

Commerce

Ciaran Oglesby speaks to Catherine McCabe of the Dublin Chamber of Commerce.

CO: How has Ireland been affected by the European Union?

CM: Well, the business community and the business environment in Ireland and in the Dublin City region has been hugely impacted since joining the European Union in 1973. In 1973 when we joined we had a trade deficit of £340,000,000. In 2006 we had a positive trade balance of over €6,000,000,000. We have hugely changed our business perspective; we were primarily focused on exports of food and drink when we joined the European Union. Now we have a software industry such as Microsoft, we have IBM and Hewlett Packard all based here. We have the pharmaceutical companies here; we have the digital media companies here such as Google, eBay and Yahoo. We have a very strong financial services sector and we have call centres et cetera. Really the diversity now in industrial sectors in the Dublin city region and Ireland is immense compared to 1973.

CO: Could you give our listeners a brief description of the recent period of rapid economic growth which we experienced here in Ireland?

CM: Well I'm sure that most of our listeners have heard of the phrase "The Celtic Tiger". We went through a period of immense economic growth, very, very swift economic growth and this brought on very much by our membership of the European Union when, from what we paid into the Union versus what we have gotten out financially from the European Union is in excess of €5,000,000,000. It has helped to improve our road infrastructure. It has helped us target and be a source for foreign direct investment. We have a low corporate tax rate which also helps but a lot of the growth has come about by the fact that we have access to a single market of over 500,000,000 people. The European Union were very strong in deregulating the market, getting rid of national monopolies and opening it up to competition and this has hugely benefitted Ireland. We are now very much an open economy.

CO: What were the pros and cons brought on as a result of this unprecedented period?

CM: Well as I said our infrastructure did improve significantly. Driving around Ireland on any of the roads you will see "part funded by the European Union" another of the pros was the European Union were very strong in structural funds, development funds, in particular in regions along the border. This assistance greatly helped us in ensuring we now have a stronger all-island economy but from such a rapid period of economic growth there have been some challenges that have emerged. The positive challenges that came from a rapid period of economic growth, but these are now infrastructure in particular public transport infrastructure and infrastructure associated with the knowledge economy. In Dublin, anyone who visits the city will notice that we do suffer from congestion. The Dublin Chamber of Commerce estimates that the cost of congestion annually to businesses is in the region of €2.5, 000,000,000, fuel is wasted, quality of life is reduced and simply less business gets done. Thankfully the government are very proactive in addressing this infrastructure deficit. Transport 21 is a €34, 000,000,000 capital investment framework for public transport across Ireland and in the Dublin City region. Between 2006 and 2015 there are going to be a

significant upgrade of our road network, we are going to get a metro, MetroNorth and a MetroWest, we are going to get an interconnector which is essentially a rail network that is going to connect our rail heading west and south from Heuston Station and northwards from Connolly Station right up to Belfast. We are also going to get Luas extensions; we have already seen the success of the Luas that has been delivered so far. These are challenges that the government are aware of, they are being proactive in tackling and Dublin Chamber of Commerce offer them every assistance and offer the transport agencies and the Department of Transport every assistance in reaching their target by 2015 of a better public transport network.

CO: Has the financial sector been focused or proactive in promoting intercultural dialogue with the rest of Europe?

CM: The financial sector in the IFSC has attracted many American multinationals and we have also developed our own domestic sector, financial sector and these American multinationals have very much used Ireland as a springboard to get into the rest of Europe. Everyone knows it's a very interconnected world now, the recent crisis highlights this and Ireland is very aware of the role it plays in Europe and being an attractive location within Europe so while we compete with other countries in Europe on such things as corporate tax and attracting foreign direct investment it is also being part of Europe that is making us so successful. Like I said earlier we now have a single market of 500,000,000 people that is significant for any Irish business to be a part of and I know that Dublin Chamber of Commerce, our international department, are very, very proactive in organising business missions abroad. We are very proactive on the all-island economy which is very important to Dublin business and to the island as a whole. We run the "Network and Get Work" programme that's where companies North and South of the border participate in going after tenders et cetera. We are very proactive in engaging both on an all-island basis and with our European counterparts.

