
‘Entrepreneurship in Ireland’

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- I. The role of entrepreneurship in Ireland's economic development

 - II. The emergence of an entrepreneurship policy in Ireland

 - III. Scoring Ireland's new entrepreneurship policy using GEM data

Entrepreneurs in Ireland's economic development

Lots of 'failed' attempts at industrial development

1930's - 1950's: Self-Sufficiency

1950's - 1980's: Foreign Investment & Free Trade

Telesis Report of 1982

Critical of Irish industrial policy and focus on FDI

“No country had succeeded in achieving sustained economic growth except on the basis of native industry”

Entrepreneurs in Ireland's economic development

J Lee 'Ireland 1912-1985':

**'native businessmen of the necessary quality
simply were not, for whatever reason,
available'**

**'a native entrepreneurial cadre of the requisite
quality had failed to emerge'**

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Ireland's industrial development policy

History of highly selective and targeted supports

- Supports for manufacturing output that is exported
 - Foreign Direct Investment
 - Indigenous industry (export orientated or import substitution)
- Early efforts at entrepreneurship supports:
 - Enterprise Development Programme
 - Within Industry/Sector focus

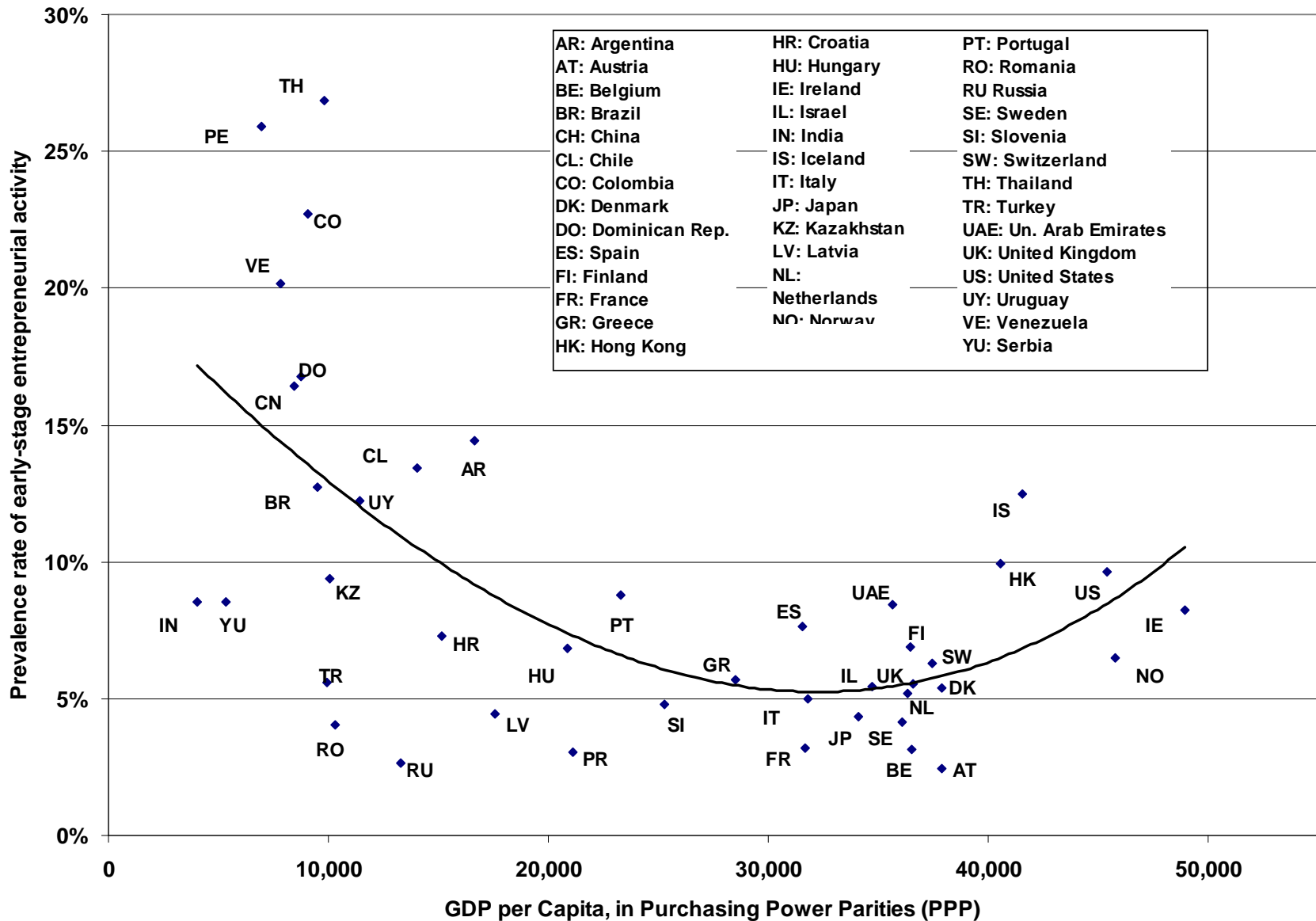
Ireland's industrial development policy

- Supports extended to 'internationally traded services'
- Entrepreneurship supports in 1990s / 2000s
 - County Enterprise Boards
 - Commercialisation
 - High Potential Start-ups
- Low corporate tax extended to all firms

Ireland's entrepreneurship policy

“...Optimising the number of start-up businesses, and in particular maximising the number of start-ups aspiring to and achieving high growth”

Why 'optimise'?



How to optimise?

County Enterprise Boards remit includes to support:

‘local developments likely to contribute to enterprise creation and business development or other economic benefits and in general to foster in the area an awareness of the need for enterprise creation and development’

The Industrial Development Act, 1995

How to optimise?

Strategic objectives of Ireland's entrepreneurship policy

- 'Maintaining and further developing an **environment** that is conducive to entrepreneurship'
- 'Ensuring a flow of future entrepreneurs by leveraging a positive **culture** and the resources of the education system'

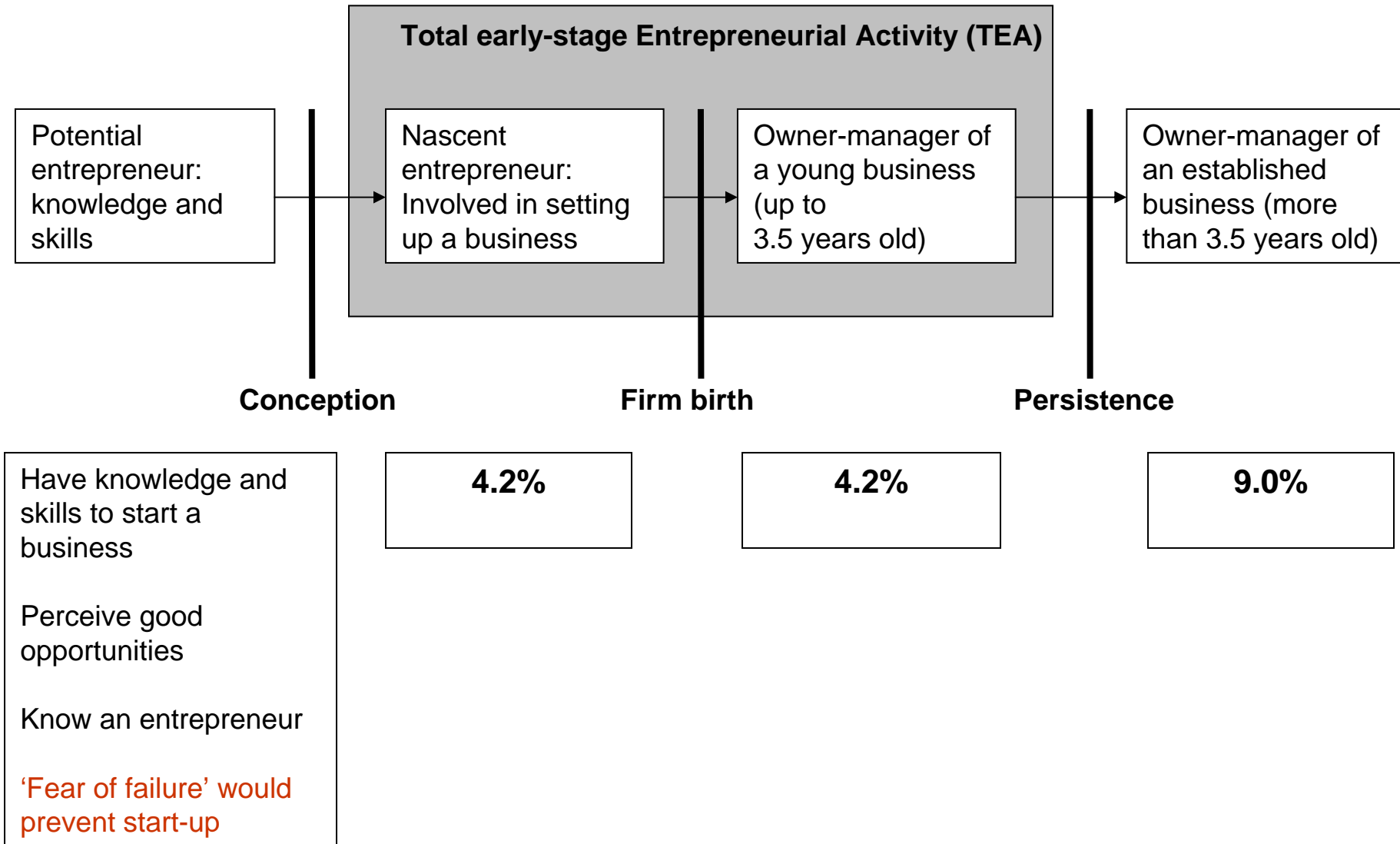
(Towards Developing an Entrepreneurship Policy for Ireland, Forfas, Oct. 2007)

