

REFERENDUM BRIEFING NO 19 THE REFERENDUM ON THE EUROPEAN FISCAL COMPACT TREATY¹ IN THE REPUBLIC OF IRELAND, 31 MAY 2012

**Dr John FitzGibbon
Canterbury Christ Church University
john.fitzgibbon@canterbury.ac.uk**

Key Points:

- The referendum was passed with 60.3% voting Yes and 39.7% voting No. Turnout was 50%.
- This was the first electoral test faced by the Fine Gael-Labour coalition government which was in power since the February 2011 general election.
- The Yes side used the label of “Stability Treaty”, the No side “Austerity Treaty”. On the Yes side access to EU funds and institutional reform were key points, the No side’s main themes were a rejection of failed EU wide austerity policies and different approach to solving the EU crisis.
- There was a strong first-order element in the referendum campaign. Political developments across Europe included the election of Francois Hollande as President of France and the tumultuous events in Greece.
- Second-order issues were equally important including: a rejection of government austerity policies and a general negativity towards the political system.
- The key determinant of the outcome was fear over the uncertainty that a No vote would bring to future of Irish national finances.
- The referendum provided further evidence of low-income, young and rural voters increasingly opposing European integration.

The Irish referendum on the Fiscal Compact Treaty took place amidst unprecedented turmoil in the European and world economy. While not as central to this crisis as Greece or Spain, Ireland still represented the ‘I’ in the ‘PIGS’² group of Eurozone states who were in serious financial trouble and required (or would in the near future) ‘bailout’ loans from the ‘Troika’ of the European Commission, IMF and ECB. Despite being in this position, the referendum, and to a significant degree the Fiscal Compact Treaty itself, fell outside of the attention of the European media and political elite. The collapse of the Greek government and rapidly de-

¹ The full name of which is: the Intergovernmental Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.

² Portugal, Ireland, Greece and Spain.

stabilising Spanish banking system were seen as far more important to the future of the Euro and the EU.

This background made the outcome of the referendum far less relevant for European integration than had previously been the case in the nine referendums on EU related issues that Ireland has held since accession in 1973 (see Table 1 below). Up to the Fiscal Compact Treaty, unanimity was required amongst member states for the ratification of a European Treaty. When a Treaty was rejected the whole process of European integration was put on hold until a ‘solution’ was found to achieve Irish ratification of the EU Treaty in question. In the case of the Nice and Lisbon Treaties, this ‘solution’ took the form of legally binding guarantees on specific policy areas that Irish voters cited as reasons for their No vote.³

Table 1: Irish EU Referendum Votes and Results

Referendum	Turnout	%	Yes	%	No	%	Result
Accession (1972)	1,264,278	70.9	1,041,890	83.1	211,891	16.9	Yes
Single European Act (1985)	1,085,304	44.1	755,423	69.9	324,977	30.1	Yes
Maastricht (1992)	1,457,219	57.3	1,001,076	69.1	448,655	30.9	Yes
Amsterdam (1998)	1,543,930	56.2	932,632	61.7	578,070	38.3	Yes
Nice I (2001)	997,826	34.8	453,461	46.1	529,478	53.9	No
Nice II (2003)	1,446,588	49.5	906,317	62.9	534,887	37.1	Yes
Lisbon I (2008)	1,621,037	53.1	752,451	46.6	862,415	53.4	No
Lisbon II (2009)	1,816,098	58	1,214,268	67.1	594,606	32.9	Yes
Fiscal Compact (2012)	1,589,204	50.5	955,091	60.4	626,907	39.6	Yes

Source: Michael Holmes, ‘The European Parliament Election in Ireland, 5 June 2009’. *European Parties Elections and Referendums Network European Parliament Election Briefing No 35* at http://www.sussex.ac.uk/sei/documents/no_35_epernep2009ireland.pdf; and <http://www.irishtimes.com/newspaper/breaking/2012/0601/breaking1.html>.

The Fiscal Compact was different as it was agreed as an intergovernmental Treaty. Should any state have failed to have it ratified or to not participate, once a minimum of twelve other member states had secured ratification then the Treaty would be implemented and non-ratifying states would be left behind. For Ireland this meant that in the event of a No vote the Irish government could not negotiate supplementary agreements or concessions as they had after the Nice and Lisbon No votes. This development, combined with the negative economic

³ For more detail on these referendums see: Karin Gilland, ‘Ireland’s (First) Referendum on the Treaty of Nice’, *Journal of Common Market Studies*, Vol 40 No 3, 2002, pp527-35; and John FitzGibbon, ‘The Second Referendum on the Treaty of Lisbon in Ireland’, 2 October 2009’, *Representation*, Vol 46 No 2, 2010, pp 227-239.

conditions in the EU, made the political environment of the Fiscal Compact referendum very different from the previous eight Irish EU related referendums.