CO: Has your sector noticed a large increase in tourism here over the past few years since the boom?

CM: The Dublin City region has particularly noticed an increase in long weekends, tourists coming over for a long weekend to Dublin. As a result the Dublin Chamber of Commerce were very proactive in speaking with the OPW, that's the Office of Public Works, who manage a lot of the significant cultural buildings in the city. We were encouraging them to change their approach to opening hours. Traditionally in Dublin, Monday would be a day where a lot of the museums et cetera were closed, now the OPW have realised that there is this whole new long weekend boom they are now looking at changing their opening hours. This is very positive for retailers, for hoteliers and for businesses in general in the city also for our international visitors coming to visit us.

CO: Catherine, due to this unprecedented period of growth has the Dublin Chamber of Commerce noticed that there has been a different recognition of us? Maybe there was an old stereotype that we were a bit behind the times, that we were an isolated island and that we were not on the world market stage. Has foreign countries stereotype of us changed since we have experienced this?

CM: Well, it's always hard to speak for others and to say what other people think of us. However I certainly do believe that internationally it is now recognised that Ireland is now a player in the high value added sectors such as pharmaceuticals, ICT and digital media. As a result of that perhaps people are now looking at us in a different light but in terms of tourism et cetera anyone who wants to come to Dublin we can still offer them excellent cultural tourism but also we are working on improving our infrastructure network and our level of services so when people do come over here they will enjoy a good public transport network and these are the things that people who came 20 years ago might find different. As you know there have been significant developments at Dublin Airport so from the second you land it is a different country from 20 years ago in a very positive way.

CO: Finally, Catherine, has the current economic climate attracted a large amount of highly qualified knowledge based workers from abroad?

CM: That is definitely one of the positive sides of our economic growth. Members of the Dublin Chamber of Commerce have fed back to us the importance of the international knowledge workers that have come over here. We now have, as I said, Google, eBay and Yahoo, these are all companies that work in many different languages and they have all decided to have European headquarters based in Ireland. The only reason that they can do that is because we are attracting these international workers to the Dublin City region so the challenge for us now is to continue to ensure that we are an attractive location for these workers. We need to ensure that the quality of life is good. We need to ensure that the offerings they are getting, in particular researchers in universities, that we are competitive with other regions such as the United States or the Netherlands. For example in The Netherlands if you are an international worker with a skill that is needed in The Netherlands you can get up to 30% off your wages tax free. These are the sort of initiatives that would pull international knowledge workers, prevent them from locating in Dublin and maybe picking The Netherlands over us. We are now an attractive location we need to continue to work on being an attractive location.

Ciaran Oglesby speaks to Prof. Cathal Brugha of University College Dublin

CO: From a historical point of view does Ireland have an established history of foreign trade?

CB: Yes, it certainly does because Ireland being an island nation simply had to trade or do no business at all. Particularly being a maritime nation we did a lot of trade, had a lot of similarities, with places like Spain, Portugal and so on. Not only that but from Europe out to the United States. In fact Brendan the Navigator was one of our first traders. He was from the island of saints and scholars, he was both saint and scholar but he went across the Atlantic before Lef Ericsson who went before Christopher Columbus. The kind of trade they were doing, he set up a navigation school in Galway and Christopher Columbus as a pilot went to school there went college there. So our trade was maybe not so much finance as human resources, people and education.

CO: Very interesting. What kind of effect would foreign trade have had on Irish culture from a socio-economic and political point of view?

CB: I think it wasn't as much the trade per se as the people that were moving backwards and forwards. Ireland, although for a long time was if you like a province of the British Empire, it never actually lost the fact that it was highly connected to France, to Spain, to Italy, to other parts of Europe and west across the Atlantic. So there was a lot of mixture of different types of people, different types of attitudes, different people in the north of Ireland to the South of Ireland, a lot of interaction in that kind of way.

CO: I suppose we had a form of slavery here of course in The Dark Ages preceding the Celtic period and that would have been our biggest import, of people.