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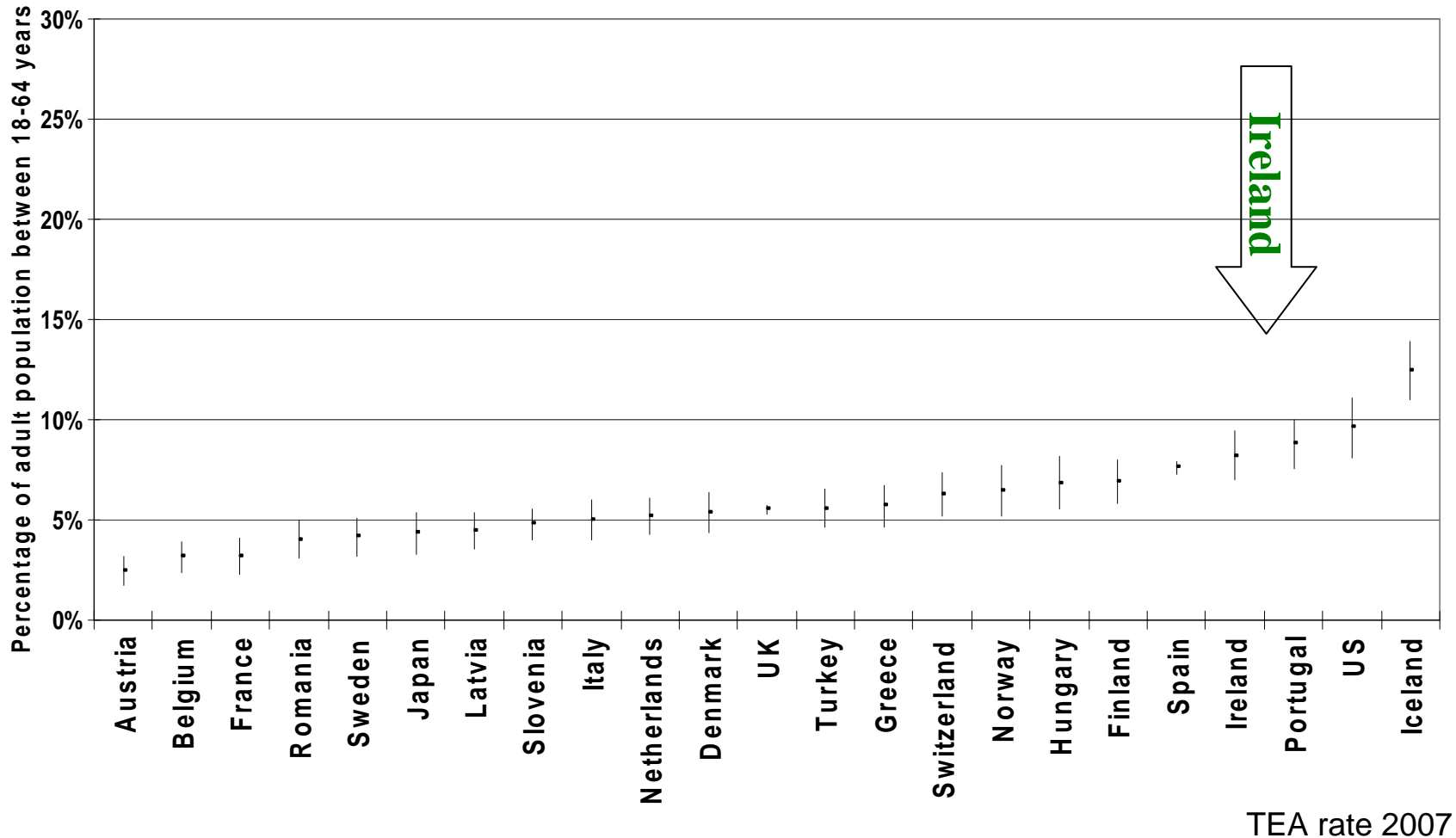
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How many entrepreneurs in Ireland?



