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## Ireland and the European Union: a less certain relationship?

Jane O'Mahony

Membership of the EU has been central to Ireland's interests for the last 30 years. We are seen by many as the shining example of how membership can benefit a small, peripheral, underdeveloped country. We have successfully integrated our economy, our currency and many other aspects of our lives with our European partners. Not being part of Europe is, frankly, unthinkable. (Ahern 2003)

### Introduction

In keeping with the Republic of Ireland's membership of the European Union (EU),<sup>1</sup> successive Irish governments have signed up to and participated in the continuing evolution of European integration through the Single European Act, the Treaty on European Union, and the Amsterdam and Nice Treaties. The Irish electorate has shown its positive support for such projects in a number of referendums. It is undeniable that membership of the EU has had a significant impact on Ireland in economic, social and political terms. The Irish economy has benefited considerably from membership of the Single European Market and its ancillary developments. Membership of the EU has also given Ireland the opportunity to play a role on the European and world stages that would have been above and beyond its capacity as a small state. However, on 7 June 2001, Ireland's relationship with Europe and the EU reached a critical juncture following the rejection of the Nice Treaty by referendum. Irish European policy has thus entered a new and uncertain phase – a phase in which the Irish electorate's previous commitment to the European project can no longer be taken for granted. The central purpose of this chapter is to examine Ireland's changing relationship with the EU.

Looking at the period since the early independence of the state, Ireland's relationship with Europe can conveniently be divided into four separate phases. In broad terms, from independence until 1958 Irish foreign or external policy centred on coming to terms with statehood and the pursuit of an independent



foreign policy. Movements to integrate in Western Europe through the European Coal and Steel Community (ECSC), the European Political Community (EPC) and the European Economic Community (EEC) were watched closely, but participation was not then envisaged. Irish governments concentrated their diplomatic efforts over the years on participation in the League of Nations, the Council of Europe and the United Nations (UN).

But the publication of the White Paper *Programme for Economic Expansion* in 1958 by the Fianna Fáil government of Sean Lemass marked a new phase in Irish European policy – that of ‘coming in from the cold’. The rejection of protectionism as the basis for Irish economic policy was accompanied by the realisation that a more substantial engagement with the European project was needed in order to ensure future Irish prosperity. Membership of the EEC was judged to be the best means to bring this about. Simply put, for Ireland, participation in the then EEC was directly linked to the national project of economic modernisation (Laffan and O'Donnell 1999: 156). The natural ending of this phase of reorientation came with accession to the EEC in 1973.

From 1973 until the late 1990s, then, Irish involvement in European integration seemed wholehearted and committed. Indeed, as we shall see, the benefits of membership have been considerable, particularly in financial terms. In this phase, the Irish executive and electorate slowly but surely adapted to membership of the EU, and Ireland became a full member of the European family by signing up to the developing *acquis communautaire*.<sup>2</sup> However, from the late 1990s onwards, a shift in the emphasis and tenor of Irish European policy can be identified. In 2000 in particular, a change in the attitudes and behaviour of certain parts of the political elite and of the electorate was apparent, prompting speculation as to whether Ireland's ‘honeymoon’ with the EU is over and a more Eurosceptic attitude to the EU is emerging (Gilland 1999). The indisputable sign of a movement to a new phase of Irish European policy came with the rejection of the Nice Treaty in June 2001 (see Table 2.1).

This chapter will proceed as follows. First it will survey Irish involvement in the EU prior to 2000 – concentrating on the impact of membership on the Irish economic, social and political realms. The second part of the chapter will concentrate on the new phase in Irish European policy, focusing on the Nice Treaty referendum and its aftermath, and will show how Ireland's relationship with the EU is undergoing redefinition. The chapter will conclude with an outline of a number of issues on the European agenda that pose challenges for Ireland in the future.

### What has EU membership meant for Ireland?

As stated above, Ireland's EU membership experience can be seen to have been overwhelmingly positive until the late 1990s. Until the Nice referendum in June 2001, on the four previous occasions Irish voters were requested to give their

Table 2.1 Key dates in Ireland's membership of the European Union and its predecessor bodies

Year	Date/s	Event
1956	October	Committee of Secretaries established to consider Ireland's position in context of relations between the EEC and the Organisation for European Economic Co-operation
1959	December	Diplomatic relations established with the EEC
1961	July	Ireland's application to join the EEC sent to the European Council
1963	January	Breakdown of negotiations with the UK, Denmark, Ireland and Norway on EEC membership – the ‘de Gaulle veto’
1966	January	Irish government decision to accredit a separate diplomatic mission to the then European Communities – EEC, Euratom and ECSC
1967	May	Second application for EEC membership
1970	June	Formal opening of accession negotiations
1972	January	The taoiseach, Jack Lynch and the minister for foreign affairs, P. J. Hillery, sign instruments of accession
1972	May	Referendum on membership (83 per cent in favour, 17 per cent against)
1975	First six months	Ireland holds EC presidency for the first time
1987	May	Ratification of Single European Act (69.9 per cent in favour, 30.1 per cent against)
1990	First six months	Ireland holds EC presidency
1992	June	Ratification of Maastricht Treaty (69.1 per cent in favour, 30.9 per cent against)
1996	Second six months	Ireland holds EU presidency
1998	May	Ratification of Amsterdam Treaty (61.7 per cent in favour, 38.3 per cent against)
2001	June	Referendum on Nice Treaty (46.1 per cent in favour, 53.9 per cent against, failure to ratify treaty)
2002	October	Ratification of Nice Treaty (63 per cent in favour, 37 per cent against)
2004	First six months	Ireland to hold EU presidency

Source: B. Laffan and J. O'Mahony (2003), *Managing Europe from Home: The Europeanisation of the Irish Core Executive*, Dublin: Dublin European Institute.



endorsement to European integration in the various treaty reforms, support for the European project was not found to be lacking. The first four referendum results are as shown in Table 2.2.

