

Fine Gael - Medium Term Challenges

This research note outlines several medium term challenges for Fine Gael as it considers entering an historic third consecutive term in government. There are 3 sections and the key points can be read below.

Policy and Generational Shifts

Global economic policy trends are acting against us

Ireland often follows economic trends set in the anglosphere

Younger generations are increasingly voting left

Younger generations will have an increasing vote share at the next election

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2025 Electoral Prospects

The COVID poll boost is temporary, treat it as such

Grand coalitions lead to a drop in support, even in good times

Third term government parties lose support at subsequent elections

Junior coalition partners tend to lose support

The grand coalition, third term, and junior coalition factors compound each other

Governance and The Coalition Question

Reflexive defence of government decisions has become our modus operandi

Responding to emerging trends is harder in government

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Sometimes, the best tactic is to stay out

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A Second Election in 2020?

Policy and Generational Shifts

Global economic policy trends are acting against us

The western world is becoming more insular. The US and the UK are steering their economies towards more protectionism, more regulation, more government, and less free markets. COVID is likely to accelerate these trends and encourage their spread throughout the EU. These trends will not pass us by and the Sinn Féin vote indicates its arrival to Ireland. Where the US/UK is voting for right-wing protectionism, Ireland is voting for the left-wing version. This left-wing version may yet take hold in the US/UK also.

Ireland often follows economic trends set in the anglosphere

Irish politics and society is heavily influenced by events in the US and the UK:

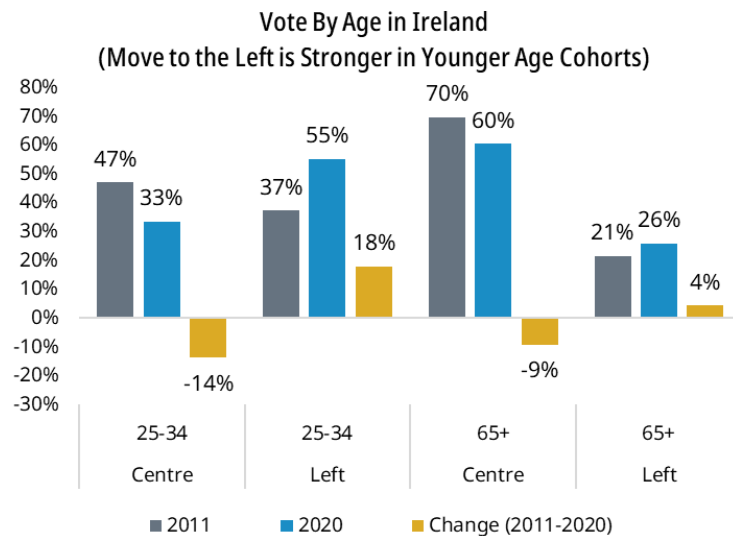
- After America won its independence, this influenced Ireland's 1798 rebellion
- DeValera's protectionist policies in the 1930s were in line with US/UK policy trends in the aftermath of the Great Depression
- 1960s Ireland opened to foreign investment, coinciding with the height of US trade hegemony in the post-war decades.
- Privatisations and deregulations in the 1980s were ideas first enacted in the UK under Margaret Thatcher.

Younger generations are increasingly voting left

This decade will see the continued rise of the millennial generation (those currently aged 24-39). Politics in the US and the UK is becoming more polarised along generational lines:

- 62% of 25-34s voted Remain at the 2016 Brexit [referendum](#). 60% of over 65s voted Leave
- At the 2020 UK [election](#), 25-34s voted Labour over Conservative by 46% to 22%. Over 65s voted Conservative over Labour by 61% to 17%.
- In 2008, President Obama held a 6% lead over John McCain among 30-44s. In 2016 this rose to a 12% lead in the Clinton-Trump election and remains [unchanged](#) in the 2020 Biden Trump race. If Bernie Sanders had been nominated, the [lead](#) would be 16%.
- 7-in-10 US millennial voters now [say](#) they would vote for a socialist.

These trends have always existed, but they are becoming more pronounced. Ireland is showing the same trend. The last decade has seen a much larger shift of younger voters from the centre to the left, compare to older voters.