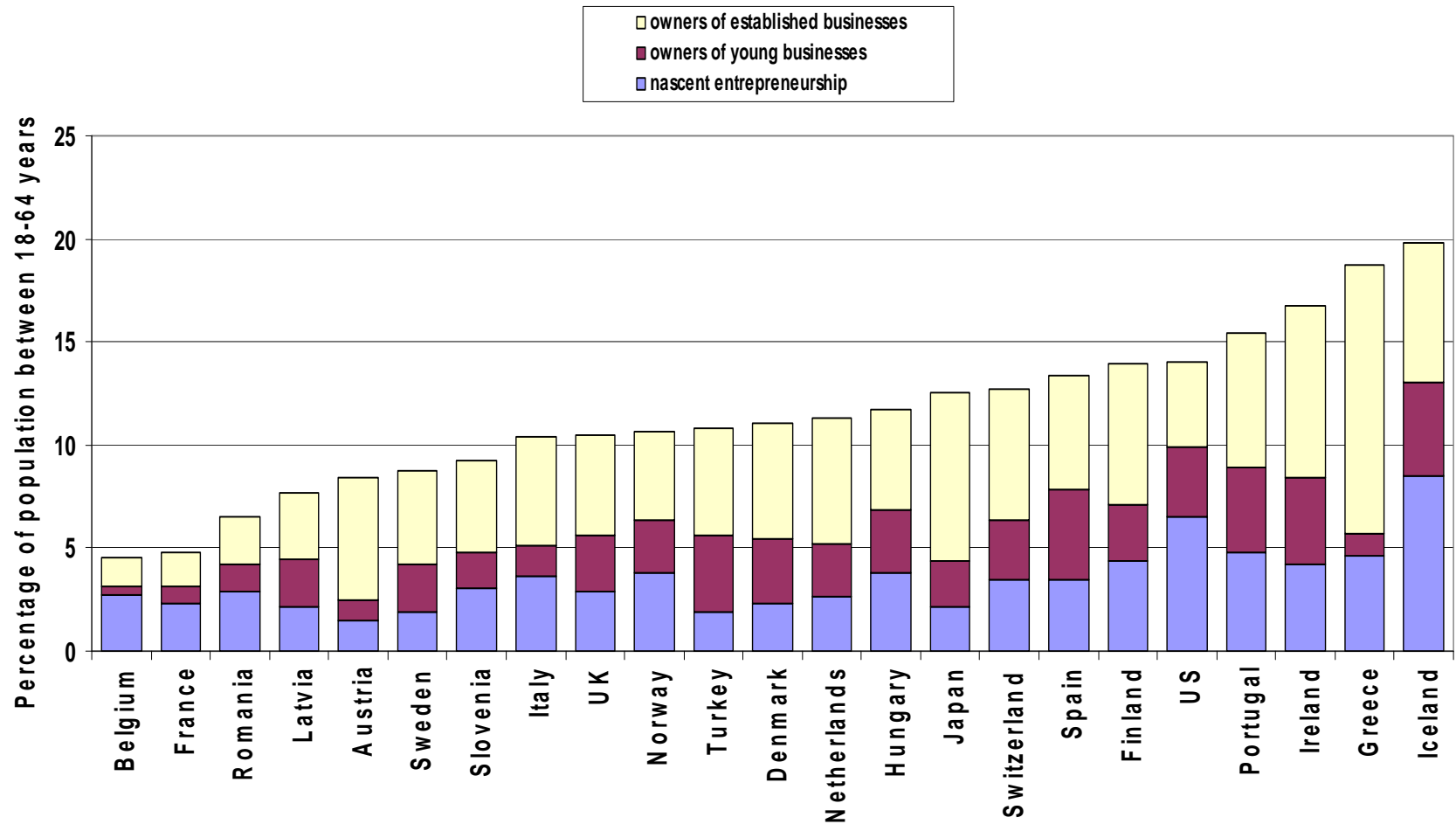
How do we compare?

