

**Speech by the Tánaiste and Minister for Foreign Affairs and Trade, Mr. Eamon
Gilmore TD at the Clann Credo Annual Conference:
Common Cents 2012, at the European Commission Offices, Dawson Street, Dublin 2,
Wednesday, 28 March, 2012**

Ladies and Gentlemen

I am delighted to be here with you this afternoon and many thanks to Clann Credo for inviting me to speak with you today.

Clann Credo is an organisation that has impressed me greatly – not just for its admirable philosophy but for the way in which that has been translated into action that is realising results across a wide range of initiatives.

And one year on from taking office I can tell you that I appreciate the huge challenge of taking a plan and putting it into action. When we came into government we knew that we were facing a series of major challenges unprecedented in the history of this State. We knew that what we had to do would require difficult decisions – decisions that were necessary to bring Ireland back from the brink of total catastrophe. Many of these were decisions that we wished we would never have to make.

While it has been a challenging year, we are now starting to reap the benefits of our efforts. Despite the decrease in GDP for the last two quarters of 2011 the economy returned to full year growth of 0.7% last year. This comes after three successive years of declining GDP. In addition:

- The banks are being re-structured
- Unemployment is stabilising and we are once more seeing jobs and investment coming back in; and
- The EU/IMF deal has been substantially re-negotiated.
- Our diplomatic campaign has been successful in transforming Ireland's reputation abroad

Nonetheless, we still have a long way to go to have the kind of impact on people's lives that we aspire to, and that they deserve.

Our focus for the past twelve months has been on stability. Our focus for the next twelve months is on recovery. On securing and creating jobs, on making people more secure in their homes, on getting investment back into the country.

We now need to build on that stability, achieve economic recovery, create jobs and make existing jobs more secure.

Social Finance and social enterprise are a core part of this agenda for Government and I commend Clann Credo for the important work that they have been doing in this area. As you know, in our Programme for Government we are committed to promoting the development of a vibrant and effective social enterprise sector.

Social finance plays a key role in providing funding access for community based organisations, particularly in a time when lending by mainstream banks is constrained.

Over the 15 years of its existence, Clann Credo has consistently continued to grow and expand its work within communities. This is a major achievement, especially when viewed against the ever changing environment within which Clann Credo has operated.

While reading the 2011 annual report which is being published today I was particularly struck by the depth and range of activities in which Clann Credo is involved. With the total loan value over the last fifteen years at over €38 million; and over €6 million in new loans disbursed last year alone, Clann Credo has been making a real difference to communities in every county in Ireland and in both urban and rural communities.

I wonder if Sr. Magdalen Fogarty, the founder of Clann Credo, had foreseen how large her vision would become when she approached her superiors in the presentation order with the idea of establishing a social bank. 15 years on Sr. Fogarty is to be commended for her vision, tenacity and desire that every person would be give an opportunity to develop their full potential, to be part of a more inclusive society.

Clann Credo's work is making a valuable contribution to this country's recovery and is making real strides towards 'generating inclusive prosperity'.

I am particularly pleased to see that in 2011 social enterprise and community businesses assisted by your organisation employed 820 full-time and 670 part-time workers and that for every €1 injected into the Irish economy by a Clann Credo client, there is an additional economic benefit of 32 cent.

The recently published Jobs Strategy shows this Government's commitment to helping people get back into the workforce.

The Plan focuses on four key areas:

1. supporting indigenous businesses;
2. encouraging foreign direct investment and international start-ups;
3. competitiveness; and
4. targeting a number of key sectors such as ICT and financial services where potential for employment growth has been identified.

The strategy sets out a series of actions that we must take to improve our competitiveness. We will radically improve the way the government and business interact by cutting both costs and red tape and we will promote new access to credit for small business. A Loan Guarantee Scheme and a €100million Micro-Finance Loan Scheme will also go live shortly.

Our jobs strategy clearly recognises that there is a strong Social Enterprise base in Ireland which has the potential for job creation.

