
30 MILLIONAIRE SAINTS?

If Ireland's recent economic experience could be repeated here . . .

If the recent history of Ireland can be repeated here there will soon be about 30 Saints who are millionaires. Do I hear you say “*Sounds incredible, and what has Ireland got to do with St. Helena anyway?*” **John Turner** at **Burgh House** reports that recent Irish experience is surprisingly relevant to us here, while we contemplate the future of the island in the light of forthcoming air access.

Not so long ago, if you thought of Ireland you probably thought of a slow and charming but rather backward place, with a subsistence economy based on agriculture, most of the population poor and many working abroad, physically isolated by the sea and with a capital city where ordinary houses stood side by side with stuffy offices in a sleepy atmosphere of somewhat decayed Georgian splendour. But this isn't how Ireland is today. Ireland has changed.

What happened?

There are now more than 30,000 Irish millionaires (in a population of 4 million; that's the same as if there were 30 millionaire Saints). Ireland's economy has grown at an average of more than 7% over the last ten years, and this money does not remain with the millionaires. For everybody there has been economic uplift. True poverty has been eliminated and even the poorest are much wealthier than they were.

And Ireland is no longer an exporter of labour. In the past, Irish workers were renown around the world for their hard work and desire to return home if it ever became economically possible. Now they have done so. Indeed, Ireland now needs to import some skilled foreigners to meet gaps in its fast growing economy.

So how did it happen?

When Ireland joined the European Union in the 1970s it gained access to EU funds, and it has made good use of these. But while the EU provided much of the seed capital that got things started, the majority of the economic success is due to private sector investment, much of it from abroad, especially from America.

When experts talk about Ireland they attribute much of its success to the creation of an independent Irish development organisation in the 1970s, which was given a relatively free reign to support economic growth. It had a vision of an Irish economy based not on traditional agricultural, or even on large scale manufacturing, but on modern hi-tech industries like electronics and computers – the world's largest growing and environmentally cleanest businesses.

Ireland pursues a policy of active encouragement to inward investors, including light regulation and incentives to suitable businesses to establish there. It also has low business tax, making it an attractive economy in which companies can invest. Recently it was estimated that a fifth of all the jobs being created in the EU were being created in Ireland; far more than in the established industrial economies like Germany, France and the UK.

Another cause of Irish success was the massive expansion in higher education. The number of students going on to higher education increased 20 fold in the period. This provided a pool of skilled and educated young people to take on and develop all these new hi tech industries.



And Ireland also embraced modern electronic communications. Unlike most of Europe it does not benefit from land borders with its major customers, but this did not inhibit its growth. The physical problems were solved by the use of modern telecommunications and by choosing industries that produce easily transportable products (a large percentage of the world's computer chips are made in Ireland).

And the cost?

Ireland's transformation from a backward rural economy to a modern hi-tech one has been achieved without sacrifice to the environment or culture. Ireland is still as green as it always was, and the Guinness still flows.

So what has Ireland to do with St. Helena?

The parallels are obvious. DfID is offering the seed capital and all St. Helena has to do is use those funds to its best advantage.

I think the recent history of Ireland offers us a model for the future development of St. Helena. With the right approach we could get the economic benefits and avoid the environmental and social dangers. The opportunity exists and I look forward to celebrating with the first of those 30 Saint millionaires.

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