

A Vision for 2021

A Manifesto

for

Ireland's Future

from the

Irish Chamber
Network



**CHAMBERS
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IN BUSINESS FOR BUSINESS

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2021

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Introduction

General Election 2016 will prove to be a key moment in the evolution of the Irish State. The next Government returned by the people will ultimately be responsible for determining whether or not Ireland can shed its status as an economy prone to high levels of volatility and boom-bust cycles, and move instead into an era of well managed, sustainable economic growth that can benefit all of its citizens.

While the core issues at stake in the last general election were how to ensure the basic survival of the State and secure our economic recovery, thankfully the landscape has changed vastly since then. Despite having recently exited an international bailout programme, Ireland is now ranked amongst the top performing economies in the OECD and has managed to distinguish itself from the other struggling economies of the EU. There is no doubt that Ireland has undergone drastic changes over the last five years, and we have made significant improvements in how we manage our economy and organise our society. The questions we must ask ourselves now are where do we want to be in five years time, and how do we get there. The Chambers Ireland vision for the Ireland of 2021 is one of innovation, entrepreneurship, inclusiveness and sustainable economic growth, and this manifesto sets out a roadmap for the next Government in reaching this vision for 2021.

The next Government must acknowledge that their role is one of stewardship of the Irish economy. The future Government's responsibility must be to safeguard economic growth for the benefit of current and future generations. We believe the preeminent concerns of candidates and political parties must be to commit to providing a stable Government, prudent economic management and investment in our future.

Chambers Ireland believes that there is great opportunity for the next Government to achieve much over its five year term and to oversee a transformative process whereby Ireland moves permanently into a more mature phase of economic growth.

We have identified what we believe must be the core priorities for the next Government if we are to achieve the goal of sustainable economic growth. We outline these priorities under five broad categories: Supporting Irish Enterprise and Entrepreneurship, Supporting our People, Planning for Growth, Investing for our Future, and Ireland in the Global Economy. Under these categories there are subsections in which we have outlined the key actions we believe the next Government should take in order see our vision for the Ireland of 2021 realised.





Supporting Irish Enterprise and Entrepreneurship

Government cannot create jobs, but it can ensure that the necessary conditions are in place for businesses to create jobs. We need Irish entrepreneurs and businesses to establish new ventures, generate revenue and, importantly, create jobs. The next Government should ensure that the recovery of Ireland's economy is driven by a generation of indigenous entrepreneurs and businesses that will provide a solid foundation of jobs and growth throughout the country.



Maintain the Competitiveness of Irish Businesses

Ireland is a small open economy and our businesses are competing in a global marketplace. Ireland is already a relatively high cost economy, particularly for wage costs, and our companies need to be able to demonstrate value in order to access international markets. This ability to compete internationally is under threat from a recent series of initiatives aimed at increasing the statutory minimum wage and introducing increasingly burdensome employment regulations that will increase the cost base of many Irish businesses and reduce their competitiveness.

- The Low Pay Commission's annual deliberation on the rate of the National Minimum Wage must be free from any political influence, and the issue of National Minimum Wage rate must not be co-opted as a political issue. Unless there is a clear and compelling case for increases in the National Minimum Wage, restraint should be exercised. This will result in more competitive indigenous businesses, increased likelihood of foreign direct investment, and crucially, more jobs.
- Employment regulations are vital to protect both employees and employers. The next Government must ensure that any proposed regulation is responding to an identifiable need for regulation, is practicable in a modern economy, and does not unduly favour either employee or employer. Some recent proposals have not met these criteria and would prove hugely damaging both to competitiveness and to the effective functioning of the labour market if introduced.

Maintain a Broad Tax Base

A major threat to Ireland's economic future is the potential to repeat the mistakes of the past in terms of narrowing the tax base. Previous Governments eroded Ireland's tax base to the point where the Exchequer was almost completely dependent on the revenue of a small number of transactional-type taxes and very high income taxes on a relatively small cohort of workers. This proved unsustainable and the State was unable to fund itself when these tax revenues collapsed during the downturn.

