on the ESM veto. Whereas the Yes campaigners conveyed a clear message that a Yes vote was required for future ESM funding, the No campaigners struggled to convey their message on sources of alternative funding clearly as also seen from various media performances.

Disagreements over the impact of the fiscal rules of the Treaty were also evident, according to the No side, the FST would lead to additional €5.7 billion in cuts and taxes from 2015 onwards, prevent approaches to economic crises from different economic perspectives and would hand over significant control of economic and budgetary matters to unelected officials in the EU. The Yes campaigners, in contrast, argued that the FST would not impinge on a Government's right to decide to tax and spend how they wished, would not trigger €5.7bn in cuts and taxes and would simply ensure fiscal responsibility across the Eurozone. The FST was referred to as an exercise in "good housekeeping" on a number of occasions by its supporters.

Despite attempts by the ULA to tie the FST to the pending introduction of water charges and concerns about possibly having to leave the Eurozone or even the EU, this Referendum campaign largely did not deviate from the core messages. This was helped by an obvious decision by the Government to delay further announcements that might have been seen to be unpopular such as the collection of the Household charge, septic tank registration fees and possible hospital closures. The timing of a number of job announcements from foreign investors cannot have been a coincidence.

Sinn Féin Leader Gerry Adams was particularly critical of the Taoiseach Enda Kenny for his failure to agree to a one on one debate over the FST. In a continuation from the disagreement over debates in the 2011 General Election, the initial refusal from the Taoiseach to appear was due to the invite coming from TV3's Vincent Browne and his previous inappropriate comments. Further requests to a "Leader's Debate" were refused by the Taoiseach though he did make a short address to the nation on RTE in advance of the Referendum as the state broadcaster wished to balance the time it had devoted to the Gerry Adams' speech to the Sinn Féin Ard Fheis. Although

the Taoiseach did not agree to participate in a one off debate, there were a number of debates on the FST across the various media channels with heavily billed debates featuring on TV3 and on RTE featuring the likes of the Tánaiste, Mary Lou McDonald, Micheál Martin, Simon Coveney and Declan Ganley.

Polling Data

In the final week leading up to polling day, a number of Opinion Polls were carried out by the major newspapers.

A **Red C** poll conducted for the **Sunday Business Post** showed a slight fall in support for a Yes Vote. 49% of voters surveyed said they would vote yes, representing a slip of four points. Those saying they would vote No (35%) increased by four points, with an unchanged 16% opting for Don't Know. The gap between the two sides narrowed by 8 points since the previous Red C poll for the Sunday Business Post on the 14th May. When undecided voters were excluded, the poll showed the Yes side leading by **58% to 42%**.

The final **Irish Times/Ipsos MRBI** poll of the campaign was published on the Saturday before polling day. 39% of voters said they would vote Yes, 30% said No, and 31% either didn't know or would not vote. This represented an increase in support for both sides since the last poll five weeks previous. Support for the Yes side increased by nine points, while support for the No side went up by seven points. The number of undecided voters came down by 17 points.

After the exclusion of undecided voters, the Yes side lead by **57% to 43%**.

The final **Sunday Independent/Millward Brown Lansdowne** poll of the campaign found 42% in favour (up five points), 28% against (up four points) 27% didn't know (down eight points) and 4 % (unchanged) who refused to say or will not vote. Excluding the "Don't Knows", the Yes side lead by **60% to 40%**, unchanged since the previous poll on the 15th May.

Results

As Harry McGee from the Irish Times put it in his column on Saturday the 2nd June: “For the first time in two decades the outcome reflected opinion poll results in recent weeks”. Despite a low voter turnout of 50.6%, the final result saw 60.3% vote Yes to the FST with 39.7% voting No.

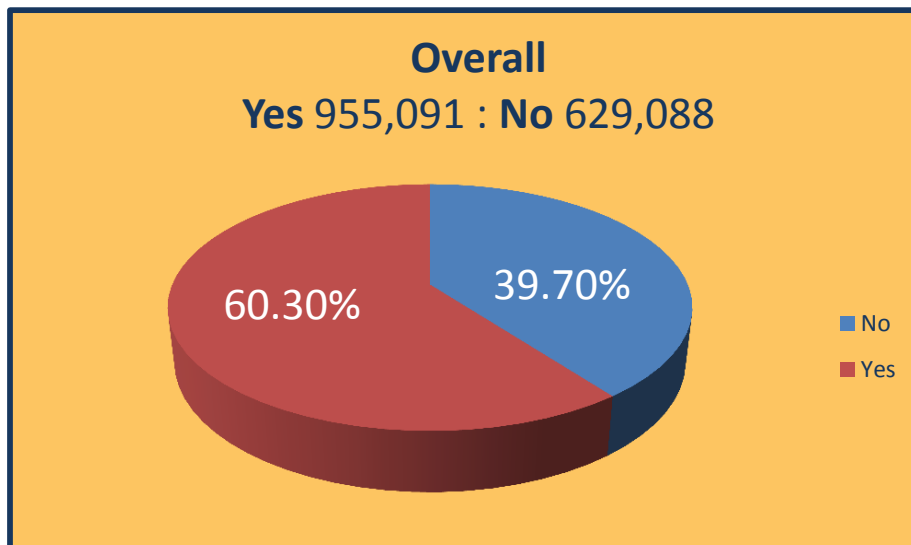
The total poll was 1,591,385. Of this 7,206 people spoilt their vote leaving a valid poll of 1,584,179. 955,021 people voted Yes with 629,088 voting No. 1,553,443 people did not vote.