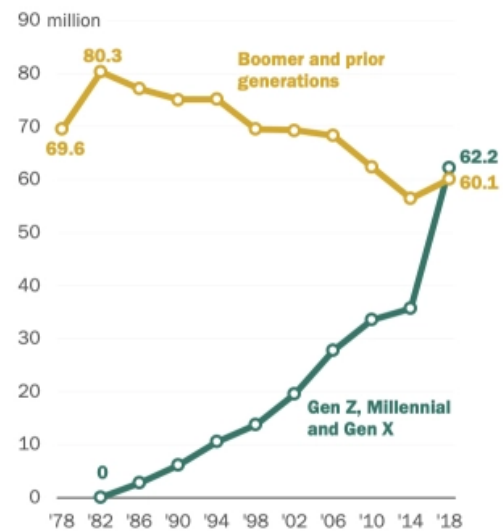
Note: Centre = FF/FG/Renua/Aontu, Left = Labour/Greens/SF/SD/SPBP/AAAPBP. Others not shown.
Source: Election Exit Polls

Younger generations will have an increasing vote share at the next election

Everyone will be 5 years older at the next election. The millennial generation will be aged 29-44 and will have higher turnout (as turnout always increases with age). Furthermore, an even younger cohort of 18-29 voters will be eligible to vote.

Younger generations outvoted Boomer and prior generations in 2018

Reported votes cast in midterm elections, in millions



Source: Pew Research Center analysis of 1978-2018 Current Population Survey November Supplements (IPUMS and U.S. Census Bureau).

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Sinn Féin's millennial appeal isn't going away

The rise of Sinn Féin should be understood in the context of the coming of age of the millennial generation. The consumer preferences of this group is for [fewer choices](#). This is a response to the economic phenomenon known as the paradox of choice, where too many options is damaging to wellbeing.

Millennials are [risk averse](#). They grew up watching the global financial crisis unfold and this informs their behaviours today. Where older working generations favour the principle of choice, millennials favour economic security. Fine Gael's policies are unappealing to these preferences:

- Where Fine Gael offers the complexity of a help-to-buy mortgage, Sinn Féin offers social housing.
- Where Fine Gael responds to high interest rates by suggesting you move to a new bank, Sinn Féin promises legislation to cut them
- Where Ireland's third level education model includes fees, Sinn Féin promises their abolition
- Where Fine Gael argues that the market will bring down rents, Sinn Féin promises to cap them
- Where Fine Gael sees a tax cut as returning your hard earned money, millennials have a [preference](#) for more government spending.

This is not to say that Fine Gael's positions on these issues are wrong, but it is saying they are at odds with the prevailing trends in the younger generations.

Fine Gael's fiscal policy preferences risk unpopularity

Fine Gael is the party of fiscal responsibility. While this was a popular stance during the last financial crisis, it is unlikely to be a vote winner this time. We must recall the shifts taking place in fiscal attitudes over many years. Data from the UK [illustrates](#) the changing preferences for tax-and-spend (T&S) policies:

- T&S was unpopular in the 1980s (this maintained Thatcher in power)
- T&S surged in popularity in the 1990s (Labour won a landslide victory in 1997)
- T&S fell in support during the financial crisis (Tories won in 2010)
- T&S surged in support towards the end of the 2010s

Where a T&S surge would normally propel Labour to power, something changed instead. The Tories pivoted to support T&S. Boris Johnson now presides over the most spendthrift Conservative Party in recent history. Likewise, the US Republicans are no longer concerned with fiscal consolidation.

Attitudes in Ireland are moving in the same direction. This has been evident in our own party manifestos. Where we previously supported a 1:1 ratio of spending increases to tax cuts in 2016, this moved to 4:1 at the 2020 election. Polls reflect this. In [2016](#) (p16), there was sizeable support for tax cuts. By [2020](#) (p13), only 2% of voted on the basis of taxation (only 5% of FG voters).

Setting Fine Gael apart as a party of fiscal consolidation is a high risk strategy. This has [emerged](#) as a point of difference in the coalition negotiations. If we enter coalition as the party saying “yeah but” to every spending decision, then what credit will we take for the coalition’s achievements?

Political success will be awarded in the next decade to parties which satisfy the demands of voters for more government spending, more regulations, and less free markets. Resistance to these trends could accelerate unpopularity.

2025 Electoral Prospects

The COVID poll boost is temporary, treat it is as such

The mistake this party has made in consecutive elections is believing that past achievements are a basis for electoral success:

- In 2016, we believed the recovery would re-elect us
- In 2020, we believe that Brexit would re-elect us

Both were false. COVID will only boost our support if we hold an election this year. Thereafter, we will be judged on our policies. Elections are about the future, not the past.

Grand coalitions lead to a drop in support, even in good times

The electoral performance of grand coalition governments around Europe in Greece, Austria, Germany and the Netherlands is clear:

- Grand coalitions almost always lead to a drop in support for both parties
- This happens even if the economy is strong.