- The next Government must avoid repeating this mistake. Removing ever greater numbers of workers from the tax net will again concentrate the tax burden on a small number of workers and would create an unacceptably high risk of Ireland's tax revenues collapsing again in the future. Every worker paying a reasonable amount based on their income is the surest way to maintain equitable and secure tax revenues. If each worker contributes a portion of their income, it will allow rates at the margin to be reduced, securing a competitiveness dividend.
- Ensure a broad tax base by expanding user-based taxes and charges. These charges are generally progressive and contribute to encouraging sustainability and the efficient use of resources. They also provide increased security for the State in that revenue streams are long term and constant.



End Tax Discrimination of the Self-Employed

SMEs make up 97% of all Irish business, however the current Irish tax structures do not incentivise our small business owners and entrepreneurs to take risks, grow or succeed. Ireland should be encouraging entrepreneurship and the growth of indigenous industries, and part of this must include addressing the anomalies in relation to PAYE and the self employed. Ireland has one of the most progressive tax systems in the OECD, but the next Government must end tax discrimination against the self-employed.

- Self employed earners pay 3% more in USC than a PAYE worker who earns the same amount. There must be equity in the tax system to support and encourage entrepreneurship and investment. The USC for self-employed earnings over €100,000 should be brought in line with that of PAYE workers.
- The tax system further discriminates against the self-employed through the inequitable tax credit system. The self employed must be allowed to avail of a tax credit similar to that available to the PAYE worker.
- The next Government should introduce a Social Protection Net for the self-employed and entrepreneurs. A voluntary opt-in social welfare protection scheme should be available to all owner-directors to pay additional social contributions into, and entitle them to social protection should their business fail.
- Ireland's Capital Gains Tax regime must be made more competitive and brought into line with that of our competitor nations. A competitive CGT regime will encourage investment in Irish companies and support entrepreneurs.

Simplify Personal Taxation

The attractiveness of our overall taxation system is essential to Ireland's competitiveness and ability to attract a highly skilled workforce. Ireland's industries must be able to draw from a potentially mobile, skilled workforce in order to foster our knowledge economy. Changing the taxation system may be essential to ensuring our highly skilled workforce continues to choose Ireland as a place to work and live. Tax simplification is the cornerstone of tax transparency and tax equity.

- Income tax and PRSI should be combined to form a single tax on income, within which there should be different rates. This will allow employees to more easily understand their tax liabilities and how much they are paying. It would also reduce the potential for avoidance, which is facilitated by unnecessarily complex systems of rates and bands. Ultimately we must aim to simplify the hugely complex system of credits, allowances and how household income interacts with social welfare.
- The marginal rate of tax on income must be reduced below 50%. At current rates, Ireland is a relatively unattractive location for the highly mobile executives and skilled workers needed to bolster our economy. The high marginal rate also impacts on productivity levels and the willingness of employees to work to their full potential, innovate or act in an entrepreneurial fashion. These are the traits that Ireland should be encouraging amongst our workforce through appropriate tax rates.

Promote Alternative Dispute Resolution in Commercial Disputes

According to the World Bank, in international terms Ireland remains an expensive location in which to enforce a business contract, and is the 8th most expensive in the OECD32. It also takes significant time (650 days) to enforce a contract in Ireland (compared with an OECD average of 538 days – this is the 7th longest within the OECD32). This ranking is seriously hindering our stated aim of being the best small country in the world in which to do business. One way of addressing this obstacle to enhancing Ireland's competitiveness would be for the State to facilitate the increased use of alternative dispute resolution in commercial or contractual disputes. ADR mechanisms, like mediation and arbitration in commercial disputes, save businesses time, money, and help to maintain constructive business relationships.

Government can help to encourage the use of mediation and other forms of ADR in a number of ways.

