

Transcription of recorded conversation: *Broker (Anonymity requested)*  
Location: Cafe, The City, London March 2013

**(Sections of the text have been redacted by request)**

Mark: Okay, alright...if I could just ask...just could I get your name?

Y: I'm from [REDACTED] – a small little town...I'm in London about four years now...I came over here after I graduated...I was in UCG when I graduated from my Master's there, came over here in...in Law...I, em...I studied Economics first...it was my primary degree...my BA...and after that I wanted to...there was a big law component in my degree so I wanted to...I suppose my father said 'hedge my bets' and continue with that so I...I did that. I did a Master's...sorry, a Bachelor's in Economics in Law and then a Law Degree, then a Masters in Law, in Galway...I spent three years at that so I was probably a wee bit older than most leaving college...and the problem with that obviously was that I hit the...the start of the recession so...when I came over here I...found it a lot harder than I expected to get a job - I really did and I struggled for quite a while, and I...

MC: Did you come over with like, sort of, y'know...as it were, nothing fixed, in place?

Y: I had something lined up which fell through and...myself and my girlfriend discussed it and we said right, we're doing nothing in Galway, nothing's going to happen here, so it's gotta be London so let's go over and see what happens...and went over here and through one of my friends, who was a couple of years ahead of me in Galway, he set me up...as an analyst in a consultancy which was a brilliant start...very enjoyable start...well, sorry, I'm not going to say enjoyable...very useful and a learning curve...tough work though...

MC: And what were you doing in terms of as an analyst...what were you analysing?

Y: We were analysing...the *nuclear supply chain*. The company was basically a mergers and acquisitions consultancy for nuclear new bill, which back then was a big deal. Obviously since...the Fukushima disaster in Japan, it's no longer on the radar but back then, with the Tories just taking power, this was very, very much 'go'. So, we spent a lot of time looking at that; what companies were going to get the contracts for the various parts of the supply chain; what company is going to get the contract to build and fit-out the nuclear power-plants; all this type of thing. So, there's a lot of strategy in there and I really enjoyed that now...I have to say...and I learnt a lot...I probably didn't learn the technical skills that I might have learned at a big bank...but I was lucky I was learning the broader...the macro, which is probably more useful. So, em...I spent a year at that and, em...after that I, em...left that and, em...pursued something else which didn't work out so came back to the markets then, looked around and ended up in the bank I'm in at the moment which is a smaller American bank, and I'm working as a broker...em...a broker basically is an inter-mediator – it brings people together – people who are buying and people who are selling, just like an insurance broker in some ways but what we do is, we bring together people who are looking for high-risk. Now people...when I say people...

MC: Buying and selling what? When you say buying...?

Y: Shares...securities...stocks and shares and bonds. People will structure their investments over a certain proportion of low risk, steady growth then gradually higher until you get to the peak where you're...you're really taking a punt...something that

if it comes off - it's a huge boost and if it doesn't come off – it's such a small part of your portfolio that you just, you...y'know, you... you're okay...and that's what we do, we source those investments for *high-net* worth individuals, companies, things like that so it's...it's a really interesting area of the market.

MC: And is that global in terms...in regard...in terms of what you're looking for, in terms of possibilities...?

Y: Yes, absolutely, yeah, but to be fair with technology...we focus on technology 'cause that's where growth is...you're looking at the US...you're looking at Canada to a...a lesser extent; you're looking at Israel to a massive extent, very surprisingly; you're looking at Britain as well. So, that's really it and it does tend to be quite localised, I mean, we say global but we've one or two Australian companies but I could...I could, y'know, on the...on one hand I'd be able to list the countries where assets...

MC: *Specialisation* really is...is those countries that you deal with?

Y: Yeah, because that's where the growth tends to come from, I mean, like this is obviously geographical and cultural reasons why that is...like for example, one of the biggest areas we look at now is water technology. So, if you've a country like Israel which is a desert climate, then they're gonna be very good at water. The other thing about Israel is that they are very, em...generous with their tax breaks for starters, so we...we pick up a lot of companies there that have been funded by the government and are now looking for bank funding...so, again, it-it-it tends to work like that.

MC: So, you're making those sort of connections...

Y: Yeah, absolutely, yeah.

MC: Can I ask in terms of what were you're...what...how...was it something that you...set out to get involved with...I mean, you've touched a bit briefly...coming over from Ireland and so forth but was it something that you...thought you would end up being involved in this sort of large term 'the market' but...was it something you expected?

Y: Yeah, I did...I think when I went to UCG first to do Economics I knew I was interested in it, fascinated by macro-economics, by trading...money and banking, all this type of thing...even the-the kind of hidden side of...of banking fascinates me, y'know, the kinda (clears throat)...I heard these sayings, that...y'know, *when a...when...when a bank sneezes, everybody else gets cold*...so when you study economics you realise why that is, the impact they have, the tendrils that go everywhere, the...y'know, the kind of monetary supply, and all this...and the impact that has - fascinated me, so...I knew I was going to get involved at some level.

MC: And is it sort of, something that you would have followed, in terms of what you represent, as a sort of...as it were, a lecture material or were you seeking that information, y'know, in terms of broadening your knowledge of...?

Y: I'd love to say I was a conscientious student and I followed my lectures...but I wasn't and I didn't...and eh, my information came from...we used to get the *FT* free, and it's an incredibly nerdy thing to say that at 19...18...17...I was reading the *Financial Times* but I was, and I enjoyed and I learnt a lot from it...em...y'know, obviously would've...y'know, done the bare minimum to pass and everything as well like and I got through it. I got a good degree and I'm happy with that but my real learning experience was...kinda (MC: through the...through working?)...the broader thing, yeah. The other place I learnt a lot as well, if maybe not facts but certainly the ability to critically analyse, was in debating. I was very fond of the Literary Debating Society in Galway, really enjoyed that, and this idea of taking a point of view – whether or not you agree with it – and applying it to, y'know, the argument, so...y'know, I found that a great skill and to be fair, looking back at everything I took out of my education...the ability to stand up in front of a group of people and argue with them or present a case...make a point – it's a fantastic skill to have.

