



Most directors don't have confidence in political leadership, new survey shows

RECENT independent research conducted by Behaviour & Attitudes on behalf of the Institute of Directors in Ireland (IoD) among its members has found that over half (54 per cent) of those directors surveyed believe the Government does not have sufficient understanding of the current economic situation to resolve it.

Seven in 10 claim not enough is happening to resolve the crisis quickly enough.

In addition, 60 per cent of directors do not have confidence that the Government has the resolve and ability to lead Ireland out of the current economic crisis. This figure is slightly lower among Irish-owned companies (56 per cent) but rises to over two-thirds (68 per cent) among multinationals. However, less than half think that a change of Government would restore business confidence.

Asked who is responsible for the current economic crisis, two-thirds of directors cite the Government, three in five claim the banks are responsible and a quarter believe that regulators are to blame for the current situation. One in five attribute responsibility to society as a whole, while 16 per cent hold property developers responsible.

When looking at the Irish Government's handling of the current economic crisis and comparing its performance with the UK, US, Germany and Greece, just over half (52 per cent) say its performance is worse than the UK, 79 per cent claim it is performing at a worse rate than the US and almost nine in 10 (88 per cent) claim its performance is worse than Germany. However, almost all directors (95 per cent) claim that the Irish Government is performing at a better rate than Greece.

With regard to the prospects for Irish business in 2010, over half of directors surveyed are pessimistic about

the broader business climate in Ireland. However, the level of optimism has more than doubled when compared to similar research conducted in 2008. Two in five (41 per cent) of directors are now optimistic about the broader business climate, compared to less than 18 per cent in 2008.

Irish-owned companies are more optimistic (45 per cent) than multinationals (38 per cent), and the highest levels of optimism are among those companies with a turnover of €5 million or over (41 per cent) and those employing between 25 and 100 staff (50 per cent).

Regarding the outlook for their own company over the next 12 months, almost three in four directors are optimistic.

However, some 82 per cent claim that competing for business is a challenge, with 73 per cent also citing remaining profitable and providing better value as challenges. Interestingly, cutting costs is a challenge for just half of businesses, while keeping afloat (36 per cent) and negotiating rents downwards (36 per cent) are seen as less challenging.

When questioned on what is needed to restore business confidence, almost all directors cited freeing up credit to business (96 per cent), stability in financial markets (95 per cent) and maintaining low interest rates (93 per cent). In addition, 77 per cent said reducing Government spending, while 57 per cent cited the transfer of loans to Nama as necessary to restore business confidence.

Maura Quinn, chief executive of the Institute of Directors in Ireland, said: "What these results show is that directors in Ireland do not have confidence in the political leadership of this country. And while three in five believe the current Government does not have the ability to lead us out of economic crisis, equally, less than half are of the view that a change of government would make any dif-

ference to restoring business confidence."

She said it was clear that sentiment for the broader business climate remains pessimistic, with freeing up credit and financial stability being key to recovery. "We are seeing signs of improvement, though, with challenges shifting from the survival mode of the past and the majority of directors claiming to be optimistic about the outlook for their own businesses."



Nama yet another example of limitations on our 'liberty'



Jim McGuire

SOONER or later the pent-up fury of the Irish electorate will be unleashed over the sustained exploitation of hard won independence by factions motivated by maintaining power rather than promoting equality of opportunity, by projecting a concept of entitlement as a prelude to one of ultimate privilege in the framing of laws and protective mechanisms designed to conceal rather than reveal.

And what occasional prosperity might conceal through public apathy, a prolonged recession might very well reveal as reality, breaks through the gossamer web of delusion.

Last week RTE began a three part series by historian Diarmaid Ferriter on the history of 20th century Ireland beginning with the ironically entitled War of Independence, the Civil War and the priorities of the Free State which laid the cables of power partnerships between Church and State in such areas as childcare, education and health whose subsequent histories have led to such massive scandals in issues of child abuse, health care and school facilities.

The Ferriter revelations on so much hidden history run on screen parallel to straight talking condemnation of the faulty planning, ghost estates syndrome, reckless borrowing into negative equity that resulted from reckless developers, feverish scabbling from the Cowen squad for every straw lifting in the wind of political spin and rising uncertainty about control of public debt quite apart from the inability to say when the black holes of Anglo Irish and Irish Nationwide toxic debt can be filled before they drag our healthier banks over the edge.

It is an appalling vista even to view and more so to justify by a government still in denial about the extent of its culpability in

the greatest threat to our independence, financial and political, since the State began to experience the limits of a liberty Ferriter is now in the process of challenging as never before.

This column has never accepted Nama as the answer to anything but a dig out for Fianna Fáil's developer and banker friends demonstrated once again by Brian Lenihan tipping another €2bn into the yawning Anglo Irish canyon even as the chairman of Nama, Frank Daly, revealed its objective would be to recover whatever the taxpayer had paid for loans many of which had flaws in legal agreements signed by developers to guarantee such loans which, in effect, meant that Nama will have to stump up any deficiency and become that bailing can for developers that Brian Lenihan denied it would ever become.