- While ADR is well established as a means of dispute resolution in certain sectors of industry, for example construction and in high value disputes at the level of the Commercial Court, it is still not the norm for Irish SMEs. ADR should be promoted by State agencies as one of the primary means of dispute resolution in commercial disputes in Ireland. All State contracts should by default incorporate appropriate ADR clauses. All state agencies and bodies must commit to utilising ADR in the first instance in the event of a dispute arising.
- The next Government must also commit to more active management of cases by courts and other governance reforms. For example, the Legal Cost Working Group has recommended that court rules should include a specific order facilitating supervision by the court of the pace of litigation; this should contain measures to penalise unnecessary delays.
- There must be a commitment from the next Government to enact the Mediation Bill as soon as is practicable.

Reform Local Authority Funding and Commercial Rates

The methodology of calculating and levying commercial rates has long been recognised as an anachronism. The system is archaic and unsuited to the needs of a modern economy. The system as currently constructed is a heavy burden on the business community and can be particularly deleterious to rural and regional economic development.

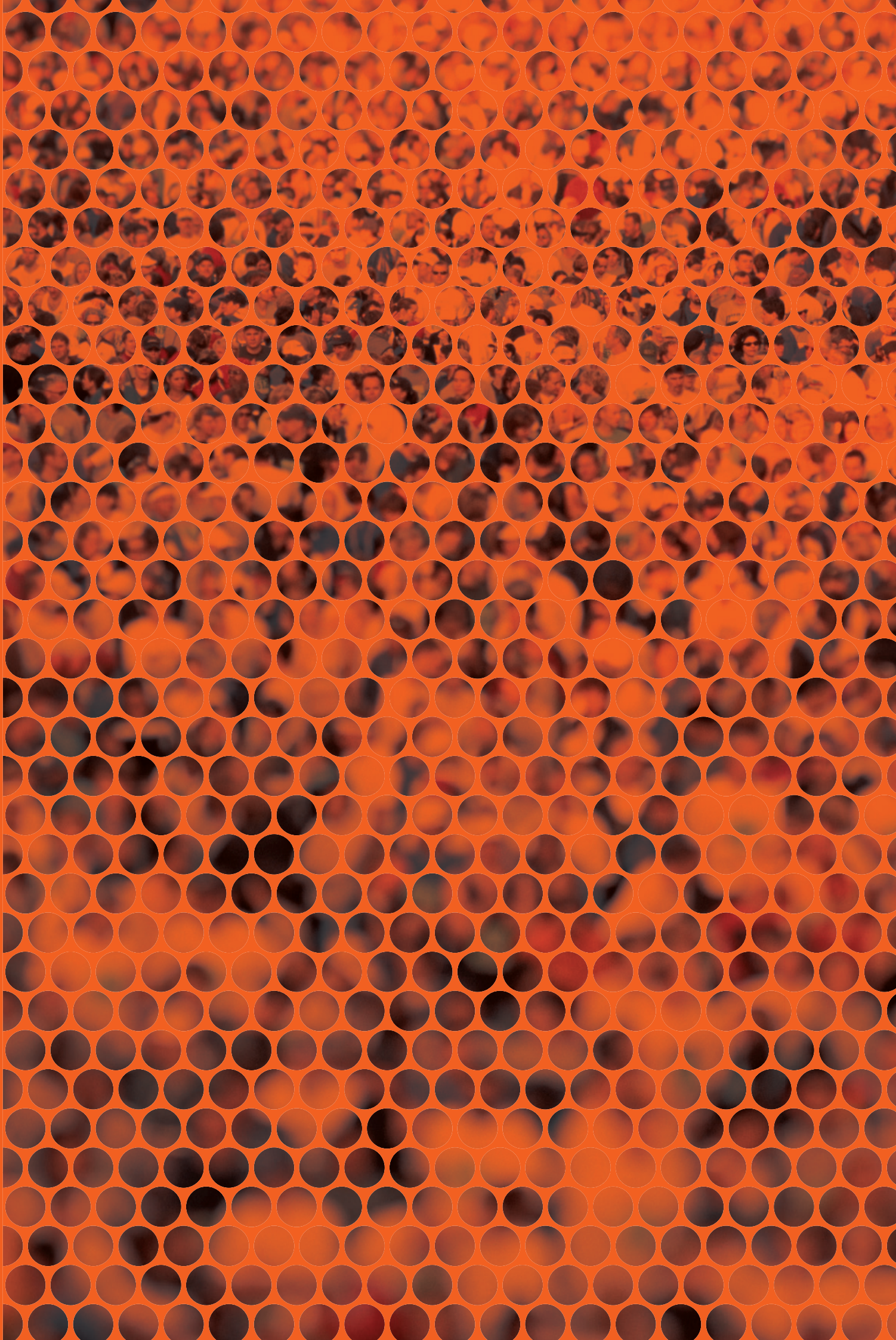
- The current system of Local Authority funding needs to be revised and modernised. We recognise that this will be a long term goal, but the transition needs to begin as soon as possible. The budgets of Local Authorities are highly dependent on funding from local businesses' commercial rates. Their dependence on commercial rates has increased while the Exchequer has decreased its total contribution to the running of local government. We believe that this overreliance is an increased burden on local businesses. The next Government should undertake a review of the current system for funding local government and their reliance on commercial rates.
- Local Authorities provide important and innovative services without which local commerce could not flourish. However, value for money must be demonstrated in the levying of rates and the corresponding provision of services.