A particularly important conclusion on the referendum campaign is that despite the presence of strong ‘second’ order (domestic focused) issues, ‘first’ order (related to European integration) issues were just as important in the referendum debate. Ostensibly second-order arguments such as the pros and cons of the government’s austerity financial policies should have dominated the campaign given their direct impact and unpopularity with the Irish electorate. On the contrary, a new and distinct discourse over the future direction of European integration emerged from both the Yes and No sides to take its place beside these issues of direct relevance to Irish voters. The Yes side made an argument that essentially advocated the federalization of certain economic and financial powers, while the No side argued that the people of Europe were calling for an end to austerity and the implementation of an EU-wide growth pact. Events in other member states and at the EU level were a continuous presence and framed the terms of the debate. Irish voters were aware of the dramatic events in Greece and the potential of a change in President in France to challenge the influence of Germany in directing the European political agenda. Examining the Irish Fiscal Compact Treaty referendum provides a snapshot of how citizens, parties, and civil society groups engaged with European integration in a radically changed economic and political environment.

Background

The referendum debate took place within the context of an austerity programme that was undertaken due to the collapse of the Irish economy and public finances. Ireland had the largest budget deficit in the EU in 2011 (13.1% of GDP), a debt to GDP ratio behind only Greece and Italy in the EU of 108.2%, and the fifth highest rate of unemployment at 14.7%. The deficit and unemployment rate were the result of the collapse of the property market and the knock-on effects in consumer spending, employment and tax revenues. The enormous Irish national debt, however, was due largely to a failed national bank bailout plan which ended with the government assuming the debts and liabilities of the insolvent Irish banking industry. With such unsustainable levels of spending and national debt preventing access to funding from international markets, Ireland was forced to enter into an EU-IMF-ECB (Troika) assistance programme in November 2010. As a condition of receiving funding from the Troika the government had to implement a series of austerity measures. Unsurprisingly the Irish public reacted negatively to the seemingly endless series of tax rises and spending cuts, with government approval ratings dropping from 37% in July 2011 to 23% in April 2012. Despite this level of public dissatisfaction, Ireland did not witness the mass violent demonstrations seen in Greece or the mobilization of millions in street protests as in Spain to oppose government austerity policies. Irish voters had typically waited for electoral opportunities to inflict punishment on unpopular governments. This happened with the first referendum on the Lisbon Treaty in 2008 where opposition to government policies was one of the key reasons for the No vote.⁴ More recently, the February 2011 general election saw the electoral collapse of the then ruling coalition of Fianna Fáil and the Green party.⁵

⁴ See: Michael Holmes, ‘The Referendum on the Treaty of Lisbon in the Republic of Ireland, 12 June 2008’. *European Parties Elections and Referendums Network Referendum Briefing Paper No 16* at <http://www.sussex.ac.uk/sei/documents/epern-ref-no16.pdf>.

⁵ See: John FitzGibbon, ‘The Irish General Election of 25th February 2011’, *European Parties Elections and Referendums Network Election Briefing Paper No 64* at <http://www.sussex.ac.uk/sei/documents/epern-election-briefing-no-64.pdf>.

Notwithstanding the European financial crisis, this domestic background to the referendum of economic austerity and extreme voter vindictiveness was also clearly significant. This created a very palpable sense in the ‘grand coalition’ of the centre-right Fine Gael and centre-left Labour government, who replaced the previous administration⁶, that the referendum could be used by voters to punish them for failing to negotiate less onerous terms for Ireland’s financial bailout from the Troika and the resultant continuing policy of austerity.

Conscious of this potential for Irish voters to enact punishment on the government in an EU referendum, the Fiscal Compact was worded by EU leaders so as to explicitly avoid a referendum in Ireland. This was continually denied by Irish government ministers but acknowledged by Euro zone leaders. Despite this attempt to avoid an Irish vote, the government was inevitably going to hold a referendum as the convention had been established that all EU treaties were ratified by the people in a plebiscite. The original Crotty judgement from the Irish Supreme Court that established the referendum as the means of EU treaty ratification in Ireland was based on a specific interpretation of the impact of European integration on Irish foreign policy. This interpretation required an amendment to be made to the constitution to institute European law and thus a referendum was required for each EU Treaty in Ireland. Though it was questionable whether the Crotty judgement applied to the Fiscal Compact Treaty, the Attorney General nevertheless still thought it necessary to hold a referendum.