A grand coalition will lead to a drop in FG seats. Holding the office of An Taoiseach in the second half of the coalition is unlikely to make a significant difference.

Third term government parties lose support at subsequent elections

Third term governments rarely increase their support. We have our own recent history to draw on:

- [1969](#) Fianna Fáil (-2%)
- [2011](#) Fianna Fáil (-24%)

The UK provides the most examples:

- [1959](#) Conservative Party (-6.0%)
- [1992](#) Conservative Party (-0.3%)
- [2010](#) Labour Party (-6.2%)
- [2019](#) Conservative Party (+1.2%)

Other European examples:

- [2017](#) CDU, Germany (-8.6%)
- [2017](#) OVP, Austria (+7.5%)
- [1993](#) PSOE, Spain (-1.3%)
- [2006](#) Social Democrats, Sweden (-4.9%)

- [1995](#) Social Democrats, Portugal (-16.5%)
- [2004](#) PASOK, Greece (-3.3%)

Only two of these examples (2019 UK, 2017 Austria) saw increased support. Both had unique circumstances:

- The election of a new party leader (UK Conservatives, Austrian OVP)
- A weak opposition (UK Labour, Austrian populist far-right)

Fine Gael will have neither at the next election.

Junior coalition partners tend to lose support

This does not need elaboration. We all know the stories of:

- Labour in 1997
- The Progressive Democrats in 2007
- The Greens in 2011
- Labour in 2016
- Independent ministers in 2020

The grand coalition, third term, and junior coalition factors compound each other

At the next election, Fine Gael will suffer from all three. We will have been in government for 14 years, contesting as the junior partner in a grand coalition. These three factors will amplify seat losses.

Governance and The Coalition Question

Reflexive defence of government decisions has become our modus operandi

Being in government comes with a set of behaviours. The most notable behaviour is the defence of government decisions.

- In our first term (2011-16), much of this defence centred around budgetary issues. This involved defending spending cuts, new taxes, whistle-blower allegations, and water charges.
- Our second term (2016-20) focused on a variety of issues including the housing crisis, homelessness, project cost overruns, and most notably the RIC commemoration.

The RIC commemoration underlines this reflexivity. Where more astute politicians would have accepted the criticisms and cancelled the event, defending the event was the default position for government ministers. It is now an engrained habit after 9 years in office. How will this habit play out after 14 years in office?

The dangers of this reflexivity are well known. Fianna Fáil's third term (2007-11) was marked by several reflexive defences, especially the crash itself (Lehman Brothers defence).

Responding to emerging trends is harder in government

Fine Gael has a strong playbook to recover lost jobs. We pulled the country back to full employment after the last crash. The risk this time is that Fine Gael deploys the same playbook and assumes it alone will rectify the inequalities younger voters want addressed. Remember, it is the young whose [jobs](#) are most displaced by COVID-19.

Recognising the emerging trends in this report is more difficult in government, especially if the government is still dealing with the COVID recovery.

Opposition presents an opportunity for renewal

A term in opposition would better position Fine Gael to adapt to the changing global picture. It will allow us to properly assess these trends and formulate a policy response which meets the demand for greater government involvement, while curbing its excesses. Fine Gael can then vie to lead the next government after the dust has settled from the initial COVID aftermath.

Sometimes, the best tactic is to stay out

In 2007, Fianna Fáil won a third consecutive election and governed through the financial crisis. Had Fine Gael and Labour won, only partial sympathy would have been afforded by the electorate. Fianna Fáil would have recovered its losses at the following election. Losing the 2007 election was an historic blessing-in-disguise for Fine Gael.

In 2016, Boris Johnson ruled out contesting the Conservative Party leadership following the resignation of David Cameron. This decision did not make sense at the time, given Johnson's well known ambition to be prime minister. But this was a tactical move, and it positioned him perfectly for the subsequent party leader race.

It would be a bold tactical move for Fine Gael to reject coalition and sit this one out. It is likely to be one with some short-term losses (e.g. Taoiseach's Seanad seats), but many long-term gains.

Sinn Féin will enter government someday, why prolong the inevitable?

It is preferable for this to take place now, allowing Sinn Féin to face up to governing responsibilities in a crisis. It is also preferable for Fianna Fáil to lead this coalition, with Fine Gael as the main opposition party.

It is Fine Gael's call when the next election is held. Therefore, upon rejection of this coalition deal, the pressure is likely to build on Fianna Fáil and Sinn Féin to form a government.