MC: And that stayed with you in terms of what you do...

Y: Absolutely, yeah. Prob-...probably not as good as it was, y'know, I even noticed there...day before yesterday I was presenting and I kind of felt slightly nervous because you're not doing it all the time...but it's still a great skill.


MC: Okay, okay...and what do you think...what are the...particular skills, say around that a-nal...analyst would need, or what is it that...?

Y: I think...being an analyst...I think the most important thing you have to do – and *I'm not an analyst, I'm a broker* – but when I was an analyst, and I do a bit on analysis now...em, cos it's quite relevant still...you have to be able to step back and be *cold-hearted*...em...you have to look, I mean, in what we do now: we get a company...and you look and think 'wow, that is amazing, what they're trying to achieve' and it's...it's...they've done so much work, and obviously they're spinning it to show the positives but you have to take a step back and say 'well, hold on, let's be cold here, let's be the devil's advocate, let's kind of probe a bit...drill in' and you find a lot of things then that you wouldn't readily see on the surface. I find that very interesting, I find it a good skill and Law obviously contributed to that. Em, as a...

MC: And in your role as a broker...yes?

Y: Yeah, as...as a broker then, what...what the analysis leads to is that: when somebody...when you're talking to somebody about an investment...you have to be fair. You can't...you're not a salesman – there's an element of sales in it – but you're not a salesman as such, so you have to be fair...you've to give him the 'pros' and the 'cons' and the risk warnings so you-you tailor that to what he wants so if you...if you knows he's looking for a particular type of risk...a particular degree of risk, you're going to find a company that suits him and you're gonna explain why it suits him, but notwithstanding that you have to give the negatives, so, the ability to analyse helps that, y'know. You can take a step back and say 'well, bigger picture, this is why I think it suits you...now you're not going to like this but this is what I think the upside of it is'. So, y'know, that-that-that's a good skill to have.

MC: Cos I think...there's something in what you said too about, I mean it's sort of related...it's the thing about the Financial Times which I also find in terms of the like, the type of reporting it does that (Y: Hmm, big time.)...it kind of gives the full picture and actually sometimes you think: is that a left-leaning article? (Y: Yeah.)...is that...well, actually they're giving the facts (Y: That's right, yeah.) ' , the lie of the land as well. Em, can I ask...so, y'know, you had this fascination with...can I ask in terms of...what are other people's perspectives about what you do? Y'know, obviously coming from Ireland, and...at the moment there's the narrative - we're at the *mercy of the market*...what-what do you think is the...y'know, the average person's perspective of this thing we may call the *Market*.

Y: I think this...*negative* is the only answer I can give to that, em...I'm...I don't think I'm alone in saying this - I'm sure when you've spoken to other people they've given similar answers but, I'd be quite shy in telling people what I do and I mean...y'know...to...to a certain extent that's because it's hard to explain, y'know? And I've...I've brought it to the level of saying we're a bit like *Dragons Den*, y'know? Em...but...on a bigger level people are angry, y'know? People are really angry about *banks*. They don't understand what's going on but they do know the huge money's been pumped into them. They know that people like me...probably, potentially - I'm not...talking about my personal earnings, but people in my position, in my...industrial sector, would probably earn more...than...people in...in other sectors (MC: Sure.) and I live with three nurses and...I constantly have it in the back of my mind - that they work bloody hard for their money and they don't get the money I get...and I certainly wouldn't for a second think that I work any harder from them - in...intellectually or physically...physically: no chance. Y'know, when you're dealing with the pressure of...one-one of the girls, is a cardiac nurse, so...the pressure she's under when someone crashes, there's nothing...the market crashes for me - *so what?*...someone else's money, whereas for her it's somebody's life and...I bear it in mind that-that the remuneration we get is probably out of kilter with what we should get? And that's a reflection of the market but I'm...y'know, the...the other thing about the market - I think is probably a good time to say it - is when I was in University, you are looking at theory and then you're applying the theory from your book to what you see of the world, so...my...understanding, my practical knowledge in University was reading the FT and thinking well, I understand why that happened because Chapter 17 covered that but when you come to London in particular, and you see how the actual market operates, particularly the market participants, you realise that the market isn't really a market at all, it's...it's certainly not the perfect market of perfect competition that we talked about - it's never an equilibrium...and one thing about that...that stands out for me is the labour side of things, that the people who make it in finance in London, tend to be from a certain social class and a certain education background, and...I'm blessed by the fact that I'm Irish because (clears throat) my education - I went to a vocation school...a-a community school  and then I went to UCG, which is a very egalitarian, across-the-board university - like most Irish universities are. So, I went to those few places and I think...y'know...you-you get the corners knocked off you...or maybe you don't but if you don't then you...y'know, you'll suffer for it like...it's your loss...

MC: It gives you another perspective...

Y: Absolutely...so...when you come over here, you kinda look around and realise: you...I don't fit in with the guys in the office, and if I was English - I wouldn't be here!

MC: And what, can I ask in terms of what sort of...?