The Treaty Itself

In the flux of continually unfurling events in the Euro zone, the negotiation of an EU Treaty that took a concrete step in the direction of fiscal union appeared to have been overlooked. Whereas previous Treaties were large legal documents that dealt with a multitude of issues, the Fiscal Compact Treaty was short (24 pages) and specifically focused on financial and economic governance in the EU. Officially titled the “Intergovernmental Treaty on Stability, Coordination and Governance in the Economic and Monetary Union”⁷ it detailed a set of “specific rules, including a balanced budget rule and an automatic mechanism to take corrective action” to “promote conditions for stronger economic growth in the European Union and, to that end, to develop ever-closer coordination of economic policies within the euro area”. The proposals coalesced around several major points, principally, enshrining a “balanced budget rule” in national legal systems, keeping government deficits at or below 3% of GDP with a structural deficit no greater than -0.5% of GDP, and finally a requirement to keep government debt at or below 60% of GDP.

What the Treaty sought to do was write into law the budgetary framework for the Euro zone. But perhaps more importantly than this, it enshrined economic and fiscal policy co-ordination with the European Council and Commission in national law, as well as the power of the European Court of Justice to levy fines on states that failed to follow these fiscal rules. The Fiscal Compact Treaty represented the first of many proposed initiatives towards deeper integration and the ‘federalization’ of European economic governance. Such proposals included greater powers for the European Central Bank B, a banking union, a permanent chair of Euro zone finance ministers and the launch of Eurobonds.

⁶ The Fine Gael Labour coalition government received a de facto investiture Dáil (parliament) vote of 117 to 27 out of 166 Dáil votes on 9 March 2011.

⁷ The name of the Treaty was rather confusingly shortened by various EU and member state agencies to, at different periods: the Fiscal Compact Treaty; Stability Treaty; and the Six Pack.

Though similar co-ordination of fiscal policies had been put forward many times, there had been little desire to implement them. Indeed, despite fiscal rules governing the Euro zone being in existence since the Stability and Growth Pact (SGP) was adopted in 1997, these rules were repeatedly breached by Euro members. The most explicit offenders were France and Germany who argued for, and received, a relaxing of the sanctions for rule breaking. These changes, which then Commission President Romano Prodi strongly opposed, were made on the ostensible basis that the restrictive terms of the SGP were difficult to reconcile with the economic declines France and Germany were experiencing at the time. The history of French and German violations of the pre-existing SGP was used by both Yes and No sides in the referendum campaign to underscore their point. For the Yes side it emphasized the need to have legally binding rules that everyone had to adhere to and could not be changed by the demands of the larger member states. On the No side the previous breaking of the SGP by France and Germany was clear evidence that the Fiscal Compact Treaty was created for the benefit of the large member states who changed and broke the rules whenever they saw fit, but who forced smaller member states to adhere to them no matter what the economic and social cost.

The Campaign

The signing of the Fiscal Compact Treaty took place on 30 January 2012. At the time, however, there was a degree of uncertainty as to the necessity of a referendum for full ratification. After receiving advice on 28 February from the Attorney General that her legal opinion was that a referendum should be held, the government waited until 27 March to announce that the referendum would be held on 31 May. Despite this delay in revealing the referendum date, both sides had been prepared and began the debate immediately with a series of launches in the first week of the campaign. The history of repeated EU referendums in Ireland (see Table 1) meant that the proponents and opponents of further European integration had plenty of experience of the referendum process. In the intervening period a parliamentary sub-committee had engaged in a lengthy analysis of the Treaty and invited presentations from a broad section of Treaty proponents and opponents, member state diplomatic staff, politicians from across Europe, academics and civil society groups. Its deliberations were representative of the overall thrust of the debate in that it was balanced between differing interpretations of the benefits of the Treaty for solving Europe's economic crisis and the democratic legitimacy of ceding powers over national fiscal policy⁸.