If this government does not happen, then a second general election would enable us to gain seats. Thereafter, we should still attempt to avoid government for all the reasons mentioned in this document.

A Second Election in 2020?

This table outlines potential constituency gains for Fine Gael in a second election. It illustrates that up to 38 extra seats could be won at an election where Fine Gael's vote share is at 37%, as per the recent Irish Times [poll](#). Such a high level is unlikely to be realised. Winning 27% could earn the party 18 extra seats, with no losses. This is a purely mathematical exercise and it does not consider the candidate dynamics in each constituency. Nonetheless, it shows that Fine Gael has strong potential gains from a second election.

Fine Gael Potential Seat Gains by Constituency

Constituency	Seats	Outgoing FG Seats	Seat Gains/Loss by National Share of Vote and Quota																
			21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%
Mayo	4	2	2.04	2.13	2.22	2.31	2.40	2.49	2.58	2.66	2.75	2.84	2.93	3.02	3.11	3.20	3.29	3.38	3.46
Dún Laoghaire	4	1	1.55	1.63	1.72	1.80	1.88	1.96	2.04	2.13	2.21	2.29	2.37	2.45	2.53	2.62	2.70	2.78	2.86
Wicklow	5	1	1.65	1.72	1.80	1.87	1.95	2.02	2.10	2.17	2.24	2.32	2.39	2.47	2.54	2.62	2.69	2.77	2.84
Cavan Monaghan	5	1	1.65	1.72	1.80	1.87	1.94	2.01	2.08	2.16	2.23	2.30	2.37	2.44	2.52	2.59	2.66	2.73	2.80
Cork North West	3	1	1.43	1.49	1.56	1.62	1.69	1.75	1.82	1.88	1.95	2.01	2.08	2.14	2.21	2.27	2.34	2.40	2.47
Limerick County	3	1	1.40	1.47	1.53	1.59	1.66	1.72	1.79	1.85	1.91	1.98	2.04	2.10	2.17	2.23	2.30	2.36	2.42
Carlow Kilkenny	5	1	1.39	1.45	1.51	1.58	1.64	1.70	1.77	1.83	1.89	1.96	2.02	2.08	2.14	2.21	2.27	2.33	2.40
Dublin Bay South	4	1	1.29	1.35	1.42	1.49	1.56	1.63	1.69	1.76	1.83	1.90	1.96	2.03	2.10	2.17	2.24	2.30	2.37
Longford Westmeath	4	1	1.36	1.42	1.48	1.54	1.60	1.66	1.73	1.79	1.85	1.91	1.97	2.03	2.10	2.16	2.22	2.28	2.34
Dublin Rathdown	3	2	1.16	1.22	1.28	1.34	1.40	1.46	1.52	1.59	1.65	1.71	1.77	1.83	1.89	1.95	2.01	2.07	2.13
Clare	4	1	1.21	1.26	1.32	1.37	1.43	1.48	1.54	1.59	1.65	1.70	1.76	1.81	1.87	1.92	1.98	2.03	2.09
Meath East	3	1	1.20	1.26	1.31	1.37	1.42	1.48	1.53	1.59	1.64	1.70	1.75	1.81	1.86	1.92	1.97	2.03	2.08
Kerry	5	1	1.18	1.24	1.29	1.35	1.40	1.45	1.51	1.56	1.62	1.67	1.72	1.78	1.83	1.88	1.94	1.99	2.05
Galway East	3	1	1.20	1.25	1.30	1.36	1.41	1.46	1.51	1.56	1.62	1.67	1.72	1.77	1.83	1.88	1.93	1.98	2.03
Dublin West	4	1	1.10	1.16	1.22	1.28	1.33	1.39	1.45	1.51	1.57	1.62	1.68	1.74	1.80	1.86	1.91	1.97	2.03
Cork South Central	4	1	1.14	1.20	1.25	1.30	1.35	1.40	1.45	1.51	1.56	1.61	1.66	1.71	1.77	1.82	1.87	1.92	1.97
Limerick City	4	1	1.12	1.17	1.22	1.27	1.32	1.37	1.42	1.47	1.52	1.57	1.62	1.68	1.73	1.78	1.83	1.88	1.93