Table 2.2 Results of referendums in Ireland on European issues, 1972–98

Date	Subject	Turnout (%)	Yes (%)	No (%)
10 May 1972	EEC membership	70.3	83.1	16.9
24 May 1987	Ratify Single European Act	43.9	69.9	30.1
18 June 1992	Ratify Maastricht Treaty	57.0	69.1	30.9
22 May 1998	Ratify Amsterdam Treaty	56.3	61.7	38.3

Source: IPA (Institute of Public Administration) (2001), *IPA Yearbook and Diary*, Dublin: Institute of Public Administration.

The image of Ireland projected by successive Irish governments in the EU was as *communaire* – as a constructive and fully committed member. Indeed, the 1996 government *White Paper on Foreign Policy* went so far as to claim that 'Irish people increasingly see the European Union not simply as an organisation to which Ireland belongs, but as an integral part of our future. We see ourselves, increasingly, as Europeans' (Government of Ireland 1996: 59). This support for the European project had its basis in the convergence between the EU's programme of treaty reform and policy development with Irish economic, social and political preferences as espoused by successive governments.

#### *Economic benefits*

It is well known that Ireland joined the EEC primarily for economic reasons, and in this it was no different from a number of other applicant states. With the shift away from protectionism, EEC membership was the logical outcome of an outward-looking economic policy, involving a commitment to trade liberalisation and the free movement of capital, and with the attraction of foreign enterprises as the mainspring of growth. Similarly, once Britain indicated an interest in EEC membership, the Fianna Fáil government held that it became an economic imperative for Ireland to do likewise. Ireland's dependence on the British market for a large proportion of its external trade meant that Ireland could not have remained outside without suffering serious economic consequences. Moreover, membership of the EU offered a way out of the existing excessive economic and political dependence on Britain (Laffan and O'Donnell 1999: 156). The emphasis in the accession negotiations was primarily on economics, and subsequent membership of the EU was seen largely in these terms.

Until the early 1990s Ireland's profile in the EU was indeed that of a relatively peripheral, small, poor member state and a major net beneficiary of the EU budget, with a continuing protectionist orientation in agriculture policy

and an atypical outlook on security matters, due to its policy of neutrality (Laffan 2001: 8). All this meant that Irish strategic preferences within the EU were easily defined and identified. Because of the state's difficult economic situation, a pivotal point of European policy so far as Ireland was concerned was that the benefits of economic integration should be spread evenly, and that political integration should be based on economic solidarity. Arising from this was the suggestion that Ireland was 'conditionally integrationist': 'Ireland accepted financial support – a literal quid pro quo – in return for its abandonment of traditional policies, whether economic, commercial or political' (Scott 1994: 3). The implication is, therefore, that Irish support for further political integration was contingent upon the recognition that poorer, more peripheral countries must not be disadvantaged by moves towards integration – in other words, such countries must be compensated economically for this. This meant that Ireland was strongly supportive of European structural and cohesion policies that were intended to ensure the economic 'catching up' of the smaller and poorer member states; and it also meant maximising receipts in all other areas of the EU budget, most importantly in the Common Agricultural Policy (CAP) – a key focus of Irish policy-makers, given the traditional strength of the farming sector.

The pursuit of such a conditional strategy eventually bore fruit in economic terms. Ireland has greatly outperformed all other Organisation for Economic Co-operation and Development (OECD) economies since the late 1980s. Ireland's gross national product (GNP) expanded by 140 per cent between 1987 and 2000, for example, compared to an expansion of 40 per cent in the US and 35 per cent in the EU as a whole (Barry et al. 2001: 537–52). Inevitably much debate has centred on the question of whether Ireland's super-performing 'Celtic Tiger' economy resulted from the large amount of financial receipts from the EU. According to one expert, the precise timing of the economic turnaround is ascribable to a number of concurrent developments. These included a dramatic increase in foreign direct investment (FDI) inflows, particularly from the US; the stabilisation of the public finances and an associated improvement in cost competitiveness since 1987; and the development of an Irish labour force with higher educational qualifications (FitzGerald 1998). However, in addition to these factors, there is no doubt that the EU's structural funds have had a significant impact on the Irish economy. During the decade from 1989 to 1999, Ireland's receipts from the structural funds averaged about 2.6 per cent of GNP. While the impact of this is hard to quantify, statistical estimates suggest that they increased the level of GNP by 2 percentage points (O'Donnell 2001). More significantly, however, the Economic and Social Research Institute (ESRI) has calculated that the beneficial effect of participating in the European Single Market on the Irish economy has been to add as much as 9 per cent to GNP (FitzGerald 1998). Beneficial EU-derived influences also came in the form of exchange rate stability; low inflation; financial discipline; competitive reorientation; a new regulatory framework for services and utilities; developmental planning, monitoring and



evaluation; new standards for consumer protection and social regulation, and agencies to implement them; and support for policy innovation and experimentation (O'Donnell 2001).

