



## Discreet, Not Disruptive, Dublin

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Well, the UK Brexit vote was not what many in financial services wanted, but it might be better than we think. Ireland has played its cards well. It has been a firm, helpful, yet discreet neighbour to London, has not taken advantage of the situation, and has tried to encourage rapprochement. In an industry obsessed with disruptive technology, Ireland has not been a disruptive political force.

But the final vote has been cast and things move rapidly from here. A US fund manager pointed out that with ‘so many moving parts’ staying in London is hard. Financial firms have to make plans based on today, not what tomorrow might be, and that means some firms will certainly be leaving London. For Dublin, that could mean valuable financial services revenues and jobs. These revenues and jobs may be needed to offset Irish losses elsewhere due to Brexit exports and uncertainties.

The question is how to attract those who have decided to go without being seen to entice those who would remain. Why? Because Dublin should be playing for the long-term. The long-term is geography. An old Dutch saying reminiscent of Proverbs 27:10 is „Beter een goede buur dan een verre vriend“ – “better a good neighbour than a distant friend”. London will always be a mutually-reinforcing financial centre and always be a neighbour.

If there is a significant increase in the flow of firms seeking to move from London to Dublin, a number of issues are clear. Dublin is not a ‘cheap’ location. Dublin is not exactly ‘empty’. The housing market can only take a limited number of newcomers. This gives Dublin the opportunity to ‘up its game’ and build a more structured financial cluster. The regulatory community should be welcoming but firm. Sophisticated and stable businesses might be preferred to risky start-ups. The end result may be fewer firms but a significant increase in local quality.

How does Dublin go about gaining business without being a grasping neighbour? Well, there are several ways that Irish charm could go far. First,



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the IFS Ireland brand, launched in January, happens to suit these times well. It began before the crisis, promotes the entire country, and can be aimed outside of Europe. Perhaps Dublin could team with London on attracting business from outside the EU to London and Dublin. The IFS Ireland brand should be pushed firmly around the world, not London. Second, other financial centres in Europe are circling London like vultures. The longer-term play should not be to poach but to integrate, to open up more connections across Europe, including London, not to move push firms to move lock-stock-and-barrel to a new location. Dublin can work with firms to do that, again with a regulator who is prepared to accommodate a new headquarters in Dublin but accept that a large chunk of the operations may reside in a non-EU location, i.e. London post-Brexit. Third, continued discretion. The more successful Dublin becomes the quieter it should be. At one brief point in early 2009 Dublin was in the Top 10 of Z/Yen's Global Financial Centres Index. Hubris and hot air at the time only deepened the subsequent gloom.

There is an old expression "let's be optimistic, pessimism is for better times" that contrasts well with the traditional financial services refrain of "this time it's different". Dublin can do well by itself and its neighbour if it exercises a bit of tact and self-discipline.

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