Y: The big thing for me that I see is *private education*. The guys in the office would wear their schools on their sleeves, like no matter, they...I would always say the university is a far bigger, determinate life factor but for these guys it's school. Y'know, they would say *I went to Sherborne School; I went to Queen Ethelburga's; I went to this...I went to that...* and they're really proud of it and it's got this deep tribal loyalty and they...they...they look around for...themselves and others, so they would relate a lot better to...guys who went to a similar type of school than maybe people in our office who work in administrative functions that didn't go to a private school, and that's quite apparent? The real bombastic self-confidence that you learn in...in an independent or private school in the UK which...it translates very well into the market but it's not always backed up...and when I see that, and I kinda think of decisions that are made, I think – well, we...the markets are built on rationality and we always assume that people are acting from rational motives, but if the people around you aren't the most rational people – you question whether that's actually the case. So I always wonder...*nowadays* I question more.

MC: Cos there are those that talk about the market as a construct (Y: Yeah.)...so this sort of...I mean, it's getting away but it's relevant, em...but just that notion of the market as a construct so that actually...cos also personal relationships, for example, in the United States, in terms of the...Ivy League colleges, in terms of actually who is picked to worked on this particular investment banks etc but there's also the collegiate shall we say (Y: Yeah.) and how significant that is...so the theoretical, the rationale regarding the particular economic models...don't necessarily seem to...necessarily match the reality (Y: Absolutely.) of...eh...the everyday functioning...of the...of the *market*.

Y: I couldn't agree more, em...you...you've raised a good point there with the...the *American model* and the *collegiate* and the *branding*, and all that...and...and one thing that strikes me about the markets is...the...the-kind of...somebody said to me that his job – he...he is a trader – and he said his job is...frequently isn't down to his intellect or his response, it's what he calls a conditioned response but if something happens – he reacts as he always reacts rather than kind of intellectually challenging and saying 'what should I do?'...he's gonna say 'what do I normally do?' (MC: Yeah.)...and I think a lot of that is apparent in the way we take certain things on trust. For example, the media, like we talked about the Financial Times and...*David McWilliams*, our...our economist at home always said, y'know 'if you read the Financial Times at 21 you're a fool, and if you believe the Financial Times at 41, you're a bigger fool'. And that-that...that's very fair...I mean the Financial Times, the...the financial press in general, consultancies, I mean if you look at Enron...Enron built their business model on what *McKinsey*, the consultancy told them to do...absolute disaster...built on thin air, yet, even now...10...12 years on from the Enron collapse, McKinsey are still...the absolute kings of consultancy. You have to ask, in a market, in a competitive market, somebody should have said 'we don't trust McKinsey anymore'...but we still do. Same with the rating agencies, they got it

disastrously wrong but...people still say 'well, I won't invest in that class because it's not *Triple A*, it's a junk bond whereas I will invest in something which...y'know, an objective analyst might think there's less life in but it hasn't lost its investment grade rating so I will invest into it'. So, there's a lot of sheep-following and flock mentality in the markets, which takes away from your idea of it being perfectly competitive and it being [unclear]...and when it comes back to it being a construct...I would agree with that because humans like structures, whether we admit it or not, we like things to be the way they are – we're very conservative...again, whether we like it or not.

MC: So can we talk about *market fundamentalism* (Y: Yeah)...can we talk about market fundamentalism? Is that...?

Y: I would say we can...I would say myself I'm a *market fundamentalist*. I like to look at the...*the facts, the bigger pictures*, like the opposite to me in terms of broking and trading would be a technical analyst who would look at past behaviour...now that's a gross over-simplification but he would look at what happened in the past and try and...kind of...find answers from that...I actually read-read something this morning...eh, a piece of research which kind of says that, y'know...there is a huge amount of...patterns in-in the market, and if-if you look at it, it's coming down to a psychological response, and this idea now we have of kind of algorithms and electronic trading, of high-frequency trading, which are computer programmes built to trade – they're bringing in even more...*patterned nuancing* into the market, simply because they're doing what they've always done, so it...it's hard to tell but...

MC: So then can we talk about that way if we're sort of saying maybe it's a *construct*?

Y: No. I-I...I think it's very hard to because people...people will look at what they call the fundamentals and then they'll react the way they always have done...I...I think, y'know? Like, if you look at the ...Cypriot...current problem in *Cyprus*-you have the same problem, I mean...people have made up their minds, I think, that we're...the Euro is stabilising. Now, there's evidence to the contrary, which is obviously Cyprus, y'know, there's also Italy...Spain, Ireland - all these peripheral nations but people have kind of decided 'right, enough is enough, we like the Euro again or at least we-we like it more than we did'. So, they're ignoring the evidence of Cyprus and I think that's an example of what you're talking about...where it's very hard to talk about the actual fundamentals because...

MC: And also I think like, the role of the...rating agencies. (Y: Exact...yeah.)...and obviously there's a conflict...they're being paid to rate and we know now what the ratings were also I was just wondering if I can ask you (Y: Of course, yeah.) about the role of – and I know momentum means a very different...many different things in the context of the market but if I could talk on a very macro level that the idea of *momentum* (Y: Yeah.) on the macro level, that actually, for example, *in 1945 a US stock was held on average for six years...2011 I think it was 14 seconds*...so, y'know, the pace (Y: Hm.) is-is...is sort of...y'know, in some ways stark...staggering in terms of...you mentioned about electronic trading, *High-Frequency genetic algorithms*, em...probably getting ahead but the future of this idea of the market in such a context...and for someone like you, your role in the market (Y: Yeah, I...)...I'm

aware of what your role is in the...y'know, it's not necessarily the coal-face but sort of...