CB: Well unfortunately when we were under the British Empire there was a tendency to use us as a source of people to fight in wars and that was always a matter of concern for us. We didn't really want to do that but sometimes you have no choice when you are in that context but we were always focused on education and growth and within Ireland you will see a huge commitment to education because so many people had to be built from a low economic base and many of them had to emigrate.

CO: I suppose the monasticism that expanded from here would have played a big part in the commerce of Europe in the exchange of cultural commerce and knowledge based commerce.

CB: There is no doubt that although Christianity did not come from Ireland originally, St. Patrick was a Welshman who came to Ireland, in fact the monks that emigrated through Scotland and onwards established themselves in Europe and Fingallen in Switzerland, Bobio in Italy, Saint Killian in Germany they traced their Christian roots to Ireland. We have a proud heritage of having done that and having brought education and Christianity to many different parts of Europe.

CO: What resources or goods would we have had which would have been in demand and exported to the rest of Europe?

CB: Again, we were not a resource rich country in the sense of having a lot of minerals and for a while we were a highly forested country and a lot of that forest was used to build British ships and houses. Apart from that our resource was always people and not only do we have a sizeable proportion of people in the United States who claim ancestry from Ireland but right across the rest of the world Irish people have made their mark and frequently the difficulties that they had in Ireland being a low resource country at the time meant that when they went to a place that had more resources they tended to flourish and move into positions of leadership both in business, politics, culture and education.

CO: How important has trade been towards dialogue?

CB: Trade is very important. It's the petrol or engine oil of dialogue for people. You have to have something to offer but in many cases it was not so much resources as much as, if you take the basic innovation, the basic resource and then you add the basic large scale production, the meat in the sandwich is the service area. That is built upon from the basic resource right down to the used goods. We were the people who would add that. We were very strong in social aspects, the sense of helping to adapt

products for use, to develop services, to make things work. We would be dialoguers; we would be interpersonal people who help to make things work in a social context within companies and within countries. We would even have moved into politics in many parts of the developing world, in the US and Australia.

CO: Would you have an opinion on why we would have that? Where do we get this background from?

CB: I think one of the issues through not controlling our own politics for so long is that we had to work with the less tangible material of how to dialogue, how to relate to people, how to socially interconnect, how to make a lot from very little and as such we became good dialoguers and good at meeting with people, trading with people and looking for common interests. We would never have been in a position to be the bully boys in any situation rather the opposite we would see a commonality with weaker people and marginalised groups. Within Europe we see commonalities with some of the smaller peoples within Europe.

CO: From a contemporary point of view do you think that we may still have, we do still have engrained within the Irish mentality mindset. Do you think that maybe to a degree that's what we have been in conflict with over this period of the Celtic Tiger, this boom?

CB: I think the Celtic Tiger may have been a misnomer. It implies something we are not which is a man-eating beast of some sort. I think that was a bit ridiculous but I do think that we had certain advantages being English speaking on the coast of Europe, not having a history of being the bully or trying to be the Emperor in any sort of way. As a consequence we have provided a very welcome base for countries coming into Europe particularly China, Africa, the United States and other areas like that but also within Europe itself, from other countries within Europe particularly Eastern Europe. There is a welcome for people with similar cultural backgrounds particularly countries like Poland where we have a similar religious ethos and similar attitudes towards the importance of family and to the importance of personal relationships

CO: How much has our commerce and finance sector grown since becoming active in Europe?

CB: It has grown quite considerably because finance is essentially a service aspect and so the aspect of commerce that has grown is the service aspect, getting people to make things work so we are not going to be producing the huge factories or massive amounts of cars, nor do we have the funding to produce new microchips or something like that. We are the meat in the sandwich. It's all about building relationships and there is going to be a new era now where the world finances have to be restructured and it's going to have to be done on a far more human basis and far less technical, far less domination by large scale money.

CO: Do you think Ireland is in a good position to forge ahead with that?

CB: I do, Tip O' Neill said that all politics is local but basically all relationships are personal and all good business relationships are personal as well. If you can convince

somebody that you can work with them well that's the starting point for building a relationship. A financial one, a business one or anything of that sort.