Early stage entrepreneurs rate relative to OECD and EU is high



How do we compare?

Established rate is high relative to OECD and EU is high



Assessing the environment for entrepreneurship

Culture

Irish people have positive attitudes to entrepreneurship

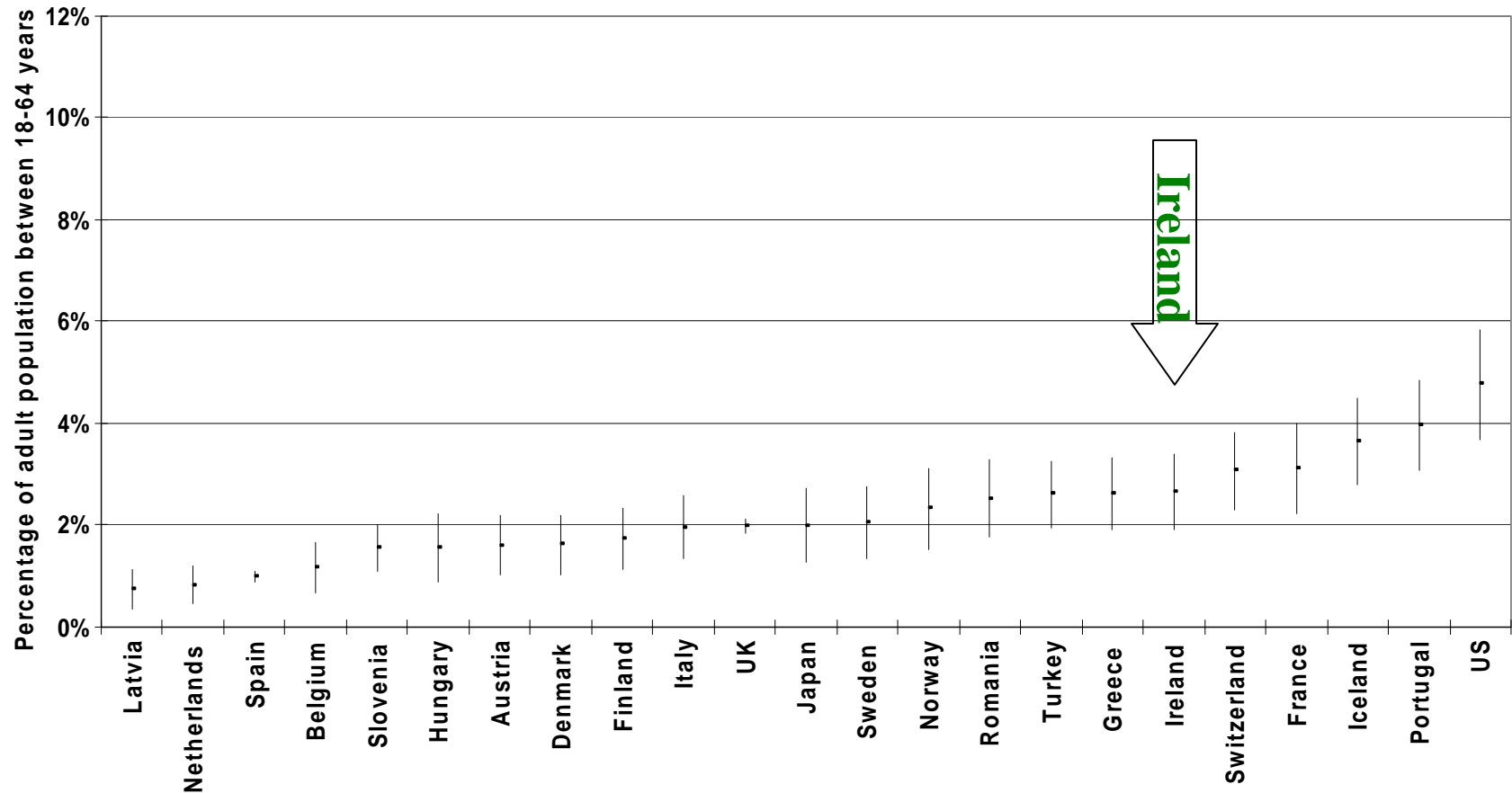
Personal Context

Personal context of Irish adults is positive

BUT, 'fear of failure' would prevent me starting a new business is high (37%)

Assessing the environment for entrepreneurship

Ease of entry and exit: Closures and sales in past 12 months



Experts: Assessment of the environment

Positive:

- Supporting culture
- Positive demographic structure
- Young, well-educated population
- Buoyant economy
- Aspects of Government policy
- Strong FDI presence

Experts: Assessment of the environment

Limitations:

- Small size of home market
- Early stage finance (Rate of informal investors low in Ireland)
- Rate of commercialisation of research
- Physical infrastructure
- Regulatory burden
- Cost base

Ireland's entrepreneurship policy

“...Optimising the number of start-up businesses, and in particular maximising the number of start-ups aspiring to and achieving high growth”

Increase activity in under represented groups:

Women and Immigrants

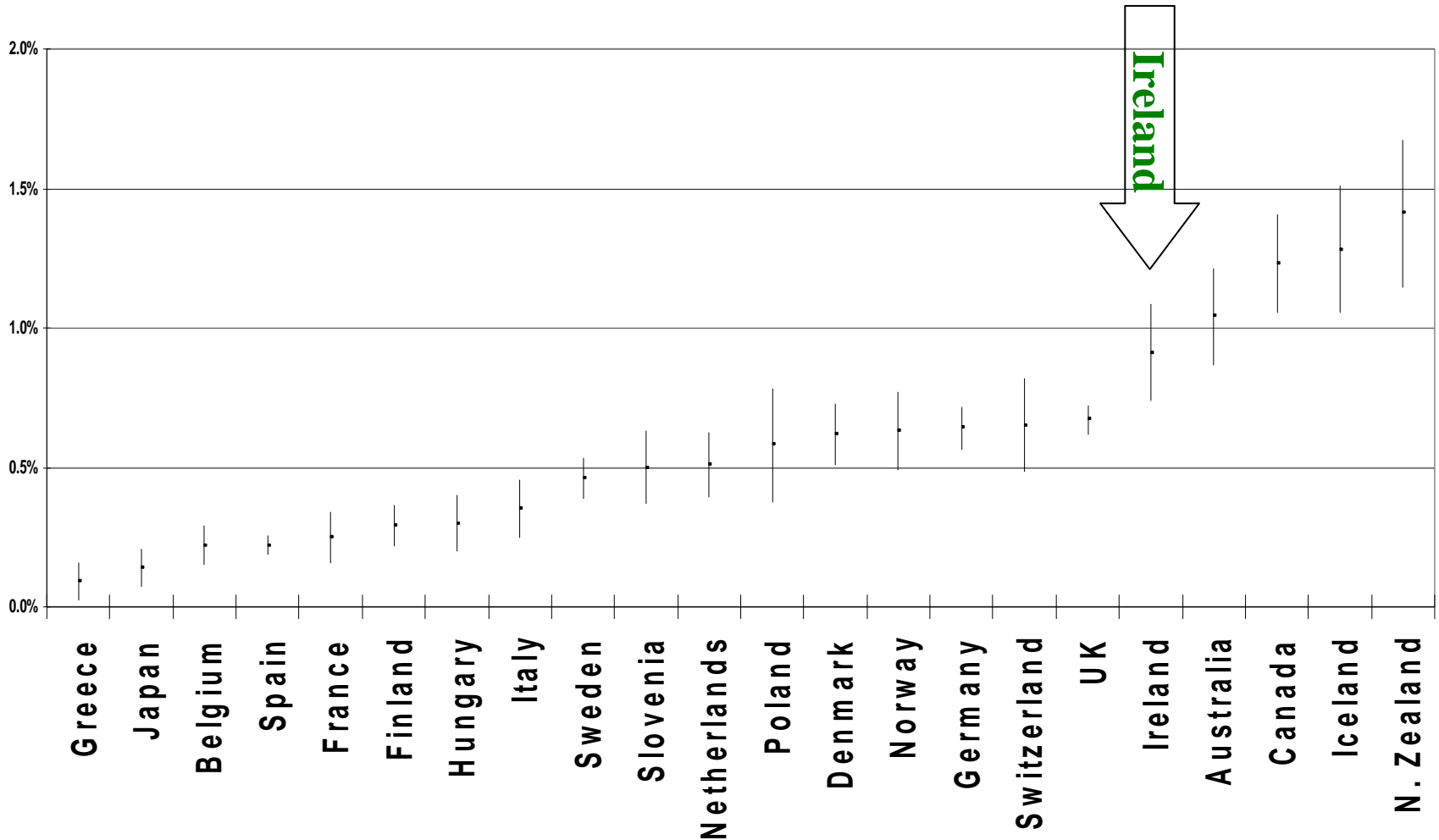
Ireland's entrepreneurship policy

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Ireland's entrepreneurship policy