And yet Fianna Fáil continues to lorry billions into failed entities which may never be recovered in complete reversal of stated policy even as a second major dip in international finances threatens.

On several weeks past this paper has made a major feature of presenting the tortured pre-1921 history of Ballina as a reminder of the sacrifices made to achieve independence - and how those lives and patriotism had been so lightly dismissed by a Cowen/Green cabinet that had not been given a mandate for any huckstering of the national economy.

They had no mandate for Nama and the lavish guarantee given to what were literally blackmailing bankers by a minority Cabinet representation at that September meeting from which such questioning issues continue to flow.

If there had been fuller information on the true depth of crisis in Anglo Irish and Irish Nationwide would those failed entities have merited such a massive transfusion of funds and consequently denied to the thousands of small business enterprises being starved of normal credit and job creation necessary to work through the job crisis and the fall-outs depicted so graphically by Prime Time and other media outlets?

Old habits die hard

Would the poster boy for Fianna Fáil integrity, Senator Ivor Callely, have chosen the occasion for assuaging criticism about expense levels enjoyed by Oireachtas members to display a creativity in such claims between Cork and Dublin as to force the Taoiseach into reminding him of the need for an explanation.

That was duly furnished even if only to confirm the long-held view that not even the new system of running Oireachtas expenses online for public inspection warranted the retention of such exotic species amid so much notoriety.

A recent survey by Behaviour and Attitudes surprised nobody bar possibly the Ivors of the Senatorial Steppes, that the majority of directors of multinationals have no faith that the Government can drag Ireland out of recession.

And two-thirds believe the Government does not have the resolve to do so. More tellingly, 54 per cent surveyed believed the Government does not have sufficient understanding of the economic situation to relieve it.

Asked who is responsible for the current economic mess, 67 per cent cited the Government, 60 per cent blame the banks and a quarter blame the regulators.

Whatever encouragement Brian Cowen can take from the survey might be found in the opinion that 95 per cent of those surveyed held the Government is doing better than Greece! Must be as a result of that spate of upbeat speeches coming from a less cowed Cowen which saw Fianna Fáil up one to 24 and Fine Gael dropping three to 30. But that was before the rivetting RTE appearance by former leader Michael Noonan going behind the public visage of the hard man to reveal the tragedy of a family coping with the ravages of Alzheimer's.

It showed a side to Noonan that might have benefited him politically had it emerged into public awareness.

The survey of the Institute of Directors has raised some hopes among the band of Cowen loyalists in Fianna Fáil while resurrecting old fears among the party about Endá Kenny's leadership potential when half the directors surveyed said they did not believe a change of government would restore business confidence.

A magnificent seven?

There is anger among Mayo local representatives over leaked plans by Minister Noel Dempsey to rationalise the system of local government by substituting a single set of councillors to represent their area at town and county level. The latest attempt by Minister Dempsey to rationalise the plethora of representations involved could mean an extension of urban areas which would involve members in the election of county managers. The nine councillors at present representing Ballina urban and six councillors in the rural area would be reduced to seven who would perform both functions.

Really I think Minister Dempsey is looking at the wrong end of the knotty problem which makes no reference to the money that might be saved on representation and expenses unlike the glaring nature of the perks abuse engaged in by members of the Senate and Dáil crying out for slashing reforms to the lavish endowments of public money favoured by Bertie Ahern to smother dissent rather than encourage the voluntary aspect of community service.

The local authorities will not favour the necessary comb outs of surplus and expensive requirements until the major scandals of overpaid senators, deputies and quango appointments are tackled with the determination our fiscal crisis would demand. We still have the highest paid muster of prime ministers, deputies and senators in the European Union going on by size if not by ambition. The cuts suffered by the administration were well cushioned by the perks and encrusted allowances surviving the light cull given the excessive numbers in administration and unelected quangos that still survive.

We happen to be represented by the most overpaid and unskilled parliamentarians, many of whom are still in the era of servicing constituents through harassing local authority for roads and footpath amenities rather than legislative reforms.

A highly centralised form of government controlling by dictat and ministerial well honed sense of survival priorities is the complete antithesis of democracy. It allows ministers and mandarins to bury representations behind layers of consultative quangos carefully selected for their sense of obligation. That way unwavering priority can be given to ministerial and departmental priorities.

On the other hand, democracy at local level is based on local contacts with officialdom and with the painful experience that revelations of expenses drawn for a part-time service that was once honoured by its voluntary nature can raise the simple question: Are they worth the money? A question hardly justified when local councillors build up a body of expertise well up to the obligations of challenging officialdom on issues smuggled in behind opaque verbiage.

A powerful council can work productively with officialdom and avoid the massive duplication that is part and parcel of a reformed system locally and nationally as an integrated unit providing a forward planning function until the good times roll again. As they will.

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