*Foreign, social and political affairs*

Ireland's *communitaire* orientation also bore fruit in foreign policy terms, as successive governments were able to support the EU's efforts to co-ordinate foreign policy, but at the same time ensure that moves towards the formulation of a Common Foreign and Security Policy (CFSP) did not impinge upon Irish neutrality. Through involvement in the CFSP and the emerging European Security and Defence Policy (ESDP), the horizons of the Irish minister for foreign affairs and those of Irish diplomats have been widened hugely. As Tonra points out, Irish diplomats' involvement and influence in global issues today is both substantively wider and deeper than at any time in Irish diplomatic history (2002: 43). Through EU foreign policy working groups and the CFSP Secretariat, through EU presidency activities, and through the mechanisms of the ESDP (with its Political Committee and nascent Rapid Reaction Force), Irish diplomats and military personnel now find themselves with an influence on the world stage far beyond that normally exercised by a small state. Involvement in the Council presidency system has also given Irish governments and officials the opportunity to punch well above their weight politically.

The EU has effected major changes in Irish social policy and services too, many of them unanticipated. The influence of the EU in this respect is difficult to quantify, but it has certainly been significant with regard to the rights of women and of workers generally. Without EU membership it is unlikely that legislation on equality of opportunity, consumer protection and certain labour rights (including matters like health and safety at work) would have been implemented as early as it was.<sup>3</sup> In addition, Ireland benefited significantly from the European Social Fund (ESF). In the five years to the end of 1995, Ireland received Ir£1 billion from the fund, which represented just over one third of all money spent in Ireland in that period on vocational training and employment programmes. A significantly larger percentage of the labour force in Ireland has benefited from the ESF than in any other member state – 18 per cent of women and 13 per cent of men have received ESF assistance in Ireland, while the EU average is 2 per cent (Ó Cinneide 1993: 20). This is at least partly due to the large proportion of the Irish labour force aged under 25, given the emphasis that the rules of the fund place on this age group. The ESF has been used to fund schemes to help the long-term unemployed, early school leavers, handicapped people and women returning to work after raising a family.

Membership of the EU has affected territorial politics within the Irish state as well, albeit in a more limited manner. Ireland joined the EU as a highly centralised state with little or no regional governance structure. Through the structural funds, in particular the European Regional Development Fund and

the Cohesion Fund, the European Commission has encouraged the strengthening of the regional government tier in EU member states. However, until 2000 Ireland was designated as one region for the purposes of the dissemination of funds, and therefore the incentive for full-scale regional reform did not exist. Even so, the highly centralised nature of Irish public policy was loosened somewhat and regional structures established in order to maximise receipt of funds. According to Laffan (2002), the original regional structures, established in 1988, were largely an administrative expedient that added a weak regional layer to the implementation of the Community Support Framework and thereby satisfied the Commission. Community initiatives such as Leader, involving area-based economic partnerships, and County Enterprise Boards all reinforced the territorial dimension of development; however, they were not in themselves capable of giving Ireland effective local and regional government. In the original rounds of structural funds negotiations, the management of the funds was dominated by central government and large, state-sponsored bodies. The policy formation process has now been widened to include an input from diffuse interests such as local authorities, community groups, environmental groups and the social partners. This new, multi-levelled policy-making also exposed local and subregional actors to Continental European practices, which fed into the programmes of social partnership from the late 1980s onwards. The obligation to produce development plans and evaluate projects has encouraged more formalised policy-making at the national level over the medium to longer term.

*Strong on support, but weak on information*

EU membership has had a more limited impact the central political arena. A broad political consensus on Ireland's involvement in the EU has meant little contention about European issues in the media or in the houses (Dáil and Seanad) which make up the Oireachtas (parliament), although there have been a few party political differences on issues of particular sensitivity, like security policy at the time of the Single European Act negotiation. Until the critical juncture of the first Nice Treaty referendum defeat in June 2001, the relationship between the Oireachtas and the core executive of the Irish system of government, the Cabinet, seems to have been weak. And relations between the Oireachtas and the EU have been characterised as a combination of neglect and ignorance (O'Halpin 1996: 124). On accession to the EEC in 1973, a Joint Oireachtas Committee on the Secondary Legislation of the European Communities was established as a 'watchdog committee'. However, its performance was modest, hampered as it was by limited resources and lack of interest by parliamentary deputies and the media. In 1993, it was reconstituted as the Joint Oireachtas Committee on European Affairs, with the primary role of informing Teachtaí Dála (TDs: deputies, members of parliament) and Senators of EU policy developments, rather than scrutinising EU legislation as such.



The broad support of the electorate for Irish membership of the EU, and their conviction that it was a good thing and of benefit to the country, was unequivocally clear until very recently. Since they began, the EU's *Eurobarometer* surveys have consistently shown the Irish people to give a high level of approval to Ireland's membership (Sinnott 2001), yet this positive perception was accompanied by relatively low levels of knowledge about the EU. In a study carried out in 1995, Sinnott found that 'there is very considerable room for improvement in levels of knowledge' about the EU. Ireland ranked just above the EU average in knowledge of European affairs, and 59 per cent of Irish respondents to *Eurobarometer* surveys displayed 'low' or 'very low knowledge' of the EU (Sinnott 1995: 34).