Y: Yeah...the-the stocks we deal in would be a minimum of seven years to exit – they're not...a lot of them are unlisted; they're very liquid stocks and even if they were listed and someone tried to sell...you'd destroy the company simply because there's no...there's no market there, so...I would have a different perspective maybe to-to others. In terms of what you're talking about there – the *High-Frequency Trading* – that's really just a function of...*liquidity* more than anything else. Y'know, th-th-these things are moving around but they never stop (MC: Yeah.) whereas you'll always have people who'll just hold their stocks like *Warren Buffett*, for example, a prime example...em...but...it's-it's...th-there probably is a...a difference now with...kinda...the kinda the typical City trader – doesn't care what he's investing into in terms of he's looking at kinda your entrance, your exit, your-your-your-your kind of...em...excuse me...a very quick profit, whereas in the old days he probably had this idea of someone saying 'right, well, I like IBM, so I'll hold that', y'know? Em...the last people who do that really were probably the-the-the...the punters who bought in, in the privatisations who still hold their...their British Gas and their...their National Grid or whatever they hold, y'know? They're-they're probably the last people who do that...and I think that if you went into your bank now to talk with *SIPPs* they would be talking about kinda holding for two or three years and selling on, so it's quite an interesting question.

MC: Okay...yeah, so, just in terms of how...I'm just kinda curious about because there's also been this *Foresight Report*, I think we mentioned it the first time we met, related to this...em...y'know, they're saying, y'know, regarding traders in 10 years there may be *no human traders* (Y: Yeah.)...is one possible scenario...so, eh...in terms of then, if-if it's...y'know, eh, and also there's others that would sort of say that in some ways even the *regulatory bodies* don't even understand them (TM: Hm.)...em...do you have any...y'know, thoughts on that...?

Y: Yeah. I've a total...I would agree. In terms of...the trading, I think you'll always have traders – *human traders*. You probably won't have very many brokers doing my job because it's...that's definitely on the way out, everybody knows that.

MC: Why is that?

Y: Just because we're being replaced by *electronic platforms*...it's cheaper, it's quicker, there's less...chance of anything going wrong. In what we do, you probably do need humans but...again...less and less...em...so they say that broking has about a 10-year life left...now that's *pessimism* but you-you don't know. In terms of the, em, human traders, I think you'll also have people who will take a view because at the end of the day, tra-...and this is maybe back to the fundamental of what you asked...*the markets are about people and what people think*...machines can't get that – they can get what people used to think and they can guess what people might do in the future based on different lots of things, but ultimately if people decide...on whatever reason 'this is what I'm gonna do' (MC: Sure.) then the computers can never...they can never really foresee that...so I think you'll see guys taking a punt...em, you-you have that famous story of the...em...the-the chaps in New York and places in California as well, and all over the place, who took a *short view* on the



market, eh...the housing market, against all advice, against all kind of...em...the knowledge there and they did very well. So you'll always have that kind of contrarian who will...who will always be around...em...

MC: Can I ask cos one of the things that, y'know...it's unpacking this idea that, y'know...sometimes there would be a perspective that, y'know, eh, the notion of sort of, *vulnerability and precariousness* is something outside of the market and maybe is, I suppose, a result of the...market but what I've been struck by is the element of that precariousness within the site of the market itself (TM: Yeah.)...is that something you feel?

Y: Do you mean within...within the market or within the people?

MC: Just in terms of, just actually, y'know, will I have a job in the future? (Y: Absolutely.)...will I have a, y'know, what is my...?

Y: I think fundamentally and y'know, I'm kinda not doing myself any favours here but there-there...*there's an insecurity that you need inside you to be in the financial world*. There...there's no question about it. You need it because...you need that competitive drive and I'm not saying I-I...I would have it to the extent others have...I'd like to have more of it, to be fair. But you would have these guys who just will not stop...and that is driven by insecurity, whatever...I'd love to be a psychologist for a while and see what it is inside them but it's very interesting to see their...their actions inside and outside the markets; to see them in packs when they socialise; see them in their personal lives when a lot of them would have gambling issues and stuff like that; it would...infidelity with their wives, stuff like that – it's very interesting and that has to translate into the market...I-I think it does in a lot of cases...em...

MC: I guess it's one of that perspective from outside (Y: Yeah.)...you see these guys making lots of money (Y: Yeah.)...y'know, what happens in the market doesn't affect them but that doesn't seem to be the case...

Y: No, it doesn't...I'm always fascinated by, since I've come to the financial world, about *hours*. I...what I do at the moment – my hours aren't particularly long, one of the reasons is we're not that busy – but even when we were that busy I would work a 12...not a 12-hour day, maybe a 10-hour day. When I was in [REDACTED] in the consultancy I would work often...maybe...15...16 hours – just thinking about it now – simply because they were what you had to do. I wouldn't do that every night but if you're in the middle of a project you'd have to do it...and I used to ask myself...em...why are we here...why are we here so late...why am I in so early...what needs to be done that can't be done during the day? And the answer is, it's a macho thing, where you have to put in the hours, and I always kinda wonder what type of person...needs to be in the office, y'know? It...it's different if you've work to do...if you're a farmer, if you're a barman, if you've something, you're there because you're pulling pints or you're pulling calves or whatever but in the bank, a lot of what we do is repetitive, a lot of what we do is hanging around, waiting for someone further up the line to give the nod before [you?] finish – that type of thing like...you just kinda think...there is a structure here that encourages and compels us to be in here longer than others and I think that-that...that's a reason in itself to

question maybe home lives, external lives; do people need the bank walls around them to...to feel powerful? Y'know, even the uniform that you see people wearing, you could look around the streets here – all the girls dress the same – black dresses, all the guys wear dark suits – they all take off their ties at 5 o'clock...they all carry umbrellas when it's wet, they all wear black polished shoes, they never wear buckles, that kinda way...d'you...all these type of things and you kinda wonder what is...what is it inside them makes them do that - it has to be insecurity, y'know? I do it myself.