Dublin Bay North	5	1	1.05	1.10	1.16	1.21	1.27	1.32	1.38	1.43	1.49	1.54	1.60	1.65	1.71	1.76	1.82	1.87	1.93
Laois Offaly	5	1	1.10	1.15	1.20	1.25	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.90
Galway West	5	1	1.12	1.17	1.22	1.27	1.31	1.36	1.41	1.46	1.51	1.56	1.61	1.66	1.70	1.75	1.80	1.85	1.90
Wexford	5	1	1.09	1.14	1.19	1.24	1.29	1.34	1.39	1.44	1.49	1.54	1.58	1.63	1.68	1.73	1.78	1.83	1.88
Cork East	4	1	1.05	1.10	1.15	1.20	1.25	1.29	1.34	1.39	1.44	1.48	1.53	1.58	1.63	1.68	1.72	1.77	1.82
Meath West	3	1	1.05	1.10	1.15	1.20	1.24	1.29	1.34	1.39	1.44	1.48	1.53	1.58	1.63	1.68	1.72	1.77	1.82
Dublin South West	5	1	0.94	0.99	1.04	1.09	1.14	1.19	1.24	1.28	1.33	1.38	1.43	1.48	1.53	1.58	1.63	1.68	1.73
Louth	5	1	0.98	1.02	1.07	1.11	1.16	1.20	1.24	1.29	1.33	1.38	1.42	1.47	1.51	1.56	1.60	1.64	1.69
Kildare North	4	1	0.95	0.99	1.03	1.08	1.12	1.16	1.21	1.25	1.29	1.33	1.38	1.42	1.46	1.51	1.55	1.59	1.64
Dublin Fingal	5	1	0.83	0.88	0.92	0.97	1.01	1.05	1.10	1.14	1.19	1.23	1.27	1.32	1.36	1.40	1.45	1.49	1.54
Waterford	4		0.89	0.93	0.97	1.01	1.05	1.09	1.13	1.17	1.21	1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.53
Tipperary	5		0.88	0.92	0.96	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.28	1.32	1.36	1.40	1.44	1.48	1.52
Dublin Mid West	4	1	0.82	0.86	0.90	0.95	0.99	1.03	1.07	1.12	1.16	1.20	1.25	1.29	1.33	1.37	1.42	1.46	1.50
Sligo Leitrim	4	1	0.86	0.90	0.94	0.97	1.01	1.05	1.08	1.12	1.16	1.20	1.23	1.27	1.31	1.35	1.38	1.42	1.46
Donegal	5	1	0.86	0.89	0.93	0.97	1.00	1.04	1.08	1.12	1.15	1.19	1.23	1.26	1.30	1.34	1.38	1.41	1.45
Cork South West	3		0.81	0.85	0.89	0.92	0.96	1.00	1.04	1.07	1.11	1.15	1.18	1.22	1.26	1.29	1.33	1.37	1.41
Cork North Central	4	1	0.81	0.85	0.88	0.92	0.96	0.99	1.03	1.07	1.10	1.14	1.18	1.21	1.25	1.29	1.32	1.36	1.40
Dublin Central	4	1	0.70	0.74	0.78	0.81	0.85	0.89	0.92	0.96	1.00	1.03	1.07	1.11	1.15	1.18	1.22	1.26	1.29
Kildare South	3	1	0.73	0.76	0.79	0.83	0.86	0.89	0.93	0.96	0.99	1.02	1.06	1.09	1.12	1.16	1.19	1.22	1.26
Dublin South Central	4		0.54	0.57	0.60	0.63	0.66	0.69	0.72	0.75	0.77	0.80	0.83	0.86	0.89	0.92	0.95	0.97	1.00
Roscommon Galway	3		0.50	0.52	0.54	0.56	0.58	0.60	0.62	0.65	0.67	0.69	0.71	0.73	0.75	0.78	0.80	0.82	0.84
Dublin North West	3		0.41	0.43	0.45	0.48	0.50	0.52	0.54	0.56	0.58	0.61	0.63	0.65	0.67	0.69	0.71	0.73	0.76
Total	159	35	41	42	45	46	47	48	54	56	59	61	63	63	68	69	69	69	73
Gains			+6	+7	+10	+11	+12	+13	+19	+21	+24	+26	+28	+28	+33	+34	+34	+34	+38
Seats Away from Majority (80)		45	39	38	35	34	33	32	26	24	21	19	17	17	12	11	11	11	7

Note: This analysis does not consider the impact of boundary changes.

Note: Seats are assumed to be won at the following quota levels: 1 seat = >0.5 quota, 2 seats = >1.5 quota, 3 seats = >2.5 quota.

Note: The green and red represent the gain/loss of one seat compared to the outgoing number of TDs.