Although Irish ministers and civil servants were actively and successfully engaged in EU policy-making in the Brussels arena, the impact of the EU on the governance of Ireland was not significant. The period between January 1973 and the end of Ireland's first presidency in December 1975 was Ireland's apprenticeship in the EU system. During this period the Irish governmental system put in place structures and processes for managing the relationship with Brussels. Overall, there was very little institution building, in the form of new structures; rather there was a reliance on the adaptation of existing structures within the broad parameters of collective responsibility and ministerial responsibility. Responsibility for day-to-day co-ordination of EU matters was assigned to the Department of Foreign Affairs, and the principle of the responsibility of the 'lead department' was firmly established. Individual departments were responsible from the outset for co-ordinating preparations for Council meetings falling within their policy domain. Interdepartmental EU co-ordinating committees were also established over the years, but were not permanent fixtures on the institutional landscape. They were simply formed on an *ad hoc* basis to deal with pressing cross-cutting EU issues (Laffan and O'Mahony 2003: 19).

In the period from 1973 to 2000, then, Irish support for European integration was strong, yet conditional.<sup>4</sup> Support for the European project was, on the whole, contingent upon the complementarity of Irish governmental preferences with developments at the EU level. The benefits of membership were clearly in evidence. But Ireland's European policy has now entered a new stage – a stage of seeming uncertainty. This found its clearest expression in the Nice referendum result, which provided obvious evidence of doubt among voters. The 2001 referendum, together with a number of public opinion surveys undertaken in the run-up to it and after the result was known, hint at a shift in public attitudes both to the EU and to the perception of Ireland's place within it – in effect, the strong support for European integration of the past has signally weakened.<sup>5</sup> This development, together with a governmental strategy that seems less coherent than heretofore, means that Ireland's relationship with the EU is undergoing a period of redefinition.

### Entering a new phase?

It is perfectly natural for Irish voters' attitudes to the EU to vary in accordance with our status as a net recipient or net contributor ... I presume that Ireland, like every other member state, predicates its European policies and actions on what is termed 'enlightened self interest'. That is not to be equated with cynicism or greed. We have a collective interest in the success of the European project and as Irish per capita income approaches and exceeds the European average, we have all the more reason to re-evaluate where our enlightened self interest really lies. (Michael McDowell, former attorney general, 18 June 2001, quoted in the *Irish Times*, 19 June 2001)

Perhaps the most obvious mark of a new phase in the relationship with the EU is the fact that economic success means Ireland will soon move from being a net beneficiary of EU funds to being a net contributor to the EU budget. Ireland is manifestly no longer part of the poorer EU member state cohort – the so-called cohesion countries – and it is no longer classed as an Objective 1 Region for the purpose of the dissemination of structural funds. In 2001, according to the European Commission, Irish GNP per person relative to the EU average (100 per cent) was 102 per cent, compared to 103 in the UK, 121.2 per cent in Denmark, 104.2 per cent in Germany, 101 per cent in Finland, 83.2 per cent in Spain, 72.6 per cent in Greece and 72 per cent in Portugal.<sup>6</sup> With the enlargement of the EU to include the accession countries of Central and Eastern Europe together with Cyprus, Malta and Turkey in 2004, Ireland's position on the EU's economic league table will rise even higher. As McDowell's comments above demonstrate, a reconsideration of strategy at this juncture would not be unexpected, given Ireland's previous policy preferences, discussed above.

### The Nice I referendum

The most tangible indication of a change in Ireland's relationship with the EU can be seen in the rejection of the Nice referendum in June 2001 – what we shall call Nice I. Ireland was the only member state obliged to submit the Nice Treaty to a popular vote, for constitutional reasons. Turnout at 34.79 per cent was the lowest level ever recorded for a European Integration referendum in the country. Spoiled votes came from over 1.5 per cent of those who actually voted, and the referendum was rejected by 53.87 per cent (see Table 2.3).<sup>7</sup> Was the Nice I result just a temporary blip, or was it a sign of a developing anti-European undercurrent in Ireland?

While many politicians and commentators expressed surprise and shock at the referendum result, there were signs of a possible upset even before the results were revealed. In 2000 in particular, a serious divergence of views on the EU emerged in the coalition government of Fianna Fáil and the Progressive Democrats – one that undermined the previously positive attitude of government



Table 2.3 Result of the Nice I referendum, 7 June 2001

Category	Number	Percentage
Electorate	2,867,960	100.00
Total poll	997,826	34.79
Yes	453,461	46.13
No	529,478	53.87
Spoiled votes:	14,887	

Source: IPA (Institute of Public Administration) (2001), *IPA Yearbook and Diary*, Dublin: Institute of Public Administration.

elites towards EU membership. Indeed, the reaction of a number of Fianna Fáil ministers, both before and in the aftermath of the referendum, seemed to suggest that a more questioning attitude to the EU and Ireland's place within it was emerging in the party. The Minister for Finance, Charlie McCreevy, Minister Síle de Valera and Junior Ministers Eamon O'Cuiv and Willie O'Dea all made clear in the public arena that their enthusiasm for the EU was far from total.<sup>8</sup> Then in early 2001, McCreevy challenged the right of EU Economic and Finance Ministers to censure his budgetary policy, and held that the censure had been a contributing factor in the Nice 'No' vote. During the Gothenburg EU Summit in June 2001, he said:

Here we had all the political parties, all of the media, both in broadcast and print, all of the organisations – IBEC [the Irish Business and Employers' Confederation], ICTU [the Irish Congress of Trade Unions], the IFA [the Irish Farmers' Association] and everybody else [in support of Nice] – yet the plain people of Ireland in their wisdom have decided to vote No. I think that's a very healthy sign. (Quoted in the *Irish Times*, 18 June 2001)