MC: And there's...do you think that's encouraged?

Y: Yes, *conformity* is absolutely encouraged...conformity really is...I think if it's not encouraged, you're challenging others and...em...that's not always liked and maybe it comes back to what I said about the boarding-school attitude, that these guys have all been educated in almost identical atmospheres where there was a very hierarchical system, and guys on the rugby team were adored and guys on the chess team weren't...and it's...you can...you can smell that in...in the *City of London*, y'know, it's still here.

MC: Can I ask you then, sort of moving back I suppose to the...macro (Y: Yeah.) a little bit about Ireland...if, y'know...how do you think *Ireland* is viewed globally?

Y: Em...that's a really good question. It's very hard to answer 'cause *there is no global view of Ireland*. I mean, if you go to New York there are...there are various views. I mean, there's a huge Irish contingent in New York so there is a sympathy there. There are also a lot of people in New York who did very well out of...Irish, em, *bank bonds* that they invested into, that were suddenly underwritten and they went from kinda four pence in the pound back to a 100 pence in the pound overnight. That was very unexpected so, allegedly there's a big St. Patrick's Day dinner for these guys every year who...they...*they toast the taxpayers of Ireland*, y'know? Eh, again, urban myth and all, I don't know. So there are people who-who look at that. In England, you have historical attitudes towards the Irish, which I don't like. Em, it's...the...they bubble under the surface for a lot of people, not for everybody (MC: Sure.) – the English in general like the Irish but for some English people there-there's...there's... ..I don't know how to put it, it's...(MC: It's an echo, legacy...)...yeah (MC: ...resonance...)...a *resonance*, yeah, a resonance is a good word of-of kinda past attitudes, and to be fair, you do notice a similar attitude towards the Welsh...Welsh and in particular the Scots, so maybe it's a kind of a, y'know...a kind of Celtic thing...I don't know...but...the...y'know, the...the problem I have in Ireland in the markets – and this has happened twice now – is where somebody from the Irish government, in both cases it was Michael Noonan, our finance minister made a stupid statement or at least, a statement that from my point of view looked stupid. I'm talking of course, his comments on Bloomberg, y'know, in particular the one where he...he talked about the Greek collapse and that Ireland didn't buy feta cheese so a Greek collapse wouldn't affect us and you're sitting there on a trading floor watching this on Bloomberg, knowing that everyone else in the banking world in London is watching the same thing, and thinking *you have noooo idea what you're talking about*...it's scary like. Now again, people would say to me that he was making a joke, he was trying to be light-hearted, that he really did understand...but...perception is everything, and it's very hard to get that across and

I...I certainly felt very...I was embarrassed...I was embarrassed, y'know? Very embarrassed, and I...

MC: Do you think they know what they're doing in Ireland?

Y: No, I don't. I don't think the Irish...I used to think that the Irish government did know what they were doing but now I don't think the Irish people do. I mean, like...the Irish are very forgiving and they're very conservative and...what terrifies me is like, practical example, *Fianna Fáil* coming back. I mean, I've...I've lots of friends in *Fianna Fáil*, they're not the worst...I voted for *Fianna Fáil* in the good ole days 'cause I thought they were the best...but you look at what they did...and what they didn't do and their understanding of what happened, and you realise these guys are fools...absolute clowns, yet we're gonna let them back, y'know? Like, how on earth can you put Micheál Martin back, given the fact that he was at the top table for so long? But they're going to do it more than likely. You look at Enda Kenny, a national school-teacher, who has never had a job outside that...outside being a TD in his life – what was he, 22...23 years in the Dáil? Em...the old...the longest serving TD ever, and you kinda think this-this guy can't run the country unfortunately, and decisions are being made that you think are just very worrying, y'know? Like for example, we're...we hold the presidency of the *European Union* at the moment and I would've like to have had seen some type of stronger response when it came to the Cyprus...like we've been through the bailout. We're in a unique position to say 'guys, you're making a mistake' and nothing was said...and y'know, it just...it's...

MC: But do you think that's to do with our positioning? I mean one could argue that, y'know, in some ways *we've no financial sovereignty*, eh...leads to another question I have with me – what you think the role of the *nation-state* (Y: Hmm.) is in contemporary...in the contemporary world in relation to the market, do you have an opinion?...I mean, in terms of...what do you think is the role of...some commentators would say that almost the nation-state has become a *commodity* itself...somewhere like Ireland, we're such an open economy...?

Y: I...I don't know. I think that...that everyone writes off the nation-state...I mean...it's a tough question to answer actually...I'm not sure...I'm not even sure if I'm addressing what you want me to address. But, everyone writes off the...

MC: No right answer, I am just interested in your opinion. It's not, eh...it's not...don't feel like I'm trying to trip you up.


Y: Oh, of course I know...no, I know that...yeah. But I'm just thinking of the nation-state, everyone writes it off but we're still stuck with them and even, you can see now a loosening of the ties. Like for example, Britain threatened to leave...this kinda *nationalism* in various countries, and I think that...I've heard the word *commodification of the nation-state* before – I'm not certain I understand what people mean by it cos I think everybody has a different meaning, and I think that some people use the term *commodification* as, y'know...an insult...whereas people like me wouldn't – I think *commodification* is nearly always a good thing, so...when I hear that I'm thinking *yeah if we can sell ourselves better...good* but for Ireland, like we're very different and we should leverage that difference to bring about good outcomes which we don't always do. I mean, the corporate...*corporate tax rate* is a good

example of us doing that, but...giving up the Punt to take on the Euro is an example of us rejecting that so...it's very hard to tell. Em...I-I think the...what the modern Europe is leading to is a situation where the nation-state would be very sidelined...em...but I don't know will that ever come to fruition.