The Yes Side

The Yes side was largely comprised of the three largest mainstream political parties: Fine Gael (European People's Party), Labour (Party of European Socialists) and Fianna Fáil (European Liberal Democratic and Reform Group). As the largest parliamentary party and the main party of government, Fine Gael was the dominant force on the Yes side. The other party of government, Labour, had a long and difficult history with Europe. Labour initially opposed EU membership in the 1972 referendum and, though their party leadership became strong proponents of full Irish participation in European integration, a rump of the party membership remained sceptical of the Union. With the strict financial controls articulated in the Fiscal Compact there was open criticism of the Treaty from party backbenchers and rank-and-file members. This led to Labour's campaign being more muted with a lower profile than

⁸ The report of the European Affairs Sub-Committee on the Referendum on the Intergovernmental Treaty on Stability, Coordination and Governance in the Economic and Monetary Union is available at: http://www.oireachtas.ie/parliament/oireachtasbusiness/committees_list/eu-affairs/sub-committee/

that of Fine Gael's. Despite Labour's degree of reticence, the government was keen to avoid the fate of the previous administration that lost the first Lisbon referendum in 2008 within a year of forming. The latter's defeat in the first Lisbon Treaty was the start of a downward spiral in public support from which the previous government never recovered.

Several civil society groups joined in the campaign for a Yes vote, the most notable of these were the Charter Group and Alliance for Ireland. These groups were originally formed to campaign in favour of the Lisbon Treaty in the second referendum and re-formed for the Fiscal Compact Treaty poll. The Charter Group was established by long-standing trade union activists concerned that the new emerging union leadership was becoming too Eurosceptic and was failing to build on the legacy of workers' rights that European integration had brought to Ireland. Alliance for Ireland was a civil group who were active in the second Lisbon Treaty referendum campaign and were re-formed by its principal actors, former President of the European Parliament Pat Cox and Labour party official Tony Browne. Using newspaper and magazine advertisements of endorsements in favour of passing the Treaty from high profile cultural and sporting figures, Alliance for Ireland sought to bring non-party based arguments to the debate. It is important to note that Alliance for Ireland was far less visible and relevant than it was in the second Lisbon referendum. In previous referendums civil society groups such as business associations, farmers' organisations, and some trade unions played important roles in providing a broad base of support for EU Treaties. Though a continuous presence in the campaign, institutionalised civil society groups were pushed to the side-lines in this campaign as the debate became to be seen in terms of contestation between political parties. The focus on confrontational media engagements also acted against a more prominent role for civil society, with strong personalities and experienced party officials being favoured over unknown and inexperienced civil society actors. This meant that - despite the support of important interest groups of, among others, the Irish Farmers Association, the American Chamber of Commerce and the employers group IBEC - it was political parties that were the dominant actors in the Yes campaign.

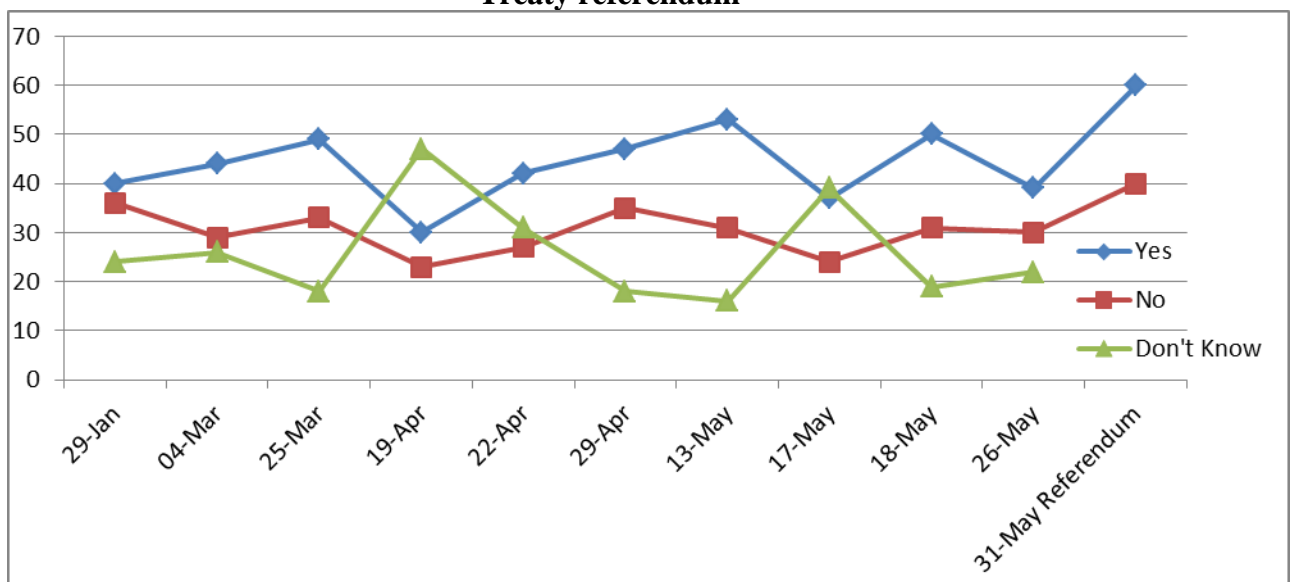
The Yes side utilized several means of campaigning to get their message across. Firstly, they used senior government ministers to continually repeat the message in media outlets of the importance of the Treaty for economic stability. Secondly, they used the traditional campaign method of postering and canvassing by members of the three pro-Treaty parties. Typically political campaigns in Irish politics were dominated by the 'battle on the doorsteps' as canvassers attempted to make direct contact with as many individual voters as possible. More recently, referendums have moved away from this style of campaigning as various court judgements giving equal access to both sides to the media have made broadcast media the most important arena of contestation.

