

General Elections in Ireland, A round up one week before the election

from **Corinne Deloy**Translated by *Helen Levy***D-7**7 days before
the poll

On 1st February the President of the Republic of Ireland, Mary McAleese dissolved the *Oireachtas* (Parliament) on the request of Prime Minister Brian Cowen (Fianna Fail, FF) and convened a snap election (about one year ahead of time) for 25th February.

The Taoiseach (Prime Minister in Gaelic), in office since May 2008, was forced to resign both by the opposition forces who threatened his government with a motion of censure which he could hardly hope to win and by the members of his own party, which had already obliged him to give up his post as leader of Fianna Fail – and also by the Greens, member of his government coalition. Brian Cowen was replaced in this function by Micheal Martin, the Foreign Minister, who had also resigned.

Brian Cowen, former Finance Minister 2004-2008, who entered office just as his country was plunging into an unprecedented recession, has become gradually more unpopular, beating all records as he announced increasingly draconian austerity plans. He is the first head of government in the world to fall because of the international economic crisis.

Brian Cowen who had already been greatly discredited because of the way he had managed the political-economic crisis in Ireland found himself further weakened by the revelation of a meeting he was supposed to have had in the middle of the crisis with former chair of the Anglo-Irish Bank, Sean FitzPatrick. *"My political career is coming to an end with these general elections. In taking this decision I feel extremely sad. But it is the best decision because Fianna Fail is restructuring itself and experiencing a renaissance with the rise of the new generation,"* Brian Cowen declared just before the election was convened. *The Taoiseach* is the first in Ireland's history not to run for re-election.

The Socio-Economic Crisis at the Heart of the Electoral Campaign

Former European champion and nicknamed the "Celtic Tiger" Ireland experienced exceptional growth for a long time. However the country, whose growth was built mainly on the financial industry, was severely affected by the international economic crisis in 2008; GDP growth contracted by 7% in 2009, unemployment rose (13.4%) and the housing market collapsed due to the departure of international companies (mainly American) after the collapse of their profits.

Although the situation has improved the Central Bank of Ireland has however reviewed its latest growth forecasts downwards (1% instead of the 2.1% initially planned), notably because of the effect of the auster-

ity measures adopted in exchange for international aid. The financial institution does believe however that the country should emerge from the recession in 2011 thanks to its export performance which will compensate for the weakness of domestic demand. Another rather dismal figure for the Irish economy is that private loans declined by 5.2% in December in comparison with the same month in 2009 (these contracted by 4.8% in November). Finally withdrawals from the banks are continuing: 5.2 billion € in November 2010, nearly 3 billion in December.

Brian Cowen's outgoing government has been criticised for having managed the socio-economic crisis badly and for having continued to support the bankers and also of having turned to the IMF and the EU for aid, accepting on 24th November 2010 the terms of a

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rescue plan of 85 billion €. According to a survey by MillwardBrown Landsdowne published mid-February more than eight Irish in 10 (82%) said they support the renegotiation of this plan.

As expected turning abroad for aid was the heart of the first TV debate in the electoral campaign that took place on 9th February. *"The government has associated the country's fate with the misfortunes of the banks and has sold us to the EU and the IMF. The European part of the international loan must be renegotiated. The present agreement is bad for Ireland, Europe and the euro area,"* declared Eamon Gilmore, leader of the Labour Party. To do this the latter wants to make those holding bonds invested in the banks pay (*"they must bear part of the burden"* he said), to delay the deadline granted to Ireland by Brussels to bring back the public deficit below the 3% mark of the GDP and last but not least, reduce the interest rates demanded by the international organisations which lie at 5.83%. Eamon Gilmore qualified this rate as *"punitive and evil"*. The Labour Party, which is under attack on the far left by Sinn Fein (SF) and other leftwing parties, has recently lost some ground amongst the middle classes. It is quick to outbid the others and speaks of rejecting the rescue plan.

Opposition and Fine Gael leader (FG) Enda Kenny, who is considered by all observers of the political arena to be the next Irish Prime Minister also said that he intended, if he came to office after the election, to reduce the cost of the EU loan by reducing the interest rates – to do this he intends to buy back part of the sovereign debt and restructure the bank debt that is not guaranteed by Dublin. The Fine Gael leader has also said he wants the recapitalisation of the escheated Irish banks to be suspended until the release of the new resistance test results undergone by the financial establishments (planned for the end of March). However the international rescue plan includes the refloating of the Anglo-Irish Bank and the Bank of Ireland to a total of 7 billion € by the end of February. In the wake of Enda Kenny's proposals on postponing the recapitalisation of the banks the financial ratings agency Moody's downgraded the Irish financial establishments' ratings by six points (Allied Irish Bank, Anglo-Irish Bank, EBS, Irish Nationwide Building Society, Bank of Ireland and Irish Life & Permanent).

Enda Kenny recently travelled to Brussels where he met European Commission President José Manuel Barroso with whom he spoke of renegotiating part of the rescue plan. The Fine Gael leader was accompanied by Michael Noonan, the party's present spokesperson (and probably the next Finance Minister), who said that his party wanted the debt owed by the Irish banks to be reduced likewise the interest rate paid by his country for the funds received. *"In spite of all of the effort Ireland might make it cannot support the cost of the aid in the present conditions,"* he declared.

"Ireland's rescue plan cannot be renegotiated unilaterally and it is dishonest to pretend the contrary," repeated the new Fianna Fail leader, Micheal Martin.

Ireland's European partners, notably Germany, are extremely reticent about any further discussion over the rescue plan. They might however relax their position asking Dublin to raise company tax in Ireland in exchange - at present it is set at 12.5% and one of the lowest in the European Union. Opposition leader Enda Kenny also mentioned the introduction into Irish constitutional law of measures that aimed to limit public debt according to the German model. *"We told the European Commission that we were aware that in Europe there was a desire to control the legal ability of governments to fall into debt so that they could not have to borrow imprudently again,"* declared Michael Noonan.