Both de Valera and the Progressive Democrat Tánaiste (Deputy Prime Minister), Mary Harney, also expressed resistance to being moved further, as they put it, 'towards Berlin rather than Boston'. The Boston–Berlin dichotomy involves a simplistic comparison between the general European belief in good levels of social provision and public services (and consequently higher taxation) and the US preference for free markets, low taxation and restricted social provision – the direction in which Harney and McCreevy would prefer to lean. In July 2000, Harney, in an address to the American Bar Association in Dublin, endorsed a vision of a neo-liberal Europe and ended by saying 'I believe in a Europe of independent states, not a United States of Europe.' The speech was followed later by an opinion piece in the *Irish Times* in September 2000 in which she outlined her enthusiasm for enlargement but not further integration: 'Enlargement is perhaps the best protection against excessive integration... We in Ireland should be enthusiastic about enlargement, but cautious about further integration' (quoted in the *Irish Times*, 20 September 2000).

Síle de Valera, in an address in Boston College in the United States, also in September 2000, adopted an obviously 'Euro-sceptic' tone when she questioned the erosion of Irish culture by European directives and called for a more vigilant, questioning attitude towards the EU and for more diligence in protecting Irish interests. This was in sharp contrast to the more pro-European pronouncements of the Taoiseach, Bertie Ahern, and the Minister for Foreign Affairs, Brian Cowen, during the referendum campaign. In the wake of the referendum, both were careful to acknowledge the anxieties and concerns of those who opposed the Nice Treaty, but declared themselves to be deeply disappointed with the result, as it now represented an additional obstacle for enlargement. According to Cowen:

Nice is necessary for enlargement; and a failure to ratify Nice, therefore, would leave a fundamental dimension of the enlargement process in limbo. It would without question impede the accession of States with which we have much in common and which see us as a model of how a small state should operate within the Union. (Institute of European Affairs, 19 December 2001, quoted in the *Irish Times*, 20 December 2001)

A *Eurobarometer* report (No. 54, April 2001) also provided some indication of changing attitudes among the electorate in advance of the referendum result. While more than seven in ten people surveyed in Ireland continued to feel that membership of the EU was a good thing (Ireland was second highest in this ranking) and people in Ireland continued to be by far the most likely to feel that their country had benefited from EU membership (86 per cent), 52 per cent of those surveyed felt 'very' or 'fairly' attached to Europe, whereas 43 per cent felt 'not very' or 'not at all' attached (the remainder were 'don't knows'). What seemed significant about this figure is that the 'feeling attached' percentage had dropped from 57 per cent in spring 1999 to 52 per cent in spring 2001. Denmark and Ireland were the only two countries where a significant negative shift was recorded, the former also showing a 5 percentage point drop. In an opinion poll conducted in Ireland a week before the Nice I referendum vote, 45 per cent of those surveyed indicated that they would vote yes, 28 per cent that they would vote no, and 27 per cent that they had no opinion (MRBI/*Irish Times*, 29–30 May 2001), showing a narrowing in the gap between the 'Yes' and 'No' votes over the course of the campaign. Perhaps more importantly, however, when asked how well they understood what the Treaty was about, 15 per cent felt they had a 'good understanding' 32 per cent 'understood some of the issues' but not all, 31 per cent were only 'vaguely aware' of the issues involved, 19 per cent 'did not know' at all, and 2 per cent had no opinion.

In Nice I, the 'No' side included the Green Party, the National Platform (which saw the Treaty as portending a further loss of Irish national sovereignty), and the No to Nice Grouping (which feared erosion of Irish family values, especially as regards the availability of abortion, through closer integration with the EU). They clearly conducted the most effective campaign; by



contrast, the 'Yes' campaign, which included the government and main opposition parties, seemed to lack vision and enthusiasm and did not succeed in mobilising the electorate. According to Laffan, 'the yes supporters were successfully portrayed as part of a tired establishment out of touch with the Irish public' (Laffan 2002: 12).

In terms of the perception of Ireland by its European partners, the result of the referendum meant the image of Ireland as *communautaire* was seriously undermined. Amidst widespread disappointment across the rest of the EU member states, political reaction came from the Commission President, Romano Prodi, the Swedish President of the EU, Goran Persson, and the Dutch Prime Minister, Wim Kok. They stressed that while the EU was ready to take on board the concerns of the Irish electorate, there was no question of a renegotiation of the Nice Treaty; they emphasised, moreover, that negotiations concerning the enlargement of the EU by the accession of new members must not be delayed by the vote. European press reaction was not so muted, with the French daily *Le Monde* referring to Ireland as 'l'enfant terrible' (9 June 2001), and the Italian daily *Corriere della Sera* saying that Ireland was now suffering from the syndrome of the selfish 'full stomach' (*Le Soir en Ligne*, 11 June 2001).

