

Revisiting the Irish Referendum –

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Institutional reform is not usually the stuff of passion. But the Lisbon Treaty has generated in Ireland a dazzling array of emotions – weariness, hostility, frustration, incredulity, enthusiasm and, most of all, bewilderment. The second Irish referendum on the Treaty takes place on 2nd October in a context where nothing has changed in the Treaty the voters are considering but everything has changed in the world in which they live. The pro-European Irish electorate rejected the Treaty in June 2008 for a variety of reasons – unfounded fears about the implications of the Treaty for abortion and military conscription, a dislike of the loss of a permanent Irish Commissioner and a lack of understanding of what the Treaty was trying to do or why it was important, a communication deficit for which the Government and Opposition parties (all of which urged a yes vote) were primarily responsible. The No campaign was earlier and slicker and tapped into conscious or subconscious fears about, for example, the meaning of workers rights for Irish jobs in an economy where the boom has brought about the most rapid cultural and ethnic changes Ireland had seen since the Famine.

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Like Blackadder's sidekick, Baldrick, the European Council devised a cunning plan to deal with these concerns. In a decision of June 2009, the Council gave guarantees to Ireland that issues such as the right to life, family, education, taxation, security and defence will not be affected by the Lisbon Treaty. This decision will bind member states as part of an international agreement and will be added to a future EU Treaty as a protocol. The Council also decided that if the Lisbon Treaty comes into force, each member State will continue to nominate a Commissioner. (Ironically, if the Lisbon Treaty is not ratified, existing EU law will require a reduction in the number of Commissioners). Thus, the Irish voters are being asked to vote on the same Treaty they previously rejected but with assurances and clarifications which should do much to dispel the fears that influenced the result of the previous referendum.

And yet, the outcome is by no means certain. While opinion polls show a substantial lead for the yes camp, a whopping 25% remained undecided 4 weeks before the referendum. Misleading claims still abound, most notably the bizarre contention that some undefined European institution will have the power to reduce Ireland's minimum wage when it is perfectly clear that Lisbon does not give any institution any such power. On the other hand it is true that a European Council declaration on the importance of protecting workers rights, education, and health services is merely a political statement and is not legally binding. The implications of some recent ECJ judgments on the minimum wage in the context of the free movement of workers, though nothing to do with Lisbon, do give fodder for those who dislike the influence of Europe in Irish affairs.

However, what may ultimately influence voters is the dark shadow that is the economic crisis. Between 1995 and 2007, Ireland's economy grew by 6% per annum, almost 3 times the rate of the most of the other eurozone countries. The first 7 years of the boom were based on export led growth and foreign investment with one of the most highly educated workforces in Europe. But from about 2002 onwards, a shift in the nature of the growth took place, the significance of which was either ignored or not understood. Very low interest rates in the Eurozone seduced property developers, purchasers and banks in equal measure into an orgy of lending, construction, property purchasing (both in Ireland and abroad) and large wage increases, producing, according to the IMF, a 30% loss of competitiveness in the 5 years to 2007. Property prices were thought to be a one way bet and those who should have known better traded in cheap illusions based on even cheaper money. The result was an extraordinarily high private sector debt compared to Gross Domestic Product, insolvent property developers, and banks with toxic loans strangling their ability to lend until the Government devises a way to take these loans off the banks' balance sheets. While there is reason to think that the Irish economy will recover from 2011 onwards, an unemployment rate which might approach 12% is a more immediate concern to voters.

It is in this context that the Yes posters which read "We're safer with Europe" appeal to worries which are more spectacularly present in the public mind than was the case last year. The abysmal showing of the anti-Lisbon Libertas party in the European elections in June shows that the arctic wind of economic depression may count for more in voters' minds than abstract fears about sovereignty. Furthermore, the Government is doing a better job this time in explaining what Lisbon is about. It is often forgotten that in at least some of the episodes of Blackadder, Baldrick's cunning plan actually worked.