The IMF said by way of its External Relations Director and spokesperson Caroline Atkinson that it was planning to pay the next two parts of its loan of 22.5 billion € to the Celtic Republic after the elections on 25th February next. The first part of 5.8 billion has already been released; the next two are planned for around 15th March and 15th June next but they might be grouped together given the *"measures that might be implemented beyond the programme that has already been applied by the new government that will take office,"* said Caroline Atkinson.

Political Campaign

Fine Gael and the Labour Party, who will probably be allies in the next government coalition, are undertaking a bitter pre-electoral battle. Labour is accusing Enda Kenny's party of being too timorous with regard to Ireland's partners: Fine Gael is accusing Labour of

wanting to borrow five billion additional euros which Eamon Gilmore's party denies.

During the second TV debate in the electoral campaign on 14th February the Fine Gael leader criticised his Labour counterpart of wanting to postpone the recovery of budgetary balance, a date which had however been agreed with the IMF and the EU, by two years. "What you don't say is that you have already changed your mind moving from 2014 to 2016. This means that we shall have to borrow five billion euros more. And that means higher taxes, high interest rates, higher unemployment and a longer period of austerity," he declared after Eamon Gilmore had accused him of condemning Ireland to long term economic recession since he defended the deadline set by the international organisations. After this exchange Micheal Martin ironically asked whether Enda Kenny and Eamon Gilmore really wanted to govern together.

The two opposition parties will however have to start evening out their differences if they are to govern an Ireland in mid-crisis. "The future government will have to build a new country from the ruins of our economy," warned Enda Kenny.

According to the polls Fine Gael is due to win the elections on 25th February. Some analysts are saying that the party may, if it wins a great number of seats, try to form a minority government with the support of the independent MPs in the Dail Eireann (the Chamber of Representatives). In anticipation of this Eamon Gilmore has said that "for the first time in Ireland's history the government may be governed neither by Fianna Fail nor Fine Gael."

From a political point of view Fine Gael is suggesting that the Taoiseach's salary be reduced by 200,000 € and that ministers' expenses be reviewed. It supports the reduction of the number of members of the Dail Eireann (it is recommending the suppression of 20 members) and the abolition (within the next 12 months) of the Seanad Eireann, the upper chamber of parliament that comprises 60 members, 43 of whom are election proportionally by five major entities made up of MPs and local representatives from various sectors of society, 11 are appointed by the Prime Minister and 6 by citizens aged 18 and over who are registered on the electoral rolls and who have graduated from the University of Ireland or the University of Dublin. The main

opposition party wants to create a citizens assembly of 100 people which would have the responsibility of put forwarding proposals for electoral reform, establishing a public petition system and reducing the age of the vote to 17 (instead of the present 18). Ireland is one of the rare countries in Europe not to have reformed its political system since the Second World War.

Although the Labour Party is suggesting the suppression of the Seanad Eireann it is however in favour of increasing the number of members of the chamber of representatives by 50%.

The reform of the political system is a priority of Fianna Fail's programme which is suggesting a modification of the mode of election for the general elections and also the election of the president (the citizens of Northern Ireland would be able to appoint the head of State of the Republic of Ireland) and the end of the present system whereby with the exception of two ministers who can be members of the upper chamber of parliament, all of the others must obligatorily be members of the Dail Eireann. In order to become a reality these changes must be adopted by referendum though.

The Fianna Fail which has dominated political life since the country's independence in 1922 and which has governed Ireland for 55 of the last 74 years is fighting to come third on 25th February next. The polls say that Sinn Fein (SF) is hot on its heels – with the latter intending to take advantage of the discontent generated by the socio-economic crisis clinching some of the present governing party's electorate, notably those who have been angered by the "loss of sovereignty" which they believe the use of international aid has led to. This explains why the Fianna Fail leader Micheal Martin is focusing most of his criticism on Gerry Adams, the Sinn Fein leader.

Politically Sinn Fein supports the abolition of the Seanad Eireann. "The Seannad Eireann is anti-democratic. It is a relic of the old system and I have the experience of the British House of Lords to illustrate this. All of this absurdity is based on privileges – we replaced an old elite with a governing elite," declared Gerry Adams.

Finally the Green Party (GP) is suggesting the reduction of the number of MPs. It announced a plan to create 100,000 green jobs over the next nine years. John Gormley's party says that it has created 20,000 green jobs since 2007.

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Former Prime Minister (1997-2008) Bertie Ahern, a model of longevity as the head of Ireland decided not to run in the elections. *"I have always said that I would stop my political career at 60 and my birthday is in September (11th September 2012)"* he declared.

The polls forecast that Fianna Fail will suffer the worst defeat in its history. The party has been credited with 12% of the vote by the most recent polls by Millward-Brown Landsdowne, published in the daily The Irish Independent on 16th February. Fine Gael is in the lead with 38% of the vote (78 of the 166 seats in the chamber of representatives) and would thereby become the country's main party for the first time in its history. The Labour Party is due to win 23% of the vote; Sinn Fein, 10% of the votes and the Greens 1%. Those who are undecided (which represents around 20%) will determine whether

the next government will be formed by Fine Gael alone or by a coalition with the latter and the Labour Party.

Enda Kenny's popularity is not mirrored by that of his party in the polls. The opposition leader is even being outrun by the new Fianna Fail leader, Micheal Martin and by Eamon Gilmore in a survey on the personality that the Irish would like to see as head of the next government.

Given the conditions set by the IMF and the EU the party or parties which win on 25th February will only enjoy an extremely short period of grace.

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