The central message of the Yes side was that passing the Treaty would ensure that Ireland continued to receive funds from the European Stability Mechanism (ESM) to pay for current government expenditure. Stability was the key word for Yes campaigners as they sought to portray the passing of the referendum as vital toward re-establishing Ireland's reputation in the EU and international financial markets. This was followed up with the argument that should the Treaty be rejected then the uncertainty it would generate would lead to Ireland not having access to borrowing from international money markets, and de-stabilise the country's finances even further. Though this argument on the access to ESM funding was the pervasive one across the Yes side, several other issues were also raised but were not as widely repeated. An additional point was that the specific rules of the Fiscal Compact Treaty would prevent any further recurrence of Ireland's large budget deficit. Ireland's close relationship with the

EU was also stressed in the context of Ireland having to remain at the centre of the EU decision making process. This was an explicit reference to the UK not participating in the Treaty and its perceived loss of influence following its decision. Overall, the Yes side stressed that the Fiscal Compact was not a ‘silver bullet’ to solve the economic crisis but was part of a forthcoming series of initiatives that Ireland had to support to end the crisis. Should the Treaty be rejected, the Yes side warned, then Ireland would end up like Greece in a downward spiral of economic and political chaos. As the campaign developed, the question of ESM access was reversed and the Yes side continually challenged Treaty opponents to detail where they would get the money from to bridge the gap in Ireland’s budget deficit without this source of funding. The Yes side’s posters spoke of stability and Ireland’s positive relationship with the EU but on the air-waves government politicians were clear that anything other than a Yes vote would lead to the complete financial collapse of Ireland.

Though the principal accusation from the No side against the Yes side was of “scare mongering” and of “holding a gun to the electorate’s head”, both sides used negative tactics that invoked apocalyptic scenarios should the referendum outcome go against their position. This made fear the over-riding sentiment in the debate. The Yes side warned that a No vote would lead to Ireland not having access to ESM funds which would result in even deeper austerity with no money to pay for social welfare or public sector wages. In contradiction to this, the No side argued that a Yes vote would lead to “permanent austerity” across Europe and the removal of expansionary economic policy as an option from the Irish government. Against the backdrop of scenes of growing poverty in Greece, grave concern over the solvency of the Spanish banking system, and political intransigence in Brussels, there was a palpable sense of confusion among voters about what way to vote. As Figure 1 shows, this uncertainty was reflected in opinion polls taken during the campaign.

Figure 1: Opinion polls on voting intentions on (and the result of) the Fiscal Compact Treaty referendum



Source: RedC, Ipsos MRBI, Millward Brown Lansdowne.

The No Side

As with the Yes side, the No side was dominated by political parties. The two most high profile campaigners were Sinn Féin and the United Left Alliance (ULA) a left-wing electoral grouping comprising: the Socialist Party, People Before Profit Alliance, independent MPs

and other small left-wing groups. Both parties used classic left-wing arguments under the ‘Austerity Treaty’ label to argue for the rejection of the Fiscal Compact Treaty. The government’s political opponents saw the referendum as an opportunity to attack its austerity policies and to put their alternative plans forward into the public sphere. Sinn Féin also used the referendum as an opportunity to build on their significant electoral breakthrough and place themselves as the main opposition to the government. The largest opposition party, Fianna Fáil, was in favour of the Treaty having been a party of government for twenty-four of the last thirty years. Sinn Féin sought to come out strongly against the Treaty and make a decisive connection between government austerity measures and the passing of the Fiscal Compact Treaty. The United Left Alliance used funding from their MEP in the GUE/NGL European Parliamentary grouping to build his profile but also to emphasize the “citizen-led backlash against austerity in Europe”. They argued that recent elections in France and Germany and the collapse of governments in the Netherlands and Romania were part of a citizen-led rejection of austerity that the Irish people could participate in this by voting No. While the political opportunity to obtain plentiful media coverage was an element of these parties’ campaigns against the Treaty, the main basis of Sinn Féin and ULA opposition was genuine ideological opposition to the direction that they believed it took European integration.