In the aftermath, questions abounded as to why so few people turned out to vote and why the majority of those who did vote said 'No'. Was the result prompted by the claimed threat of the Rapid Reaction Force to Irish neutrality? Was it led by fear of the institutional changes and the diminution of Irish voting power? Was it a fear of the economic consequences of enlargement now that Ireland would be a net contributor to the EU? Was it a more general fear of increased European integration in a federal direction? Or was it because people felt that they were not informed of the issues? 'No' campaigner Dana Rosemary Scallon declared that the result reflected the defence of Irish sovereignty and independence by the Irish people, as was their constitutional right (quoted in the *Irish Times*, 9 June 2001). John Gormley of the Green Party was sure that some people did indeed vote against Nice for selfish reasons, because they were not in favour of enlargement (Institute of European Affairs, 15 October 2001, quoted in the *Irish Times*, 16 October 2001). According to Michael McDowell, a possible reason was 'a general perception that the European project is being energetically driven towards the creation of a European State with a much greater pooling of political sovereignty and with major implications for the independence of member states – particularly smaller nation states such as Ireland' (Institute of European Affairs, 18 June 2001, quoted in the *Irish Times*, 19 June 2001). Journalist Fintan O'Toole pointed to the possibility that voters were alienated from the whole political system:

there is a big, largely unmapped, terrain of resentment, suspicion and anger. Those who occupy it are more cynical than apathetic. They have been disillusioned by the endless tales of corruption in politics. They are haunted by a vague but powerful feeling that their Republic has been stolen from them, that the State

is no longer theirs ... Best of all, for the broad constituency of anti-establishment resentment, [the Nice Treaty] has the inestimable advantage of being supported by virtually the entire establishment: the four big political parties, the trade unions, the employers, even the bishops. The chance to bloody all their noses with a single swipe was far too good to miss. (*Irish Times*, 9 June 2001)

The key to whether a more Eurosceptical Irish electorate is emerging lies in the answers to these questions. As Sinnott has pointed out in the survey by the European Commission Representation (ECR) after Nice I, the fact is that compared to the result of the 1998 Amsterdam referendum, the 'No' vote actually declined in 2001 (Sinnott 2001). In overall terms, the 'No' vote in European referendums, as a proportion of the whole Irish electorate, has indeed grown over time – but only from 11.9 per cent in 1972 to 21 per cent in 1998. In Nice I the 'No' vote, again as a proportion of the electorate, actually fell back to 18.5 per cent. But Sinnott's analysis of the pattern of change in voting and in abstention at constituency level since the Amsterdam referendum indicates that more than half of those who had voted 'Yes' to Amsterdam must have abstained in Nice I. Thus, instead of just asking why people voted 'No', we must also ask what the reasons were behind the widespread abstention.

According to the results of the ECR survey, by far the most frequent explanation given for abstention was lack of information and lack of understanding of the issues; 44 per cent of Nice abstainers explained their non-voting in these terms.<sup>9</sup> The predominant characteristics of those surveyed who voted 'No' were a feeling of not being adequately on top of the issues and a tendency to follow a maxim which had also been prominent in the 'No' campaign in the Amsterdam referendum: 'if you don't know, vote no'. Thirty-nine per cent of those asked the open-ended question as to why they had voted 'No' said it was because of lack of information, compared to some 16 per cent who mentioned concerns about loss of sovereignty or a federalist Europe; neutrality was mentioned by 12 per cent; fear of more refugees by 3 per cent; and concerns about abortion by 2 per cent. In the responses to this question, there was no direct mention of opposition to enlargement, yet this may have been an influence which people were reluctant to admit in order to avoid appearing selfish. Nevertheless, as extrapolated by Garrett FitzGerald, it appeared from these figures that almost 1 million people either opposed the treaty or failed to vote because of lack of information, lack of understanding, or confusion (*Irish Times*, 5 January 2002).

#### *The Nice II referendum*

The implications of these results were clear for the second referendum on Nice – Nice II. The political elite was no longer able to rely on the electorate's unquestioning support for Ireland's continued participation in moves to further EU integration. The permissive consensus that existed from accession to the late



1990s, when membership of the EU was supported unquestioningly and European integration issues were not generally discussed, had ceased to be. The government established a National Forum on Europe in the immediate aftermath of Nice I in order to ascertain the electorate's views on the EU and Ireland's engagement within it. The Forum consisted of representatives of the political parties from both houses of the Oireachtas and a number of observers from a range of interest groups. It met regularly in public, both in Dublin and throughout the country, inviting guest speakers such as ministers, officials, Members of the European Parliament (MEPs) and national parliamentarians, as well as academics from the other member states and the 'accession' countries. While its deliberations received only sporadic attention in the country's media, it provided a forum for a debate on all aspects of the EU and the Nice Treaty.

Nice II took place in October 2002 following the successful re-election of the Fianna Fáil–Progressive Democrat coalition in May. The referendum was very different to the first, both in its conduct and in its outcome. In contrast to Nice I, 49.47 per cent of the electorate turned out, with 62.89 per cent of those voting 'Yes' and 37.11 per cent voting 'No'. With turnout up by 14 per cent, instead of two out of every three electors abstaining, only one in every two did so this time round. The Nice II campaign was characterised by far higher, more committed and engaged mobilisation on the part of the government parties, the pro-EU opposition parties, and business and other miscellaneous interest groups such as the Irish Alliance for Europe. This latter was composed of a diversity of organisations seeking a 'Yes' vote, including the Disability Alliance, Women for a Yes Vote, the IFA, IBEC, Ireland for Europe, and Lawyers for a Yes Vote; and the Irish President of the European Parliament, Pat Cox, also played a major role in the campaign. The success of the 'Yes' campaign was confirmed by the evidence of an *Irish Times*/MRBI series of polls; these showed that the electorate's confidence in its overall grasp of the issues raised by the Nice Treaty went from 37 per cent at the beginning of the Nice I campaign to 47 per cent at the end of it, then to 53 per cent at the beginning of the Nice II campaign, and finally to 64 per cent just a few days before the vote.<sup>10</sup>