MC: Cos one argument...one thesis would be that in some ways the market is the *template for everything*. So when we think of like, mergers, buyouts, whatever like that, should we not be surprised then when the nation-state (Y: Yeah.) in some ways almost operates in a similar sense.

Y: Y'see...yeah, again, it comes back to what I said earlier about – is there really a market?...I mean if there was a market...you would...a market is made up of, y'know, kind of individual counter-parties trading with each other with the maximum freedom possible. Whereas what we're leading to now, we-we don't have...certainly not in Europe, where we're tying up, y'know, we're centralising power...we're, em, centralising – potentially - tax-rates...certainly the banking union will-come in like, possibly fiscal union as well, so...it's almost the opposite of what you're talking about there...and then on the other hand, global trade is loosening...em...but global trade is going from the-the position of having nation-states into *trading blocs*. So rather than having your 27 individual nations in Europe, you'll have one bilateral trade agreement between Europe and the US and China, and suddenly you don't have three countries trading, you don't have kind of a 100 countries trading – you have three so, I-I...I kinda wonder if the nation-state has almost been sidelined. On the other hand, I don't think that's going to work in the long term so I-I think that...you'll always have your-your individual countries.

MC: Can I ask cos they are, just cos I am curious (Y: Sure.) you've been very articulate...eh, just y'know, in terms of recently we had a bond sale in Ireland in terms where obviously they were offered at such a rate...y'know, most people weren't gonna refuse them (Y: Yeah.)...so how important is the *optics* in relation to the market?

Y: They're...they're crucial...it's like what I said earlier, the-the market's all about *perception*. Em, in terms of the most recent bonds sale the rate wasn't actually that bad...it was higher maybe than it should be but for traders, I mean, I...we don't deal in this market that's why I can speak freely but I...it is only my opinion. Traders I speak to say that...Ireland is almost gold-plated because it's such a *poster-child for a bounce-back* that it would never be allowed fail. So, even though those government bonds are risky...in theory, in practice they feel that of all the bonds in Europe to go down, in...in terms of the peripheral nations, Ireland will not be one of them...and they also feel as well and it's a sad thing to say in-in some respects – that the Irish are willing to take the pain so that if things do turn south again, and they could, em, particularly if there's another housing crash in Ireland, which is possible, but if there is, em... sorry, not a housing crash in Ireland – a housing crash across Europe that will affect Ireland, but if there is...oh, what do you call it?...em...a-a-a...a kind of a move downwards again, they-they...they feel that the Irish will be willing to take...do whatever is necessary to-to pay back their debtors, and, em...that's why people are investing into it. So...y'know...it's a *back-handed* compliment in a way. But you're kinda thinking when you go back , as I did last weekend, and you look around

you – the place is a bloody wilderness – you’re kinda thinking, am I happy in making *Goldman Sachs* and *Barclays Capital* richer? Is that a good thing, y’know?

MC: And how do you feel about that?

Y: I...I don’t like it...but it’s our own fault...it really is. We...like if you look at Ireland back...if you look at the Irish *growth* between ’95 and 2004, I think you’re looking at about a five per cent year-on-year growth...and it’s a phenomenal growth rate, you wouldn’t find that anywhere and then we went from that, which was bringing us up to the level where we should’ve been like...we were...I think back in...in the 80s we were about 60 per cent of European GDP...by 2007 we were 40 per cent above the average European GDP, right? So there was a massive increase there and if you...if you...kinda look at that and think where did it all go wrong, you have to say we...we did it. We elected this...gang of county councillors to run our country; we allowed them to mismanage the Central Bank; we allowed them to ignore all the warning signals, y’know, and I mean when you look back at some of the warnings that were given, it’s very easy to say that we ignored them...or sorry, very easy to say that we didn’t hear them and they weren’t properly articulated but they were there (MC: They were.)? And...

MC: Absolutely, yes, even Mary Harney commissioned the *Ahead of the Curve Report* in 2003; where her own economists warned this is unsustainable.

Y: That’s right. And it...proof is in the pudding, y’know? So we got into this boom and this *housing bubble* and...look where it left us. So, when I look at the...in terms of...in terms of Ireland, when you go home...you’re *torn*, and I mean, I wouldn’t say this freely at home because I’d offend people but...when I was in University, obviously a lot of my friends...my schoolmates, went and got trades...so they would say to me ‘what on earth are you doing...studying...fuckin’ Economics...y’know, as a student scrounging, eating bloody, kind of, *supernoodles* - when I’m earning 800 quid a week as a second-year apprentice *Chippy*, I’m driving a four-wheel drive, I’m buying a house, I might buy two houses, y’know, and look at me – look at you’...and you kinda thinkin’ back then, maybe he’s right and...you’re kinda thinking now, looking at him now thinking *he was wrong but he doesn’t deserve everything that happened to him like...he didn’t deserve* (MC: Yeah.) to be lumbered with this massive debt, he didn’t deserve...he followed the hype, he did what everyone else was doing. So, you do feel, y’know...torn on the one hand and angry on the other hand that he was such a flute.

MC: Yeah, I was gonna ask you do you get angry because it was *hyped* in one way and then it was also...