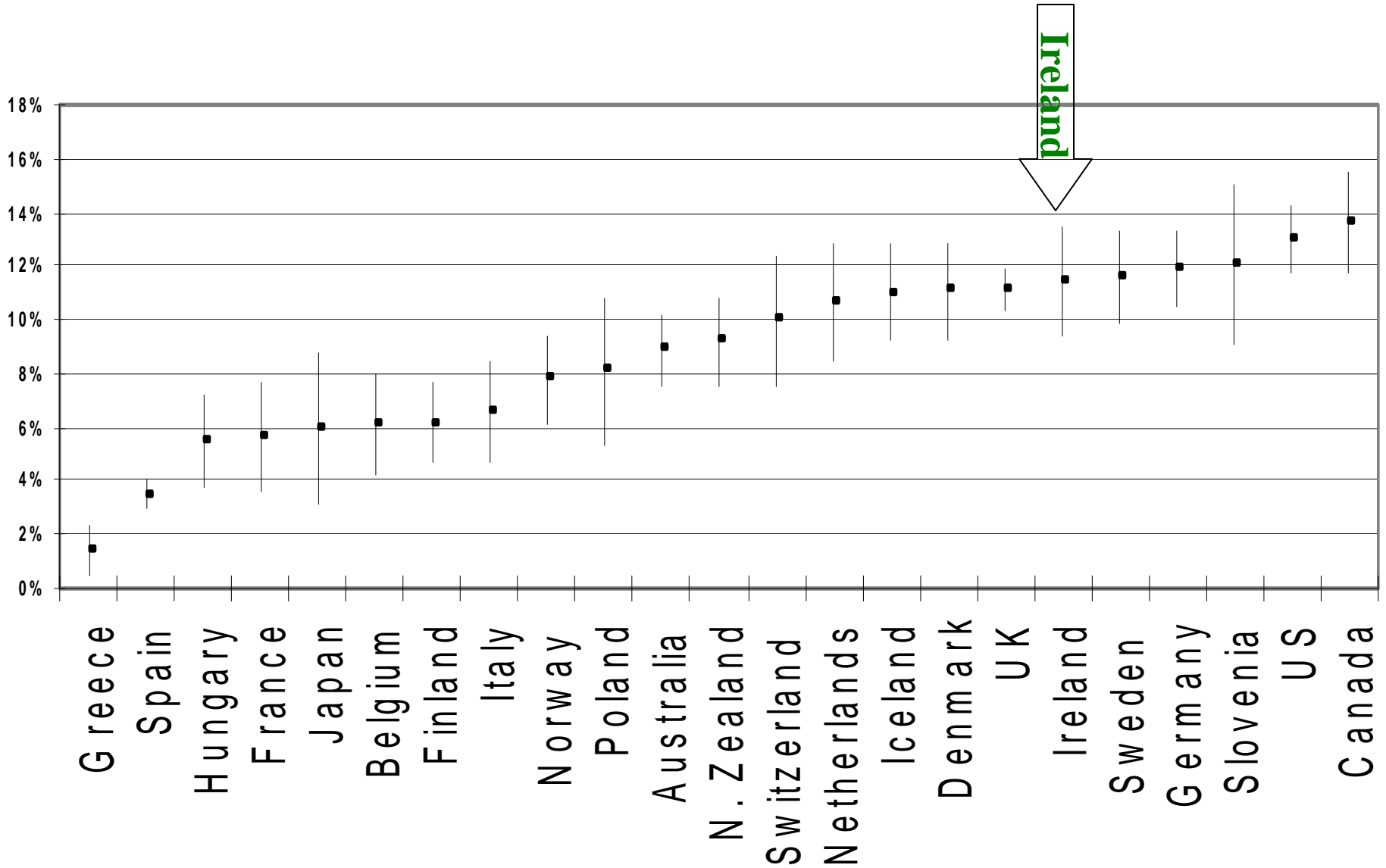
- High growth expectation entrepreneurship
- Internationalisation
- Innovation
- Who is starting firms