Implement a Coordinated Programme to Support Irish SMEs to Export

Ireland considers itself an exporting nation, and while our balance of trade figures is very positive, much of our exports are confined to a small number of large indigenous companies, multinational companies and the FDI sector. As a small, open economy, this concentration of exports within one cohort of companies poses risks. If a small number of MNCs were to relocate their operations, or if changes to international tax regimes made Ireland a relatively less attractive place from which to export, Ireland would very quickly see a significant drop in export levels.

- A concerted effort is required to encourage and support Irish SMEs to become more outward looking, to focus on international markets, and ultimately, to scale up. The next Government must foster the development of a new generation of indigenous companies that are internationally-focused and export-ready.







Supporting our People

Providing a competitive environment in which business can grow and generate employment is the first step to ensuring a stable economy. However, an economy is nothing without its people, in the same way that a business is nothing without its employees and customers. To have a thriving economy, we must have a thriving society. If the Ireland of 2021 is to be an attractive place in which to live, work and raise a family, the next Government must invest heavily in our social infrastructure. The need for investment is particularly acute in childcare, education and skills and in the adequate and affordable supply of housing.

Ireland is competing with the top performing international economies for investment and access to markets, and if we want to compete in retaining and attracting a highly skilled workforce as an attractive place to live and work, we must invest in our human capital.

Childcare

Chambers Ireland would like to see investment in an effective childcare strategy to support our future economic growth in the short term as well as long term. The cost of childcare in Ireland is over 20% above the OECD average as a percentage of family income. For many families, and particularly lone parents, the cost of childcare is a barrier to employment. One of the ways we can start to make work pay for families is to provide access to affordable, high quality childcare services. Lack of suitable childcare services is a major barrier to parents, particularly women, in returning to work. The benefits to families of affordable childcare are obvious, but the positive economic and social impacts must not be ignored. While improvements were made in Budget 2016 through the extension of the Early Childhood Care and Education (ECCE) scheme, there is much more that the next Government can do to address this issue.

- A significantly higher level of Government investment in early childhood education and care is needed. Unlike spending on primary, secondary and tertiary education, the annual proportion of public expenditure allocated towards early childhood in Ireland is much lower than other European countries. We recommend that the next Government bring annual investment in early childhood education in line with the UNICEF guideline of 1%.
- There must be greater emphasis on the quality of childcare. The social benefits of investing in care are much greater where the quality of care is high. For this reason, the next Government should focus on educational quality levels within the childcare sector.
- Lack of access to after-school services for children needs to be addressed. We would like to see a national policy developed to ensure the effective provision of accessible after-school care. This should involve exploring the option of using facilities in public schools and employing qualified childcare workers to facilitate meaningful learning activities.