Though several trade unions came out decisively against the Treaty, the main trade union body, the Irish Congress of Trade Unions (ICTU), did not take a position on the Treaty. While in the past ICTU had been a supporter of some European treaties, and ambiguous on others, it did not follow the strong condemnation of the Treaty by the European Trade Union Congress (ETUC). This was the first time the ETUC had come against a European Treaty and their language in opposing it was unequivocal: “the new Treaty will undermine the support of the population for European integration, and it will stifle growth and increase unemployment”. Yet despite a vote at the ICTU general conference authorizing the general committee to advocate a No vote, they did not make a recommendation either way. Trade union leaders from the private sector argued that this was because of fear amongst the large and dominant public sector unions that a No vote would have serious repercussions for jobs and wages for those in government employment. Fear was the main reason behind this failure of the centre-left to mobilize. The possibility of Ireland being cut out of ESM funding, and thus having to reduce its public deficit more quickly, caused many trade unionists, Labour party members, and those reliant on the public sector, to largely withdraw from the campaign relative to Fine Gael and other groups on the political right.

Though the political centre-left did not mobilize against the Treaty, various civil society groups used the campaign to articulate their opposition to government policies. These groups were not as influential as civil society groups had been in the first Lisbon referendum but nevertheless they articulated much of the public anger at government policies and the European dimension of these same policies. These issues ranged from the failure of the Treaty to re-negotiate Ireland’s bank bailout and stop the on-going payment of bonds to the failed Irish banks, a moral outrage that campaigners argued was forced on Ireland by the ECB and the French and German governments. Other groups sought to link the Treaty to the passing of increased taxes, specifically charges for rural sewage treatment, household charges (property taxes) and the introduction of water charges. Their argument was that the neo-liberal slant of the Treaty was the basis for such charges. The European dimension of the Treaty was the focus of the ‘Another Europe is Possible’ group. Though small and formed only a few weeks before the referendum, they sought to highlight, from a non-party aligned

position, the need to reject the neo-liberal austerity policies of the Treaty and participate in a Europe wide change in direction toward more social and citizen focused policies.

One civil society based campaign that did receive significant media attention was Declan Ganley and his Libertas group, who returned to the public spotlight as a social movement after their failed attempt to contest the 2009 European Parliamentary elections as a pan-European political party. Despite being ideologically sympathetic to the policies contained in the Treaty, Mr Ganley campaigned for a No vote. The basis of his argument was that Ireland should reject the Treaty and force the EU member states to re-negotiate it in order to secure an agreement that focused on the real cause of the financial crisis: excessive public debt caused by the banking crisis. Only announcing his position on the Treaty two-and-a-half weeks before the vote, Mr Ganley was thrust into the limelight by the media and participated in the final series of debates on national television. The Libertas slogan was: “Cut the bank debt, or no deal”. Few, however, seemed to realise that the alternative that Mr Ganley was proposing was a federal Europe to facilitate the mutualisation of bank debt across EU member states, overseen by EU-level institutions directly elected by EU citizens.

The entry of the Europe of Freedom and Democracy (EFD) European Parliamentary group and two of its constituent members, the United Kingdom Independence Party (UKIP) and the Danish People’s Party, into the debate provided a diversion during the campaign. The EFD group sent a pamphlet to every Irish household calling for Irish voters to reject the Treaty and to “stop bailing out Franco-German banks”. Its policy alternative was that “Iceland shows the way forward” and for Ireland to “decouple, devalue and grow”. Though their impact on the campaign was difficult to evaluate, they did give extra weight to the arguments of the No side that the Treaty was to the benefit of the large EU member states and not smaller countries.

The majority of No campaigners proposed alternative policies that called for the scrapping of the Fiscal Compact Treaty and the drafting of a pro-growth Treaty. Such an alternative Treaty explicitly rejected austerity policies and instead emphasized Keynesian economics to promote growth and solve the Europe-wide employment crisis. None of the main opponents of the Treaty advocated leaving the EU, and few argued for exiting the Euro. Rather the general emphasis was on a dramatic change of direction for the EU away from existing policies of austerity. With the Fiscal Compact Treaty being an inter-state agreement and not an official Treaty of the EU, Ireland did not hold a veto over ratification of the entire process. This situation, coupled with their trenchant criticism of existing policies, forced the No side to provide an alternative to the policies advocated in the Treaty. With EU and Euro membership receiving strong support from Irish voters (62% of Irish voters have a positive view of the EU according to the Flash Eurobarometer survey taken after the referendum), No campaigners had to articulate what their concept of a future path for European integration looked like. While ‘second-order’ issues were pervasive throughout the referendum campaign it is, however, important to acknowledge that where the austerity policies of the government were raised by the No side the connection was made to their enforcement on Ireland by the EU institutions.