Y: Yeah. But we buy into it like, it’s like the...the kind of...it’s almost like the lip the Irish get when you go the bar, where you’re thinking ah, *one more won’t hurt me...one more won’t hurt me* and of course, it does, it always does and, y’know...you have people in Ireland that were absolutely leveraged up to the hilt, there-there was no need for it, y’know, but they should’ve known, everyone should’ve known at some stage. Like, y’know...my father’s a conservative man and he used to tell me that every time he went into the bank, y’know, the bank manager would say *well, look it, you’ve a young lad there, he should get a house, y’know...put it...put some...ra-...rent*

*allowance people into it, that'll pay the mortgage and he'll own it then in 30 years...and Dad was kinda saying why are they pushing money on me?...they don't know you.....they're pushing money on me because they want his signature, so you do feel angry about that with the banks and all that, as well. But equally for the guys who signed up to it, you have to kinda think well, hold on a minute now mate, y'know you..., so...*

MC: Can I ask then, in terms of, eh...cos it's also related...I read this thing about, y'know...the front of the F...the FT...was, y'know, they talked about 10 boroughs in London equal in *property value* to all the property in Northern Ireland, Wales, Scotland, Northern England put together (Y: Yeah.)...so this is...this is a shift and, y'know, whether that's been driven structurally by the City, by you literally see the landscape shift that seems outside of...nothing to do with Britain...to do with whatever those particular...where am I going...related to this is just...I was in *Addis Ababa* last September...I mentioned to you earlier when we met first, it was, eh...y'know, and there, y'know...the CEO, she did an MBA in Harvard, PhD in Stanford, Senior Economist with the *World Bank*...Dr. Eleni established the...ECX there...and described herself as a *market fundamentalist* but actually there they *regulate* (Y: Yeah.) and I think it's only one of two like this ...particularly it's an exchange but I wanted to ask you if...cos it would seem...y'know, that they allow...with the sorta, as it were, *built-in* sort of (Y: Yeah.) and I'm just wondering what you think of that-that...that word *regulation*?

Y: I like...I like it...I did my Master's in *Banking Regulation*...just to be clear, when I said earlier – maybe I misunderstood you – when I was talking about fundamentals...I was talking about the-the kind of school of thought, where you assess the value of a stock by looking at what we call the fundamentals - which are kind of the company, and the market and stuff like that versus the theoretical, technical, so that's...maybe I answered your question too narrowly. In terms of the, em...regulation of the market, I think it's absolutely crucial...absolutely. And...I am a capitalist and I do think that market-based responses are the best, will lead to the best outcomes, and I'm very proud to say I'm...I would be quite *Blairite*, y'know, in-in...in the sense that Tony Blair said *what do we want...this is what we want...how are we going to get it...this is the best way*, y'know? And bringing in competition in the NHS, competition in schools, competition in the railways...that's not pretty but it-it...I think it's a better chance of success than the alternative so I do support that. In terms of the markets, there needs to be really strict regulation, there really has to be because things can spiral out of control and...y'know, as I said to you earlier, what I love about banking and finance is where its tendrils go and...how much of an impact it has but that's frightening when things go wrong...it really is. I mean if you look at Cyprus, again when you close down the banks and when you...em...have guys queuing at ATMs to take out what bits – scraps – of cash they can...that's terrifying. Like, a friend of mine said...said to me, and he was very right, he was a lecturer in UCG, about the banks in Ireland in 2008 – if we hadn't bailed them out...he said, the only thing worse than the banks in Ireland going bust...for Ireland, would be if *Sellafield* went bust (MC: Yeah.) which is a deep comment and it's totally right...like, again I-I...I love my history and all this - and one thing I was fascinated by...but it's very hard to find anything out about it but back in 1972, '73, '74 there was a number of rolling bank strikes and the country literally ran out of cash...just ran out of bank notes, y'know? There was no ATMs, no credit cards, none of that and

people suddenly could spend money on the tick. So, if I knew you, I'd think, well, you're good for it and I'd give you...I'd send you a lot of credit, simply because there was no alternative and it was trust but it wasn't even trust in the sense that...*I trust you*, it was also kind of the fact that you can't quantify this because there are...there is no cash (MC: Yeah)...y'know, so...it's quite interesting what happened, and when you have that unregulated system – things to crazy. People are...people are like that, y'know? It's...this Stone Age attitude we have of when you have it...you hoard it but then, when you have enough hoarded you start feckin' eating it.

MC: But that...because one could argue that Blair...like Clinton, *deregulated*...deregulated (Y: Yeah)...deregulated...deregulated, which also happened in Ireland (Y: Yeah)... and actually ultimately it also helped facilitate the crisis...

Y: It-it did...I mean, what-what Clinton did in particular...Clinton obviously was earlier than Blair. (MC: That's right)...he did a lot of deregulation in America and a lot of people would argue that that was the real root cause of the housing bubble sub-prime because see, he wanted everyone to own a house but you have to...I-I would certainly argue that you have to accept that what he deregulated on the one hand can't be judged in isolation without looking at the safeguards he put in. So maybe his fault wasn't deregulation which I would support; his fault was putting in a parallel corollary that will hold things down and protect the...*downside* when the *upside* is going to be-be released by deregulation. I think that's where he failed to do that, so...

MC: Do you think that's changed *post-2007...2008*?

Y: Yeah, I think it has...I think it definitely has...certainly in America anyways and I think that in Britain, like...the *FSA* was actually wound up yesterday which was quite interesting so...I think that there's now a much more robust, probing attitude. Like, before there was kind of principles-based regulation...*light touch*, all this type of thing, comply and explain, all these phrases which basically said you have free rein until something goes wrong, that's...that's just a bad way of doing things. Now they're a lot more intrusive and-and I think they should be...and what your friend in Addis Ababa is talking about is totally right – you can't restrict people's trading because then you just create a monopoly that makes the everyday person on the street poorer and an elite richer. You...you're talking about Russia with the oligarchs again, right? But neither can you have people just free-for-all...y'know, controlling things, releasing things – like you had with oil trading back in the 70s; you can't really have that, so you have to strike a balance, and I think that...