Education and Skills

Investment in education is essential for the continuation of our economic development, to attract FDI and to ensure that Irish people have the necessary range of skills for a future-proof, modern economy. Ireland needs a long term strategy that supports learning and development from early childhood education, to high quality vocational training and tertiary education, through to the ongoing professional development of those in the workforce. Education is essential for Ireland in the face of the challenges posed by population trends and the skills shortages which are developing as the economy recovers.

The establishment of the Apprenticeship Council was an important step in advancing Ireland's educational and skills infrastructure. A developed economy requires a highly skilled workforce and a vital component of Ireland's future human capital stock will be workers that have completed high quality apprenticeships or undertaken vocational education. It is important that apprenticeships and high quality vocational training play an ongoing role in the evolution of Ireland's education and skills provision system.

- The next Government must develop a strategic plan to ensure that the education system supports economic development and the skills needs of the economy. We are in a period of very rapid change in terms of science and technology, and labour market requirements. There needs to be an ongoing process of reform of the system put in place so that the system can evolve to meet the needs of a modern world and a global economy.
- Ireland must continue to develop a range of apprenticeship programmes that will help meet the future labour market needs of industry. High quality vocational training should be prioritised in order to ensure that Irish people have the correct skills to allow them to compete for the jobs of the future.
- The National Training Fund should be refocused in light of decreasing unemployment figures and to address skills mismatches in the economy. We believe it should be focused on the training of SMEs. Irish SMEs have tremendous potential to scale up and export if given the necessary training and informational support.
- Science, Technology, Engineering and Mathematics (STEM) are playing an increasing role in the Irish and global economy. By 2021 we want Ireland to be a world leader in STEM education and to have an education system that addresses our future skills needs at all levels. The Government must focus investment in STEM education and give greater incentives for students to engage with STEM subjects at school from an early age.

Housing

The lack of supply of housing has now become possibly the single greatest threat to Ireland's socio-economic development. Young people cannot afford to raise families while paying excessive rent charges, workers' cannot find accommodation within reach of their workplace and only the very wealthy can afford home ownership. High rental costs mean that even the deposits required for home purchase in many areas is unattainable. This lack of housing supply is no longer only a social issue, it is now impacting our overall economic performance. The lack of supply in the private housing market is driving higher wage demands, and making it difficult for companies to find accommodation for their employees, particularly hindering FDI. The consumer spending necessary to support the domestic economy is being impacted as households spend a disproportionate amount of their income on housing costs. The National Competitiveness Council recently recognised supply of housing as a major challenge to the continued competitiveness of the Irish economy.

- There are currently 12 Government agencies involved housing policy. These range from The Central Bank and various Government Departments, to An Bord Pleanála. There are then further peripheral organisations and agencies that have an interest and role in housing policy, adding to a lack of coherence in policy development and a lack of focus on how to resolve the current shortages. The next Government must establish greater policy coherence at a national level through the establishment of a single overarching body which links all these disparate agencies together and which can focus on resolving short term issues and plan for long term housing demands.
- Social Housing Provision should be incorporated into a wider and more coherent national housing policy with new public-private partnership models of development and management established.
- Ireland needs to increase private and social housing supply to meet the demand in our urban areas. To ensure that this is possible the Government must address the cost barriers for development. We propose reducing development levies on specific types of suitable new housing in a targeted way in the areas of greatest need.
- Supply of suitable land is one of the key drivers of the high price of housing, particularly in urban areas. Consideration should be given to establishing a land tax that is based on land value. As the value of a parcel of land increases, the rate of tax increases. This incentivises a 'use it or lose it' approach to increasing land on the market at times when demand is greatest.