### The consequences of Nice I and Nice II for the Irish political system

As we have noted, the most immediate consequence of the Nice I defeat was a more widespread engagement with and debate on European issues on the part of the political elites and of society as a whole. The defeat also had important consequences for the management of EU business at home. Following Nice I, the efforts of the Irish government and the central administration to co-ordinate EU affairs have become more coherent and structured. The Oireachtas committee system is finally beginning to become embedded in Irish political structures. A cabinet subcommittee on European affairs now meets every second week to

discuss EU matters, aided by the Interdepartmental Co-ordinating Committee on European Affairs (formerly known as the Senior Officials Group), which is chaired by a new Minister of State (junior minister) for European affairs. Senior civil servants from every government department attend the Committee, and entitled to be there also is the Irish permanent representative based in Brussels. From December 2002, the Interdepartmental Committee has also met every second week and is used as an early warning system for potentially problematic issues arising out of EU business, as well as a forum to facilitate strategic thinking across government departments (Laffan and O'Mahony 2003: 19). A number of other interdepartmental committees with smaller memberships have also been created to handle specific and/or pressing issues on the EU horizon.

Thus in the immediate aftermath of the September 11 tragedies in the United States, it became clear that the negotiation of the EU response, namely the European Arrest Warrant and the Framework Decision on Terrorism, necessitated more intensive co-ordination mechanisms within the Irish system. An interdepartmental committee was set up to deal with the European Arrest Warrant negotiations, chaired by the Department of Justice and serviced by the Department of the Taoiseach. On the conclusion of these negotiations, this committee became the Interdepartmental Committee on Justice and Home Affairs, which meets before every European Justice and Home Affairs Council meeting. The ongoing Lisbon Agenda (with its goal of making the EU the most competitive knowledge-based economy in the world by 2010) poses a fundamental challenge to the Irish system as regards the structures necessary to handle cross-cutting issues. The primary reason behind this is the development of the open method of co-ordination as a policy mechanism within the EU.<sup>11</sup> The diverse and broad range of policy areas that is gathered under the Lisbon umbrella necessitates some kind of central co-ordination. To this end, an interdepartmental Lisbon Group has been set up and is chaired and serviced by the Department of the Taoiseach.

The weakness or perceived absence of parliamentary scrutiny of EU business was highlighted as a serious problem during the Nice I referendum. In response to this, the government developed a new system of enhanced Oireachtas scrutiny of EU affairs. The parliamentary link for the new procedures is the Select Committee on European Affairs. All EU-related documents are deposited in the EU Co-ordination Unit of the Department of Foreign Affairs and passed on by the Unit to the Select Committee. A subcommittee of the Select Committee, informally described as the 'sifting committee', goes through them on a regular basis and identifies EU proposals that are significant enough, according to certain agreed criteria, to merit parliamentary scrutiny. If the sifting committee sees a need, a request is made for the drafting within one month of an explanatory memorandum or 'note' concerning the EU proposal from the relevant government department. These memoranda are then passed to the relevant sectoral or departmental Oireachtas committees, which will



eventually produce reports on their deliberations on the matters concerned; these are in turn laid before the Oireachtas. While provision is made for extensive engagement between the Oireachtas, ministers and officials, ministers are not obliged to accept the opinion of the Oireachtas on EU proposals (a position similar, incidentally, to that which prevails in Denmark). Instead, ministers are simply honour bound to take the opinion of the relative committee into account when negotiating at the Council of Ministers in Brussels.<sup>12</sup> This fairly elaborate system of scrutiny means that management within each department will have a far better idea of just how much EU business they must handle, and how best to deploy their resources: 'following the original circular on the management of EU business in 1973, the guidelines on Oireachtas scrutiny are the next most significant formalisation of the management of EU business in Ireland' (Laffan and O'Mahony 2003: 29–30).

### Contentious issues for Ireland in the future

It is O'Donnell's contention that Ireland's European policy has reached a crisis (2001). While some may feel this claim is a little strong, it is clear that European policy currently appears to lack a clear direction and vision. The long-standing strategy of 'reaction' to EU policy developments of the first twenty-five years of membership is plainly unsuited to this new EU policy phase. In her recent study of Irish central government's management of EU policy, Laffan found that among the Irish officials she interviewed there was a sense that the signposts or route map for Ireland's EU policy were less clear than in the past (Laffan 2001: 8). A number of important items are now on the EU's agenda – items involving the pursuit of objectives that may prove problematic for Irish negotiators unless some coherent strategy is put in place in advance of negotiations. The new structures and co-ordinating processes outlined above should facilitate this.

The debate on the future of Europe that took place at the European Convention in Brussels between 2002 and 2003 brought into sharper focus a number of tough issues for the Irish government.<sup>13</sup> The Declaration signed at the Nice Summit in December 2000 flagged up four matters to be clarified by the Convention:

- the division of competences between the EU and the member states;
- the future status of the Charter of Fundamental Rights;
- the simplification of the treaties;
- the role of national parliaments vis-à-vis the EU.