The Dáil constituency with the highest Yes vote was Dublin South where 75.8% people backed the FST; Donegal North East had the highest vote at 55.6%, it was one of only five Dáil constituencies that voted against the FST.

The highest turnout levels were again recorded in the more middle class Dublin constituencies, with lower than average turnout levels recorded in a number of rural constituencies and with the lowest turnout levels again being registered in the two Donegal constituencies. Turnout levels in Dublin (average of 53.4%) were significantly higher than in the rest of the state (49.6%), with average turnout levels of 50.4% in both Leinster and Munster but a low average turnout of 47.2% for the Connacht-Ulster region. This is more or less the mirror image of the turnout patterns usually associated with local and general elections but it is in keeping with the general geography of turnouts for referendum elections.

A deeper analysis of the results shows that the FST received large amounts of support in traditionally middle class areas as well as in rural constituencies. The FST was strong in the constituencies such as Dublin South and Dun Laoghaire that have consistently been the strongest supporters of European Referenda. It will come as no surprise to veteran Referenda watchers to see that both Donegal constituencies voted No.

The region with the highest Yes vote in percentage terms was Munster (62.3%) with the lowest share being recorded in Connacht-Ulster (58.2%). The level of support for the FST was slightly higher than the national average in Dublin (60.5%), but very significant differences existed between the levels of support for the FST in the more middle class constituencies (70.0%) than in the more working class constituencies (49.6%).



| Turnout | 50.6% |
|--------------|-----------|
| Electorate | 3,144,828 |
| Voted | 1,591,385 |
| Did Not Vote | 1,553,443 |
| Spoiled | 7,206 |
| Valid Votes | 1,584,179 |

Conclusions

This was a highly technical Treaty, some could argue it was “boring” but it has the potential to have a huge impact on the economic future of Ireland and the other signatories. The fact that the result of this Referendum came during continued political instability in Europe will come as a relief to its supporters who hope an element of stability can be restored against the back drop of elections in Germany, Greece, France and the Netherlands as well as continuing concern for the Spanish banking system and Greece in general.

Many commentators have argued that this was a victory for Fear over Anger, that the Treaty was not popular but the unknown consequences of rejecting it forced many people to vote Yes in spite of rather than because of the FST. The Minister of Finance’s intervention early in the campaign that a No vote would most likely lead to a harsher budget in December 2012 was not repeated but it provided an underlining theme for the rest of the campaign as Government spokespeople repeated the uncertainty and difficulties a No vote would bring.

It is clear that there was no complacency in the Government ranks about the Referendum; it was the first time a Government not led by Fianna Fáil had run a European Referendum campaign since the Single European Act was passed in 1985 and the current Government had learnt from the failings of the previous administrations that saw the Nice and Lisbon treaties defeated at the first hurdle.