Referendum Commission/The role of the media

Referendums in Ireland are overseen by the Referendum Commission, an independent body charged with explaining the subject matter of referendum proposals, raising public awareness of the referendum and encouraging the public to go out and vote. One of the first public statements of the Commission was to criticise the government for prevaricating over the

holding of a referendum. This, the Commission felt, placed them in a difficult position of having only four weeks to communicate the Treaty to the electorate and distribute a copy of it to every household in the country. The Commission had further problems when, despite the straightforward nature of the Treaty, they had to repeatedly intervene in the campaign to verify or dismiss claims made by both sides. Firstly, it clarified that the referendum could not be delayed, as had been called for by certain independent MPs and civil society groups. The origin of this demand was that, with François Hollande more than likely to win the French Presidential election, he would renegotiate the Fiscal Compact and Ireland should wait for this scenario to play out before voting on what would soon be a defunct Treaty. Secondly, the Commission rejected the argument of Sinn Féin that the government could exercise a veto over the Fiscal Compact Treaty to prevent it going ahead. Sinn Féin argued that the Commission was giving the government version of contestable legal opinion and took the Commission to court where their case was eventually rejected.

Though the Referendum Commission received general praise for its campaign to inform citizens the media was cited by 60% of voters as the most important source of information on the referendum.⁹ It gave plentiful coverage to the referendum campaign, with a series of debates with equal numbers of representatives from both sides. These debates were held on both radio and television. As Ireland has the highest radio listenership percentage in the world, with 85% of adults listening to the radio every weekday for an average of four hours a day, the battle over the airwaves formed a key arena of contestation in the campaign. Due to the Coughlan judgement, media outlets were forced to give equal coverage to both sides in a referendum campaign. This meant that No campaigners, despite tremendous discrepancies in resources relative to the Yes campaign, were able to get their message across. Radio discussion programmes across public and private broadcasters allotted significant periods of airtime to discuss the Treaty with politicians forming the principal participants in these debates.

More generally the media used the referendum campaign as a means of evaluating the Troika bailout programme in Ireland and the EU's response to the European financial crisis more generally. Towards the end of the campaign it appeared that the media was actually far more interested in the campaign as there was clear fatigue from both voters and campaigners with the opinion polls increasingly pointing toward a Yes vote. Nevertheless the importance of media engagement in the campaign played a significant role in directing the debate towards what was the best course of action for Europe to take to solve the crisis - the measures contained in the Fiscal Compact or an alternative policy based on economic expansion.

Results

Figure 1 clearly shows the uncertainty over the referendum among Irish voters. The 'don't knows' formed an important element of the electorate, at one stage reaching a majority. It became clear that whichever side they decided to support would end up winning the referendum. Looking at the results of the referendums, the 'don't knows' voted Yes decisively by a two-to-one majority. In the 19th April and 17th May polls, jumps in the

⁹ The post-referendum Flash Eurobarometer survey found that 60% of referendum voters made up their mind based on information provided by television and radio. See: http://www.europarl.europa.eu/aboutparliament/en/00191b53ff/Eurobarometer.html?tab=2012_3. European Parliament (2012) *Flash Eurobarometer 353: Fiscal Compact Post-Referendum Survey Ireland 31 May 2012*, Brussels 4 July

number of 'don't knows' were closely aligned to declines in support for a Yes vote, demonstrating the wider pattern of a reluctant Yes vote.

The Yes side secured a decisive victory by 60.1% to 39.9% on a turnout of 50%. Despite this ostensibly pro-EU result the pervasive sense of fear amongst voters meant that they overcame frustration at the government over the implementation of austerity and the failure to renegotiate the bank bailout. Voters went for the known quantity of the establishment parties' support for agreed EU policies to solve the economic crisis. Putting forward a convincing argument on the negative impacts of austerity had not been enough for the No side. As a very loose coalition of radical left parties and civil society groups, together with Libertas on the right, they were not able to formulate a legitimate alternative as to where they would source funding from to run the state if Ireland was cut out of the ESM in the event of a No vote. This made the referendum very different from all of the previous Irish EU referendums; and, indeed, from other referendums in general. Typically the No side in any referendum has the advantage as they are campaigning for the status quo. If voters are unsure of what the potential costs of a Yes vote are or are happy with the situation as it stands then they are more likely to vote No. With the Fiscal Compact Treaty, voters were both unsure of the costs of rejecting the Treaty and were also deeply unsatisfied with the status quo.