High growth prevalence



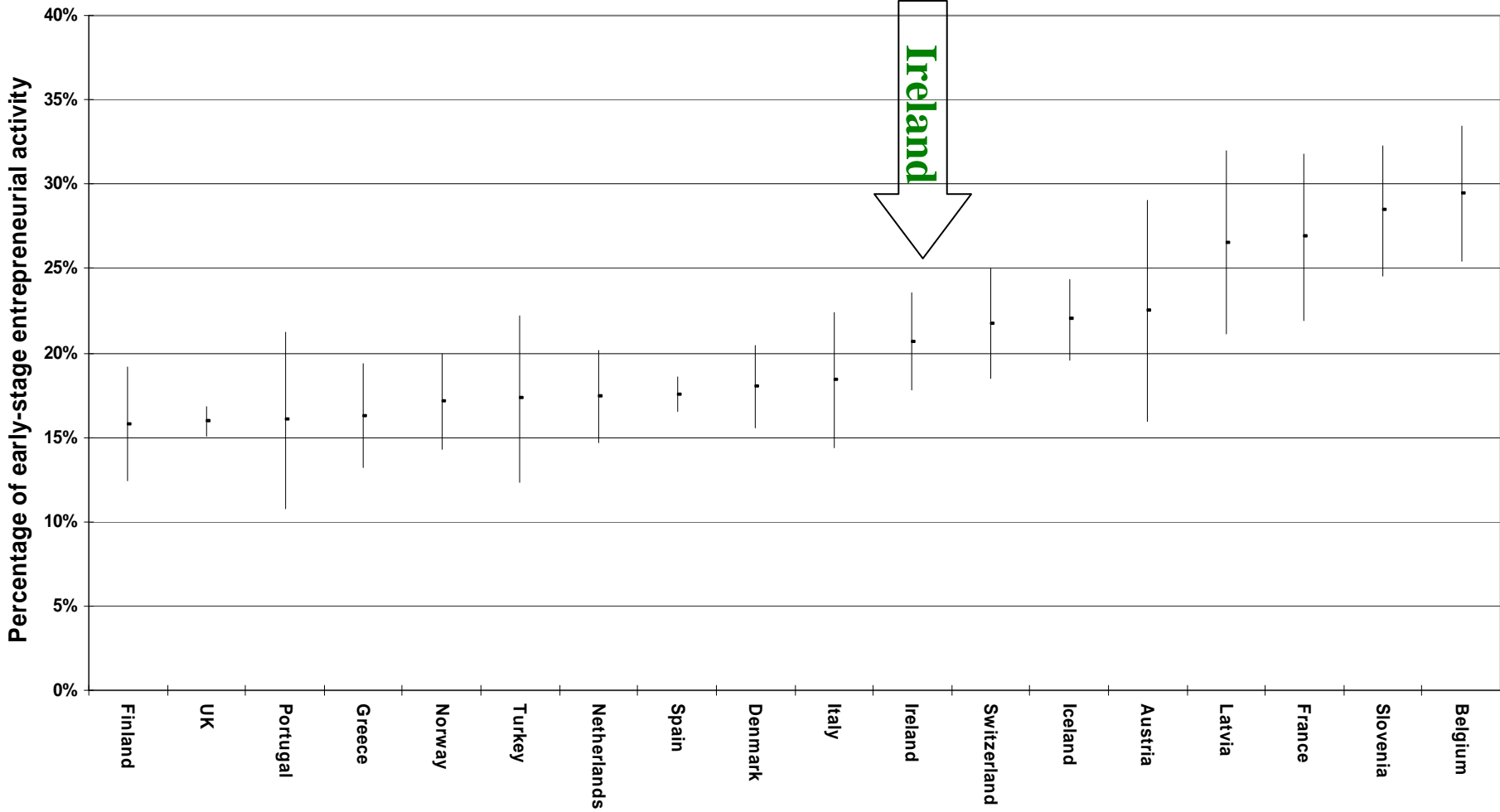
High growth expectation early stage entrepreneurship in adult population, 2000-2006

High growth prevalence



Relative prevalence of high growth expectation in early stage entrepreneurship, 2000-2006

Internationalisation



Who are Ireland's entrepreneurs?

Well educated, male, opportunity driven, 'young', fulltime.

Education	Early stage entrepreneurial activity
- Some secondary	4.4%
- Secondary (Leaving Cert or equivalent)	5.3%
- Post secondary (Third Level)	11.6%
- Graduate experience (Postgraduate)	8.2%

Has GEM influenced Irish Industrial Policy?

Forfas use data in Annual Competitiveness Report to benchmark Ireland

An emerging entrepreneurship policy

Small Business is Big Business, The Report of the Small Business Forum, May 2006

Towards Developing an Entrepreneurship Policy for Ireland, Forfás, September 2007

Women

Regions?

Ethnic entrepreneurs?

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