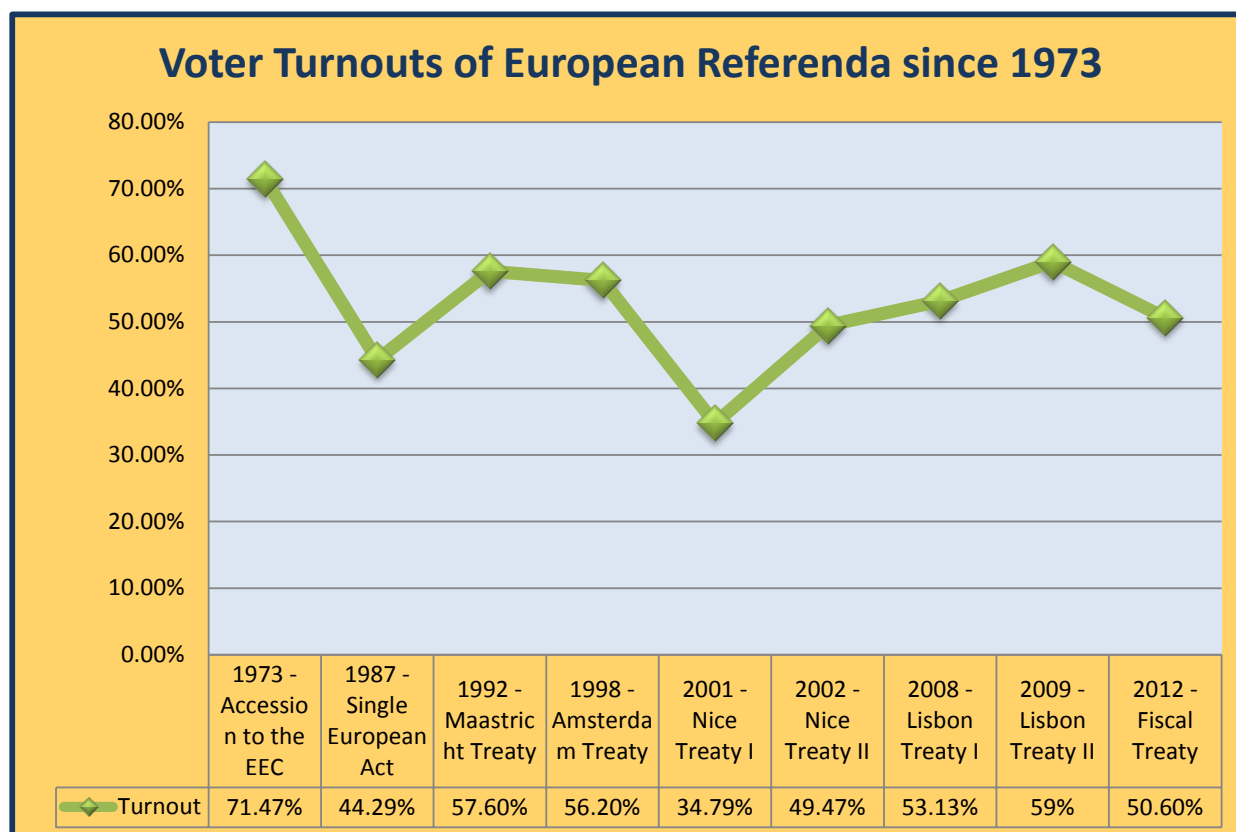
The Government invested time, money and energy into this campaign and they would have been buoyed by the fact that the Yes vote surpassed the psychologically significant 60% barrier in favour. The decision by the Taoiseach to avoid taking part in a formal debate on the FST was widely criticised by opponents of the FST and some supporters while it was the subject of much discussion in the media. While, the decision may have impacted on the Taoiseach’s personal popularity, there are no signs that it had any impact on the result of the Referendum and seems to be have been of much greater interest to the third estate than to the population at large.

The contribution of Fianna Fáil to the campaign cannot be underestimated, once Micheál Martin dealt with the internal opposition from Eamon O’Cuiv, he was able to play a crucial part in debating the merits of the FST.

The role of civic society was once again important with the Business and Farmers lobby coming out early and strongly in support of the FST. The economic argument of the Yes side in general fared much favourably than that of the No side especially in a country where left wing economic ideology and the notion of high taxation is generally unpopular. The Sunday Business Post survey of leading economists that showed 90% in favour of the FST showed the balance of the economic arguments was in the Yes camp.

Unlike previous European Referenda, the FST was focussed solely on economic issues; there was no wider emphasis that could lead to concerns or misinformation about deep social issues. Organisations such as Youth Defence, the People’s Movement and Coir have previously been able to capitalise on these issues, in turn being able to get out a resolute and determined electorate concerned about abortion, conscription and immigration.

In advance of polling day, the general perception was that a low turnout would lead to a No vote. When compared to General Elections, 50.6% is indeed a low turnout, however, in the context of European Referenda it is a middling turnout, less than the turnout that rejected the first Lisbon Treaty and greater than the turnout that endorsed the second Nice Treaty. It appears that the large amount of Don't Knows simply did not turn out to vote.



The Fiscal Treaty referendum is the ninth EU-related referendum held in Ireland since 1972. This has been a challenging time for Ireland's relationship with Europe and for Irish voters, who were faced with a difficult choice.

Despite the abundance of information available about the details of this Treaty and the possible consequences of both a 'Yes' and 'No' result, nearly half of the 3.1 million eligible voters failed to exercise their right to vote. There is clearly work to be done to re-engage and re-energise the democratic process in Ireland.

Now that this referendum campaign is over and the results are in, it is hugely important that all sides in the debate respect the decision of the Irish electorate. The focus must now return to promoting growth and recovery, and increasing stability, in Ireland and the EU.

This was a Treaty that was debated against the backdrop of the worst economic crises to affect Europe since the Great Depression with stark images from Greece and Spain underlining the

precarious position that Ireland finds itself in. Its passing does not provide a great solution to the Eurozone's woes but nor does it damn the Irish people to decades of austerity. The result will be pleasing to the Government and to those whose industries rely on stability and possibility. However, it is not a result that will be celebrated; rather it is one that will simply be acknowledged with a sigh of relief.



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