MC: Do you think that is happening?

Y: To an extent it is, yeah.

MC: To an extent?

Y: Yeah, not to the...it's very difficult to do it.

MC: How much of this..or...a-a...big part is *performance*, like I just...I'm struck too by the market as performance, we talked about...I remember watching the

open...y'know, the *open trading* in Addis Ababa and you had, y'know (Y: Yeah)...men and women and they're trading whatever; but they know, y'know, there's a limit and it's temporary...a 12-minute period...for the session...and so there's sort of performance as it were, that somehow or another...beyond...so I just wondered how important again are the optics... (Y: It is...it is the optics, yeah)...so you rebrand the regulatory body which they have just done here...do you think that there is real shift, y'know, cos one could argue that some things have changed for sure (Y: Yeah.)...but how important again is the *optics*?

Y: I think...I think the optics...I think in...in any human activity the optics are very important. In terms of regulation, at the end of the day, you can put a new sticker on my company and you can give a...a new name and a new brass-plate but at the end of the day, I'm still the same guy doing the same job with the same people and...you-you...like we talk about this problem called *regulatory capture* where the policemen are kind of, almost friends with the...with-the... with the non-policemen, y'know? I'm not going to say criminals, that would be wrong, but you know what I mean? (MC: Yeah, I do.)...like they're sitting beside them, they're mates with them, they're drinking with them, they're part of their lives and it-it's very hard to expect these guys to...take a robust, principles-based...sorry, rules-based approach, em...y'know, when-when that's going on, and that...that's very hard to change that, it's a human thing. So you have to come up with a better way of doing it...and...some people would say – and this is probably a bit out there – but some people would say that if you look at, kind of *morality* in general...human morality, that there has to come a time when somebody says *I don't care if that's legal, it's not moral* and that...that's unheard of in the City. Certainly since the 80s that attitude would be gone...em...

MC: But is there room for morality in the context of the market?

Y: It's very hard to because if you're the lamb...y'know, the tiger's gonna eat you...and it only takes one tiger to eat a lot of lambs...so...it's...it's...it's-it's...

MC: Not that it's immoral but is it *amoral*?

Y: It's a-moral...it is amoral...immorality is probably easy to spot but amorality is-is quite different. I think...one...

MC: What is its rational objective?

Y: Yeeeah...*coldness*...coldness, that's what it is...you certainly pick it up when you...when you come to London. I don't know is it a...maybe...sorry (*attention is diverted*)

*Stranger: Excuse me, would you have fifty pence [unclear] can of beer?*

MC: Yeah.

*Long pause.*

Y: There you are mate.



Stranger: Thank you...gentlemen.


Y: I think you dropped something there as well mate...it's only 5p. I...eh...I wasn't going to give him anything but when he said *for a can of beer* I thought *at least you're being honest...*

MC: Yeah, exactly

MC and Y: (Laughter).

MC: Em...well listen I'm...I just wanted to...em...ask...just...yeah...eh...God, it's such a big, big question (Y: Absolutely.)...in some ways, to ask about *future...*

Y: If-if...if you're cold, we can find a...a quiet pub or something...


MC: No, no, you're grand, this is (Y: Cool.)...this is good  (Y: Cool.) Just no, cos really it's kinda the last...it's been great.

Y Oh, yeah...I'm not in a rush, so there's...no panic.

MC: It's probably cold but...

Y: I'm not cold, not at all, no.

MC: But...but just about future...how do you see the future of your role...in relation to the market? That's probably a very general question...

Y: It is...I suppose like, there's...you can answer on a number of levels...I mean you could argue, like professionally where does broking go, em...then you can argue like...answer from the personal point of view – where does  go? It's probably easier to answer the personal thing, like I mean, I think that...cos I'm probably older than a lot of peers, I would see...I'm 30 now, and I would kinda see that...the lifestyle I'm living at the moment, the hours, the-the-the-the pace of it, the-the kind of...intellectual energy you have to put into what you do, isn't sustainable as you get older, and I do notice it with my bosses as well, that they...slow down – I don't mean that in a patronising way - what I mean is that they are less engaged (MC: Yeah, sure.) with work and I...I don't necessarily know if-if...if I want to be that guy...there's an article I spotted today saying that the optimum time to leave banking is at 35...that's when it reaches the time of, you've just ran out of fuel...but that's flattering as well because as I said earlier, you've a lot of people that have equally stressful jobs that don't have the option of...of kinda looking around and saying *well, I'd like to leave now*. So...I don't know, but I presume at some stage I'll have to make a lifestyle decision about what I want to do. I'm single at the moment...I've no ties...I've no debts...I...I'm lucky, I'm very free - that mightn't always be the case...so-so that-that...that's kind of the personal thing. In terms of the technical thing, I don't see myself in broking long-term - I enjoy it - and I think being Irish and having that kind of *gift of the gab* – it's very helpful, it probably smoothens it out a bit, but...it's not necessarily where I want to be.

MC: Something in relation - the financial sphere though...yeah? (Y: Yeah.)... stay in that...

Y: Absolutely, I like...yeah, absolutely... I do like it. I do enjoy it.

MC: And in London...or Ireland...or elsewhere?

Y: Elsewhere, I think...elsewhere...I would like to travel, like...y'know, the Irish complain about emigration, and rightly so when you're forced to emigrate but...we've all got a *wander-lust* as well and I'd love to...I'd certainly love to go to New York...yeah, so if you meet any...any guys like...looking for [REDACTED], let me know (*MC laughs*) but I certainly would like to go a bit further afield...England is...that financial centre but it's very close to home, y'know?

MC: Right, [REDACTED], that was great.

Y: No, thank you...I really enjoyed it.