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## Political developments, 2016

**Hugh O'Donnell**

*Institute of Public Administration, Ireland*

### **Dissolution of the thirty-first Dáil and General Election 2016**

On 3 February President Michael D. Higgins dissolved the Dáil on the advice of An Taoiseach Enda Kenny, TD, paving the way for a general election. The election date was set for 26 February, making it one of the shorter election campaigns in recent times.

The campaign itself was rather uneventful. There were three debates involving party leaders, with two of these involving only the four biggest parties – Fine Gael, Labour, Fianna Fáil and Sinn Féin – while the other debate also included a representative from the Anti-Austerity Alliance/People Before Profit electoral alliance, the Social Democrats and Renua Ireland. RTÉ set a condition that a party needed to have a minimum of three TDs in order to be invited to the latter debate. As a consequence, the Green Party was excluded from this debate, leading to an unsuccessful High Court action against its exclusion.

The main issues during the campaign were, inter alia, the housing crisis; water charges; repeal of the eight amendment, which acknowledges the right to life of the unborn, with due regard to the equal right to life of the mother; the economy; and the extent to which the economic recovery was benefiting all citizens.

Opinion polls in the run-up to the election saw Fine Gael leading the other parties with 28–9 per cent support. Fianna Fáil hovered around 20 per cent, while Sinn Féin could not crack the 20 per cent threshold, with its polled support dipping to around 15 per cent as

election day drew near. The Labour Party consistently polled below 10 per cent, with figures as low as 6 per cent in some polls.

The outcome of the election itself was slightly surprising in light of the opinion polls. On the day, Fine Gael's support was just over 25 per cent, giving it fifty seats, while Fianna Fáil came in just behind with 24 per cent of the vote and forty-four seats. Arguably Fianna Fáil was too cautious and could have returned with a few more seats had it run more candidates but, considering its experience in the 2011 election, it was still a very strong result. Sinn Féin failed to make the breakthrough that polls had indicated, managing to get less than 14 per cent of the vote, yielding twenty-three seats, which was still a large increase on the last election and represents their best election to date, although it was arguably a disappointing return on their expectations.

The Labour Party's support collapsed to 6 per cent, yielding only seven seats, the worst seat total for the Labour Party in its history. The disastrous result led to Joan Burton, TD, resigning as leader of the party, to be replaced by Brendan Howlin, TD. Independents and minor parties did well and between them took thirty-four seats; however, Renua Ireland, established just under a year prior to the election, failed to return a single TD to the Dáil, leading former Fine Gael TD and minister of state Lucinda Creighton to resign as leader and thus casting the party's future into doubt.

Former Minister for Justice, Equality and Defence Alan Shatter, and sitting Minister for Children and Youth Affairs James Reilly, both of Fine Gael, were among the highest-profile TDs to lose their seats.

## **Government formation**

The drop in support for Fine Gael and the Labour Party made it clear that the outgoing government could not return as a majority. Indeed, there was no clear majority government, leading to much uncertainty; 80 seats were required for a majority, as the thirty-second Dáil had been reduced from 166 to 158 TDs.

This uncertain landscape precipitated an unprecedented seventy days of negotiation to form a new government. Sinn Féin quickly adopted the position that they would not support a government led by either Fianna Fáil or Fine Gael; therefore, the only other viable majority government would comprise Fine Gael and Fianna Fáil (see O'Connor & Ryan, 2016). However, discussion of a 'grand coalition' between Fianna Fáil and Fine Gael quickly came to an end when Micheál Martin, TD, rebuffed Fine Gael's advances, insisting that

Fianna Fáil had campaigned to put Fine Gael out of power. Stalemate seemingly ensued with considerable speculation over the need for another election.

A breakthrough came when Fianna Fáil announced that, while they would not be willing to enter into government with Fine Gael, they would be willing to support a minority Fine Gael government. A deal entitled 'A Confidence and Supply Arrangement for a Fine Gael-Led Government' was made by the two parties, and centred around Fine Gael's ability to have the backing of a majority of TDs when Fianna Fáil abstained from a vote to establish the government. As well as this, Fianna Fáil agreed to vote against or abstain on any motions of no confidence in the government or ministers and on financial measures (e.g. money bills) recognised as confidence measures. To form a government Fine Gael thus needed the support of at least eight other TDs, as well as the backing of its own fifty TDs.