At the Nice summit, the Irish government had strongly resisted the proposal to give the Charter of Fundamental Rights 'treaty status'; it also resisted the subsequent proposal to incorporate the Charter by reference in Article 6 of the Treaty.<sup>14</sup> However, the Draft Constitution published on 6 February 2003 by the Convention President, Valéry Giscard d'Estaing of France, does contain a refer-

ence to the Charter, and has clearly proven that this issue will not go away. The role of the Irish Parliament vis-à-vis the EU will also require more attention in the future. Other difficult issues on the horizon for Irish negotiators will include the reform of the CAP, state aids to industry, the equalising of corporation taxes across member states, Ireland's contribution to the EU budget, and matters of security and defence. Irish strategic preferences on these issues have begun to diverge from those of many other of the EU member states. For example, any renationalisation of the CAP – the devolution to member states themselves of responsibility for financial supports for agriculture – will certainly be vehemently opposed by Irish negotiators in the mid-term review of the agricultural elements of the 2000–6 EU budgetary package. A mooted move by the EU to determine fiscal and taxation policies for application to all member states – as opposed to allowing these matters to remain mostly in the hands of national parliaments – has been pre-emptively criticised by the Irish minister for finance. Moves to strengthen the EU's security and defence identity through the Rapid Reaction Force will also be a tough issue for Ireland. In short, instead of positioning itself, by and large, in the majority grouping as in the past, Ireland may find itself increasingly in a minority, with more Eurosceptical member states as allies in negotiations.

### Conclusion

Ireland has gone from being one of the poorest and least developed members of the EU to one of the most economically dynamic. In any circumstances, this would make it necessary to reflect on priorities and objectives. What has hopefully become clear from the analysis in this chapter, however, is that Ireland's relationship with the EU is less certain than heretofore. In future EU negotiations Irish governments will no longer be able to project and maintain the image of being everyone's friend. Indeed, it is quite possible that Irish negotiators could increasingly find themselves marginalised. Irish policy preferences are no longer like those of its southern Mediterranean member state allies. The next few years will significantly redefine Ireland's relationship with the EU.

### Notes

- 1 The Republic of Ireland will hereafter be termed 'Ireland'. The EU was formerly known as the European Economic Community (EEC) and then as the European Community (EC).
- 2 Treaties and secondary legislation of the EU.
- 3 Although the Fine Gael–Labour coalition government and employers' organisations actually lobbied for derogation from implementation of the EU Equal Pay Directive in 1974, it was implemented none the less. Until April 1991, workers' rights



(including rights of part-time workers, that is, employees who worked for less than 18 hours a week) were, generally speaking, excluded from social insurance coverage and from protective labour legislation. A number of cases before the European Court of Justice suggested that such exclusion could be contrary to the Equal Pay and Opportunities Directives. This then prompted changes in Irish legislation.

- 4 This argument is not new. See Scott (1994) and Laffan (2001).
- 5 See also O'Mahony (2002).
- 6 With regard to the Maastricht European Monetary Union (EMU) criteria indicators – the standards required in order to conform to the rules of the EMU – Ireland is still at the upper end among the euro-zone countries.
- 7 Only two constituencies accepted the Nice Treaty: Dun Laoghaire (53.28 per cent 'Yes') and Dublin South (51.88 per cent 'Yes'). There was little regional variation in the vote, with the lowest 'No' vote recorded in the Rest of Leinster (52.37 per cent) and the highest 'No' vote in the Ulster counties that are part of the Republic – Donegal, Monaghan and Cavan (56.13 per cent).
- 8 O'Cuiv announced soon after the referendum result that he had voted 'No', in spite of campaigning for a 'Yes' vote. O'Dea is on record as saying that the referendum result 'showed that Irish people are stubborn, and if they want to make a decision, they will. It shows a certain robust independence which I admire' (*Irish Times*, 18 June 2001).
- 9 The ECR and Irish Marketing Surveys (IMS) Poll fieldwork was conducted between 20 August and 10 September 2001 among a quota sample of 1,245 adults. Although post-election and post-referendum surveys tend substantially to overestimate turnout and quite often overestimate support for the winning side, the reported turnout in the survey (42 per cent) was quite close to the actual turnout of just under 35 per cent, and the survey estimates of the 'Yes' and 'No' votes (42 and 58 per cent respectively) are also quite close to the actual result.
- 10 R. Sinnott, 'No Vote Stagnated while Yes Side Gained Hugely' (*Irish Times*, 21 October 2002).
- 11 The Lisbon Agenda/Process makes use of new modes of governance, such as the open method of co-ordination, that do not necessitate legislation in the form of directives and regulations, but rely on adherence to targets and benchmarks.
- 12 At the same time, committees are obliged to give an opinion on a proposal within a tight deadline and in advance of negotiation at EU Council of Ministers' level, otherwise approval of the proposal is taken as given. Ministers must be able to give oral briefings and reports of EU meetings on an agreed basis, and the committees deliberating on proposals may meet in private if a proposal is of a particularly sensitive nature. If the Committee concerned so desires, the chief whips of the political parties are in agreement, and the parliamentary timetable permits, proposals may be debated on the floor of the Oireachtas.
- 13 The Convention of the Future of Europe was a year-long deliberation by parliamentary members of EU states, and countries soon to become members, on the future shape of the EU. Its report on a proposed new EU Constitution will form the basis for negotiations on the way ahead.
- 14 The reason the government was reluctant to cede legal competence over the kind of rights enshrined in the Charter of the EU was because this would have implied a weakening of the role of Ireland's own Constitution with regard to citizen rights.

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