Post Troika: Never Waste a Crisis  
(Making Ireland work – SMEs leading the way) 
Annual ISME conference) 
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Three key points:

1. A return to ‘old normality’ is not on
2. Demography, technology/skills and climate will change the game
3. Social, Business and Fiscal policy need to sit into a coherent vision/strategy
Four key concerns of SMEs (at least):

1. Keeping costs under control
2. Rebooting demand
3. Accessing credit when you need it
4. Finding and retaining right mix of skills, supports and networks
SMEs in Ireland (CSO, 2011)

1. SMEs = 99.8% of active enterprises, 69% of persons engaged, 50% of turnover & 46% GVA.

2. Employment in SMEs down from 1m+ in ‘06 to 840,000 in 2011

3. Gross operating surplus as % of turnover = 7% in Irish indigenous enterprises (14% for business economy as a whole)
Medium population growth (M1F2)

- 2011: 49
- 2016: 55
- 2021: 68

Demographic divisions for the years:
- 0-14
- 15-24
- 25-64
- 65+

Yearly population growth from 2011 to 2046.
% Enterprises receiving orders online 2012

Sweden
Denmark
Czech Rep.
Croatia
Ireland
Belgium
Germany
U.K.
Netherlands
Finland
Lithuania
EU 28
Slovenia
Portugal
Malta
Luxembourg
Spain
Slovakia
Austria
France
Estonia
Hungary
Poland
Cyprus
Latvia
Greece
Romania
Italy
Bulgaria

< -23
Share of renewables in energy consumption (2011)

- Sweden
- Latvia
- Finland
- Austria
- Estonia
- Portugal
- Denmark
- Romania
- Lithuania
- Slovenia
- Croatia
- EU28
- Spain
- Bulgaria
- Germany
- Greece
- Italy
- France
- Poland
- Slovakia
- Czech Republic
- Hungary
- Ireland
- Cyprus
- Netherlands
- Belgium
- U.K.
- Luxembourg
- Malta

<- 20 EU 2020 target
<- 6.7
Fiscal policy needs to sit into a coherent vision/strategy
What are we going to do after the war?

0.5% structural deficit

3% deficit
Employment % of working age population

Europe 2020 target (ages 20-64)

- Male
- Female
What can Governments do to help increase employment & encourage enterprises?

• ‘Do no harm’ via excess fiscal austerity
• Focus on investment for long-term gain including ECEC
• Pay attention to skills
• Changing the nature of work ...implying changes in behaviour of governments, employers and trade unions
A new social deal for Europe/Ireland

• New enterprise strategy
• Basic income – to eradicate poverty
• Reforming tax and social insurance
• Social credit & back to plain banking (inc SIB)
• Universal public services – health, education and income protection funded thru balanced taxation structure
Social Insurance is the way to go.....but there is a long way to go .....(data in respect of employees and their employers only) % GDP

Employer 3.4
Employee 1.3
Social Insurance = Social Security

• Access to services regardless of income or employment status: e.g. free health services
• Protect those who fall ill or lose a job (e.g. S.E.)
• Provides an alternative to the vagaries of equity markets or investment policies of a handful of fund managers
NPRF & Commercial Semi-State
€5 billion

Private sources (inc pensions)
€5 billion

European Investment Bank
€5 billion

€15 billion
Investment Fund

Water

Broadband

Energy

Early Childhood

Retrofitting
€15 billion
Investment Fund

2013-14
€1.5bn

2015
€3bn

2016
€4bn

2017
€4bn

2018
€2.5bn
Companies of excellence – a Win Win?

- Enterprises which acknowledge labour rights, employee participation, R&D, re-investment and the retention of the business in Ireland.
A new approach?

1. Prudent fiscal strategy
2. Smarter investment in social infrastructure
3. Protecting the incomes of the most vulnerable = protecting domestic demand
4. Reforming public tax/spend
5. Going for sustainable growth
Central Thesis

Adequate living standards
+ social protection
+ labour standards
+ public services

good for workers, good for business, good for Ireland and good for Europe