Eventually, on 6 May, a new Fine Gael minority government was voted in by the Dáil. Fine Gael secured the support of the Independent Alliance and a number of independent TDs in exchange for positions in the new government, as well as policy action in areas of particular concern to them. Three of the independent TDs were given senior Cabinet positions: Shane Ross, TD, became the Minister for Transport, Tourism and Sport; Denis Naughten, TD, became the Minister for Communications, Climate Action and Environment; and Katherine Zappone, TD, became the Minister for Children and Youth Affairs. In addition, John Halligan, TD, Seán Canny, TD, and Finian McGrath, TD, became ministers of state. McGrath also had the right to attend, but not vote at, Cabinet meetings.

Other Cabinet changes included Simon Coveney of Fine Gael becoming the Minister for Housing, Planning, Community and Local Government. This was a newly created senior ministerial portfolio and recognised the importance of housing as a policy area for the new government. Meanwhile Fine Gael TDs Simon Harris, Michael Creed and Mary Mitchell O'Connor were all promoted to the Cabinet. An Taoiseach Enda Kenny made history by becoming the first Fine Gael Taoiseach to be re-elected.

### **Tensions over collective Cabinet responsibility**

At the beginning of July, the new government faced an early crisis. It concerned a bill proposed by independent TD Mick Wallace allowing for abortions in cases of fatal foetal abnormalities. The government

was unable to reach a common position on how to vote on the bill despite the Attorney General advising that the bill was unconstitutional. This led to Independent Alliance ministers voting against the government and the lifting of collective Cabinet responsibility for the vote.

In September the stability of the government was further affected by Independent Alliance TD John Halligan's threat to resign over the refusal to install a second cath lab at Waterford General Hospital on the advice of an independent review. Mr Halligan later went back on his threat and said he would remain in government. However, the further temporary crisis highlighted the fragility of the minority government. If more than one TD currently supporting the government were to quit, an abstention from Fianna Fáil would not be enough to prevent its collapse.

### **The Commission's 'Apple tax' ruling**

Yet another early challenge to face the government was a European Commission ruling which found that Ireland had given illegal tax benefits in the form of state aid to Apple worth up to €13 billion (see European Commission, 2016). Ireland was consequently required to recover the illegal aid. Controversy arose over whether or not to appeal the Commission's ruling. Fine Gael believed the decision had to be appealed 'to defend Ireland's reputation as a place for FDI investment' (see Taylor, 2016). However, members of the Independent Alliance and Minister Katherine Zappone were more hesitant to press for an appeal but they were eventually convinced, leading to the government formally appealing the ruling of the European Commission. A final decision is likely to take years as the case works its way through the European courts.

### **Northern Ireland Assembly election**

Northern Ireland Assembly elections, the fifth since devolution took place following the Good Friday Agreement in 1998, were held on 5 May. The DUP (Democratic Unionist Party), under the leadership of Arlene Foster since 17 December 2015, remained the largest party with 38 of the 108 seats. Sinn Féin and the SDLP (Social Democratic and Labour Party) dropped one and two seats, respectively, although they both maintained their respective positions as the second and fourth biggest parties in Northern Ireland. The

Ulster Unionist Party held onto its sixteen seats, while Alliance kept its eight seats. The Green Party gained another seat, bringing its total to two, while the People before Profit Alliance gained two seats, the first time it had any representation in the assembly (see 'Northern Ireland Results', 2016). The results largely represented continuity from the previous election, and Arlene Foster remained as First Minister, with Martin McGuinness of Sinn Féin remaining as Deputy First Minister.

## **Brexit**

The referendum to decide whether the UK should leave the EU occurred on 23 June. After a divisive campaign the result was narrowly in favour of the leave side. There was a high turnout of over 72 per cent, with almost 52 per cent voting leave and 48 per cent voting remain. Northern Ireland was one of only three of the UK's nations and regions to have a majority vote for remain, alongside London and Scotland. Almost 56 per cent of voters in Northern Ireland voted remain, compared to just over 44 per cent who voted leave (see 'EU referendum', 2016).

The overall result came as a surprise across Europe and led to the resignation of David Cameron as UK Prime Minister, to be replaced by Theresa May. The result itself does not lead to a UK exit from the EU; rather this process will only begin when Article 50 of the Treaty on the European Union is invoked. As such there is a huge degree of uncertainty over the type of 'Brexit' that will occur, with EU supporters wanting a 'soft Brexit' involving close integration with the EU, and more hard-line anti-EU supporters wanting a 'hard Brexit' involving a fundamental break from the EU.

The outcome of this debate will only be known after a two-year negotiation period following the invoking of Article 50. Irrespective of the outcome, Ireland has a lot at stake with Brexit; amongst the most sensitive issues are the North-South border, particularly sensitive due to the majority remain vote in the North, and the economy.