On foot of this a report is being prepared by Forfás to identify the actions required by Government and other relevant bodies and agencies to create jobs in the social enterprise sector. The Report will be completed towards the end of this year and will form the basis of initiatives to be implemented in the future.

I know that Minister of State Sean Sherlock is taking a keen interest in bringing this initiative forward and he assures me that stakeholders will be consulted in the course of the Report's preparation.

The Forfás report will also be prepared with particular reference to the Commission's recently announced Social Business initiative which aims to create a favourable environment for the development of social business in Europe and the social economy at large.

I know this EU initiative has been welcomed by social enterprise networks across Europe as it will also assist social enterprise to play a role in future EU policy on job creation and service delivery. It also includes a commitment to revise public procurement procedures across Europe to allow social enterprises greater access to the public procurement process and proposes a new regulatory regime to facilitate development of private investment funds, specifically targeting social businesses.

I look forward to seeing the final Forfás report before the end of the year and to the further development of social investment and social enterprise in this country as part of our ongoing recovery.

Speaking to you today here in European Union House, it is clear to me that an essential element to our recovery is an ending to the instability in the Euro Area. Confidence and investment in Ireland is being restored, but uncertainty about Europe is holding us back. The European Stability Treaty is an essential part of overcoming that problem.

Now that the date for the referendum is set for the 31st May it is important that we recognise the facts.

As a small open economy our economic recovery is dependent on our ability to trade and attract investment. For economic recovery to be possible we need stability not just in Ireland but also in Europe.

The choice facing us now in the referendum is whether we build on what we have achieved or go backwards. That is not to say that the treaty **is** the solution to the problems facing Ireland or Europe. But it is an important **part** of the solution and an essential building block in our economic recovery.

Our prosperity depends on the stability and prosperity of others, including in particular the stability and prosperity of the eurozone countries. The referendum on the treaty gives the Irish people the opportunity to re-affirm its commitment to the euro – to the money in our pockets.

It is a simple fact that what is good for stability in Europe is good for us.

For Ireland to succeed, Europe must also succeed. For there to be stability in Ireland, we also need stability in the euro area.

Of course people are asking what it means for Ireland to ratify the Treaty. In the first instance it will commit us to implementing budgetary rules and procedures to which we are already substantially committed.

But voting for the treaty will also have far wider implications. It will send a message to our partners that we recognise and accept the fact that our fates are locked together.

We are ready to shoulder the responsibilities this brings.

It will send a hugely important message to those looking to invest in Ireland that we are deeply serious about restoring the stability and security of our currency.

It will help to provide the certainty that investors seek before they can commit their money with confidence and it will enable us to hold our partners to account in a way that has not been possible heretofore. The larger member states will no longer be able to use their weight

to escape the rigour they apply to others. It also puts in place a set of rules about how future Governments will manage the public finances.

We have to learn the lessons of this crisis and ensure that our national finances can endure the changing fortunes in the global economy. Ratification of the treaty will also mean that Ireland will continue to have access to emergency funding under the ESM should it ever be required in the future.

I should stress that this Government is steadfastly determined to exit the EU-IMF programme of support as quickly as we can and without resort to the ESM. But we should also recognise that having the ESM available as a backstop is a sensible and prudent precaution which will further enhance international confidence in Ireland.

The Treaty is part of a package of measures being put in place in Europe to stabilise the economic situation in the Eurozone. And I cannot over-emphasise just how vital that is to our national interests.

We are emerging, slowly but surely, from probably the greatest economic crisis that this country has ever known. We must ensure that we do nothing to jeopardise this. Voting in favour of the EU Stability Treaty makes, quite simply, good common sense (as indicated by the title of this conference!).

I would like to once again compliment Clann Credo for the great work that they are doing. Thank you for giving me the opportunity to speak to you all today – I am sure that today's conference will provide a rich and rewarding experience for all of you participating.