Polling conducted by the European Parliament and show in Table 2 located the feeling amongst voters that a Yes result was necessary for Ireland's economic future and the fact that the No side had failed to provide an alternative were the main reasons for the success of the Yes campaign. There were also several pro-EU reasons for voting Yes, with a clear emphasis on the importance of Ireland's relationship with Europe. The same polling showed that, while the rhetoric of the campaign had a decisively 'first-order' element, Irish voters were strongly influenced by 'second-order' opposition to the Irish government and general mistrust toward the political class. Four years of economic uncertainty clearly weighed on No voters minds, as well as a degree of anti-German sentiment (felt by 5% of No voters).¹⁰

Table 2: Top 5 reasons for voting Yes and No: Post Fiscal Compact Treaty Analysis

TOP 5 REASONS FOR VOTING YES

- Economic necessity/stability 24%
- Uncertainty/instability attached to No vote 23%
- Access to funding/future bailouts/No side fail to source finance 22%
- Good for Ireland 18%
- Pro-EU 18%

TOP 5 REASONS FOR VOTING NO

- Anti-government 28%
 - Distrust of politicians/misleading the people 24%
 - Lack of information/understanding 20%
 - Anti-referendum 19%
 - Loss of political/economic sovereignty 18%
-

Source: European Parliament (2012) *Flash Eurobarometer 353: Fiscal Compact Post-Referendum Survey Ireland* 31 May 2012, Brussels 4 July.

Overall five constituencies voted No. Three of these were in Dublin and two in the peripheral county of Donegal. All of them had substantial numbers of lower-income voters and were

¹⁰ See: European Parliament (2012) *Flash Eurobarometer 353: Fiscal Compact Post-Referendum Survey Ireland* 31 May 2012, Brussels 4 July.

represented in the Dáil (Parliament) by Sinn Féin and other left-wing parties. Those constituencies that voted in favour with the largest majority were a mixture of affluent Dublin areas and agricultural based rural constituencies - all with strong representation from Fine Gael. Opinion polling up to the referendum itself showed consistency with this pattern as Fine Gael and Sinn Féin voters were the most likely to follow their parties cues on how to vote. An opinion poll four days before the referendum showed 85% of Fine Gael supporters intending to vote Yes and 81% of Sinn Féin supporters intending to vote No. The content of the Treaty itself made the distinction of support for or against based on left- and right-wing politics clear cut. In terms of voting patterns, this manifested itself as working-class rejection of the Treaty and middle-class support. This result was part of a trend seen in previous EU referendums in Ireland and EU related referendums in other member states.

Conclusions

Irish voters in the Fiscal Compact referendum campaign were not just exposed to a simple Yes/No narrative but were also offered distinct policy choices at the EU level. The straightforward and easily comprehensible nature of the Fiscal Compact greatly facilitated this development. In comparison to the dense legal documents that comprised the Nice and Lisbon treaties, the Fiscal Compact listed out definite policy changes and their implications for member states. The referendum campaign boiled down to an interpretation of what these rules meant. For the Yes side they represented the necessary institutional rule changes that formed part of the response to solving the EU financial crisis. For the No side they represented the institutionalisation of austerity and right-wing ideology in EU law. This dichotomy of interpretation forced both sides into giving explanations for how their position would lead to the crisis being solved. The Yes side essentially argued that deeper European integration and full Irish participation in agreements reached by the Eurozone and EU members was the only path for Irish recovery. On the other hand, the No side offered a distinct alternative. Their policy was that Ireland needed to vote No and negotiate a new deal with the EU that removed onerous fiscal discipline policies from the agenda and introduced pro-growth policies of capital expenditure to reduce unemployment in Eurozone economies.

Despite the presence of this alternative policy and public dissatisfaction with the government, Irish voters were too fearful and unsure to support alternatives that placed Ireland at odds with what had been agreed at the EU level. The Yes to the Fiscal Compact Treaty showed that Irish voters were willing, however reluctantly, to accept austerity as the price of deeper European integration for solving the financial crisis.

Published: 22 April 2013

This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at <http://www.sussex.ac.uk/sei/research/europeanpartieselectionsreferendumsnetwork>.