## **Industrial action**

The year saw a wave of industrial disputes across the public sector. Luas drivers were the first group to begin industrial action in 2016, bringing Dublin to a standstill during twelve days of strikes. The strikes

eventually ended when drivers voted for pay increases of up to 18 per cent over the next four years. Dublin Bus drivers followed suit, leading to a series of 48-hour strikes throughout September, with eleven more days of strike action planned for October only averted after a pay increase was agreed, totalling approximately 11.25 per cent over the next three years.

Meanwhile members of the Association of Secondary Teachers, Ireland (ASTI), withdrew from supervision and substitution duties, leaving many schools unable to open for health and safety concerns. Strikes were only suspended after talks between the ASTI and the Department of Education and Skills, facilitated by the Teachers' Conciliation Council and the Workplace Relations Commission, began.

An unprecedented strike by the Garda Representative Association and the Association of Garda Sergeants and Inspectors, together making up the vast bulk of An Garda Síochána, was averted at the eleventh hour when all parties agreed to implement the recommendations of the Labour Court concerning an improvement in working conditions and remuneration for Gardaí.

The deal made with the Gardaí has led to simmering industrial unrest across the public sector with, for example, the trade union UNITE calling for an extraordinary general meeting of the Irish Congress of Trade Unions to discuss the renegotiation of the Lansdowne Road Agreement. While the government has insisted that the Lansdowne Road Agreement will not be renegotiated, its completion depends on potential industrial action in 2017.

## **Economic growth and Budget 2017**

Economic growth was robust in the first six months of 2016, with the unemployment rate dropping to its lowest level since October 2008, to 7.7 per cent. However, Brexit and the unexpected election of Donald Trump as President of the US caused some uncertainty in the latter half of the year, due to Ireland's close economic ties to both countries.

Budget 2017 saw modest increases in social welfare payments and the state pension, with a slight decrease in the lower rates of the Universal Social Charge. Budget 2017 was the second expansionary budget in a row and saw a total adjustment of '€1.3 billion, weighted at about 3:1 between spending increases and taxation cuts' (see Flaherty et al., 2016).

## **Other significant political events in 2016**

In September Stephen Donnelly, TD, left the Social Democrats barely a year after helping to establish the party. The Social Democrats failed to elect any additional TDs in the 2016 election, leaving Róisín Shortall and Catherine Murphy as the party's only representatives in the Dáil.

In November former minister Alan Shatter won his appeal in the Court of Appeal against a decision not to quash parts of the Guerin report, which examined the handling of claims made by a Garda whistleblower. On a related issue the final report of the O'Higgins Commission, which investigated complaints of Garda malpractice by Sergeant Maurice McCabe, was published in May. The report observed that there were 'serious flaws and failures in criminal investigations in the Cavan–Monaghan division, but said the failures it investigated were "at a human level and caused by poorly supervised individuals" and did not occur as a result of corruption'. Furthermore, the report stated 'that Sgt McCabe is a man of integrity, who made his allegations out of genuine concern, even where the allegations were in some cases later found to be "inaccurate", "overstated" or "unfounded"' (see 'Government publishes O'Higgins report', 2016). Minister for Justice and Equality Frances Fitzgerald, TD, forwarded a copy of the report to the Policing Authority.

Late November saw the beginning of Denis O'Brien's High Court action against the Clerk of the Dáil and the state. The action was based on the Dáil Committee on Procedure and Privilege's finding that utterances made in the Dáil about O'Brien's business dealings by TDs Catherine Murphy of the Social Democrats and Pearse Doherty of Sinn Féin were protected under and did not breach privilege. The businessman alleged that those statements breached the constitutional separation of powers between parliament and the courts. Judgement was reserved until the new year by the High Court, as Ms Justice Una Ní Raifeartaigh said she would not finalise her decision until the High Court rules on the separate case of former Rehab chief executive Angela Kerins, as that case raises some similar issues and judgement was reserved on it last October.

On 1 July water charges were suspended for a nine-month period as part of the agreement reached between Fianna Fáil and Fine Gael during government formation talks. The suspension was to allow time for the Expert Commission on Domestic Public Water Services to examine different funding models for the future of water services. In

late November the commission recommended that most households should not pay water charges. In light of the commission's recommendation, a special Oireachtas committee was left to decide on the future of water charges and how to recoup money owed by those who did not pay during the period when charges were in operation. Leaving the decision to the Oireachtas committee has effectively postponed any decision, and a final outcome is unlikely to be reached until the first half of 2017.

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