

## We can import the 'Irish Miracle'

*Ireland's economic turnaround was not the result of luck - it was a strategy that Pittsburgh should follow*

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Last Saturday's St. Patrick's Day celebration stands as a testimonial to the deep ties between Ireland and this region. It's also a good time to look at Ireland's dramatic economic success and what we can learn from it.

Less than two decades ago, Ireland was a tired, lagging economy, suffering from double-digit unemployment, stagnating incomes and a brain drain of its best and brightest. At the time, Irish businessmen, government officials and economic developers made pilgrimages to Pittsburgh to learn from our leaders about how to restructure ailing industries, attract talented expatriates back home and integrate technology into their economic growth.

Over the past 15 years, Pittsburgh and Ireland have switched roles. Today, Ireland's Celtic Tiger economy is one of the fastest growing in the world, boasting a roaring technology industry and productivity levels among the highest in Europe.

The Irish Miracle was powered by a new model of growth, premised upon the "Three Ts" of economic development - technology, talent and tolerance from which we can learn.

**Technology:** Under the savvy leadership of the Industrial Development Authority, the Irish worked aggressively to recruit leading high-tech companies through a policy of "industrialization by invitation."

Financial and tax-related incentives helped recruit the first wave of companies such as IBM, Lotus, Intel, Microsoft, Dell, Gateway and Oracle, which were also lured by the thick talent pool emerging from the country's world-class universities.

Not content to simply recruit high-tech from abroad, the Irish government formed a body known as Enterprise Ireland, to support entrepreneurship and venture capital and foster the indigenous high-tech industry. Today, top Irish companies such as Baltimore Technologies, Iona Technologies and NUA are players on the global stage.

The Irish software industry now consists of some 700 firms, employing over 18,000 people. Today, Ireland is the fifth-largest producer and second-largest exporter of packaged software in the world - second only to the United States.

Talent: By investing in its higher education system, Ireland simultaneously bolstered its ability both to generate and to attract top talent. Since the 1960s, the Irish government has invested heavily in higher education and, in particular, it has supported the formation of technical skills in electronics and computer-related disciplines through a system of regional technical colleges.

Today, 60 percent of Ireland's university students major in engineering, science or business. And with a growing job market and exciting lifestyle options, fewer and fewer have any reason to leave the country.

Tolerance and Lifestyle: But both of these more traditional economic development efforts would not have worked if Ireland did not support and reinforce them with the third T. Long a conservative nation, Ireland built upon its legacy of culture, art and music to become a center for bohemian energy and an eclectic milieu of scenes, lifestyles and people.

Today the streets teem with a mixture of people - from buttoned-down businessmen to "geeky" software developers, edgy black-garbed artists and musicians. In a remarkable fusion of history and progressiveness, Ireland has turned cities like Dublin into lifestyle meccas for dynamic creative people and those who want to be around such amenities.

The first step revolved around attracting creative talent. By offering tax breaks to creative people and a high-quality place to live and work, the country has not only retained its growing legion of native celebrities, such as U2, Van Morrison and Liam Neeson, but also plays

host - and home - to many international stars, such as Andrew Lloyd Webber.

The second step revolved around building true quality of place grounded in history and authenticity. Dublin began by restoring its Temple Bar district - painstakingly revitalizing the same pubs where James Joyce, Bram Stoker and Samuel Beckett might have once had a pint. Today, the district is hipper and more energetic than ever before.

This strategy of leveraging authentic cultural assets to attract people and spur economic revitalization is a far cry from the generic "mall" approach of chain stores, chain restaurants and chain bars that so many second-class cities waste millions of dollars pursuing.

Ireland is now the place to be. Today, some 53 percent of new immigrants are returning Irish citizens. And 40 percent of the country's population is now under 25 years old. Companies frequently remark on the positive effects of the new generation's "go get 'em," open-to-change attitude.

Pittsburgh shares many of the same assets that have powered Irish economic growth. Perhaps it's time for our leaders to ask Ireland to return the favor - to help us learn from their experience to better use our own assets to achieve the kind of success we want.