Pensions

One of the biggest risks to Ireland's future prosperity and the future prosperity of our citizens is a lack of adequate pension provision amongst private sector workers. Recent studies predict that current contributions, mostly through PRSI, to the State pension fund will not be sufficient to pay the levels of benefits necessary in the future.

This dearth of pension coverage means that many workers will not have the means to support themselves in retirement. Very often, even those that do have some form of private sector pension will still not be sufficiently covered to meet their needs once they finish working. This lack of financial security for future retirees should be a concern for both the workers affected and the state. If private sector pension provision continues in this fashion, we will be faced with a crisis in the short term as vast numbers of future retirees will be solely dependent on the State for support.

- Regulations governing pensions must be made flexible to allow workers to gradually transition into full retirement. Workers could be allowed to access a portion of their pensions while earning income. This is particularly relevant given that working lives will be extended beyond the traditional state-pension age, and that there is a greater need for businesses to retain expertise.
- Incentives should be implemented to encourage enrolment in private sector pensions, particularly given the uncertainty as to what the return on investment will be from defined contribution schemes. Membership of a pension scheme must be made as tax efficient as possible.
- The Government must ensure that it is as administratively easy and cost effective as possible for SMEs and entrepreneurs to establish or participate in pension schemes. Workers that are on contract rather than directly employed should also be enabled to join company schemes.
- Recognising that the current system is inadequate, a long term system for the funding of public sector pensions must also be delivered.





Planning for Growth

Ireland is entering into a challenging phase in its economic history. As we emerge from a period of deep recession, our recovery has been characterised by economic growth that has been uneven across the country. We have also been left with a legacy of youth unemployment and specific areas of high unemployment across the regions. The next Government must face the challenge of imbalanced growth and implement a strategy to support economic development in all regions.

National Planning Framework

We are strongly calling for greater levels of state investment in capital infrastructure, but finance and investment are not enough to ensure the timely delivery and achievement of maximum benefit of infrastructure projects. Ireland needs a robust National Planning Framework to ensure that capital investment and infrastructure plans are implemented through best practice planning.

The failure to implement the 2002 National Spatial Strategy led to the announcement in 2013 of a new National Planning Framework (NPF). In the absence of a spatial strategy for the country, government investment in regional job strategies, transport, communications and other capital infrastructure projects cannot ensure that economic recovery and development will be balanced or sustainable. The poor planning and investment decisions of the past should not be repeated. A National Planning Framework would provide a strategic context for the development of regional economic and spatial strategies.

- The next Government must publish the National Planning Framework with clear commitment to have the Framework in place by the end of 2016.
- It is important that the next Government ensures that there is political commitment, nationally and locally, to the implementation of a National Planning Framework that works for the economic development of the regions and for Ireland as a whole.

Local and Regional Economic Development

The role of Local Authorities in advancing the economic growth of their communities has never been more important. Local Authorities have always played an integral role in the economic development of their areas, but with the ongoing reforms of Local Government, a new emphasis has been placed on Local Authorities as drivers of local economic development. Local Authorities and Regional Assemblies have been given an unprecedented level of responsibility in the design and implementation of local and regional economic development plans. These plans are important in fostering effective economic development in towns and regions across the country.

- Local and Regional Economic Development Plans must be coordinated nationally to ensure that the most effective use of resources is achieved. These plans should be reviewed centrally, and aligned with other strategies such as the Regional Action Plan for Jobs and the National Planning Framework.
- Incentivise Local Authorities to ring-fence a portion of commercial rates for local economic development with matching funding from the Exchequer. Drawing on the examples of Cork City and County Councils and international best practice, the establishment of a development fund in each Local Authority can be effectively used to support local enterprises and projects with growth potential. Development funds could focus on driving business growth throughout a region by providing supports to targeted projects to enhance the business environment. These projects would be subject to detailed applications stating the objectives and plans for each initiative. For example, funds could be utilised to invest in initiatives such as start-ups, festivals and markets, arts and craft studios, community hubs, and more.



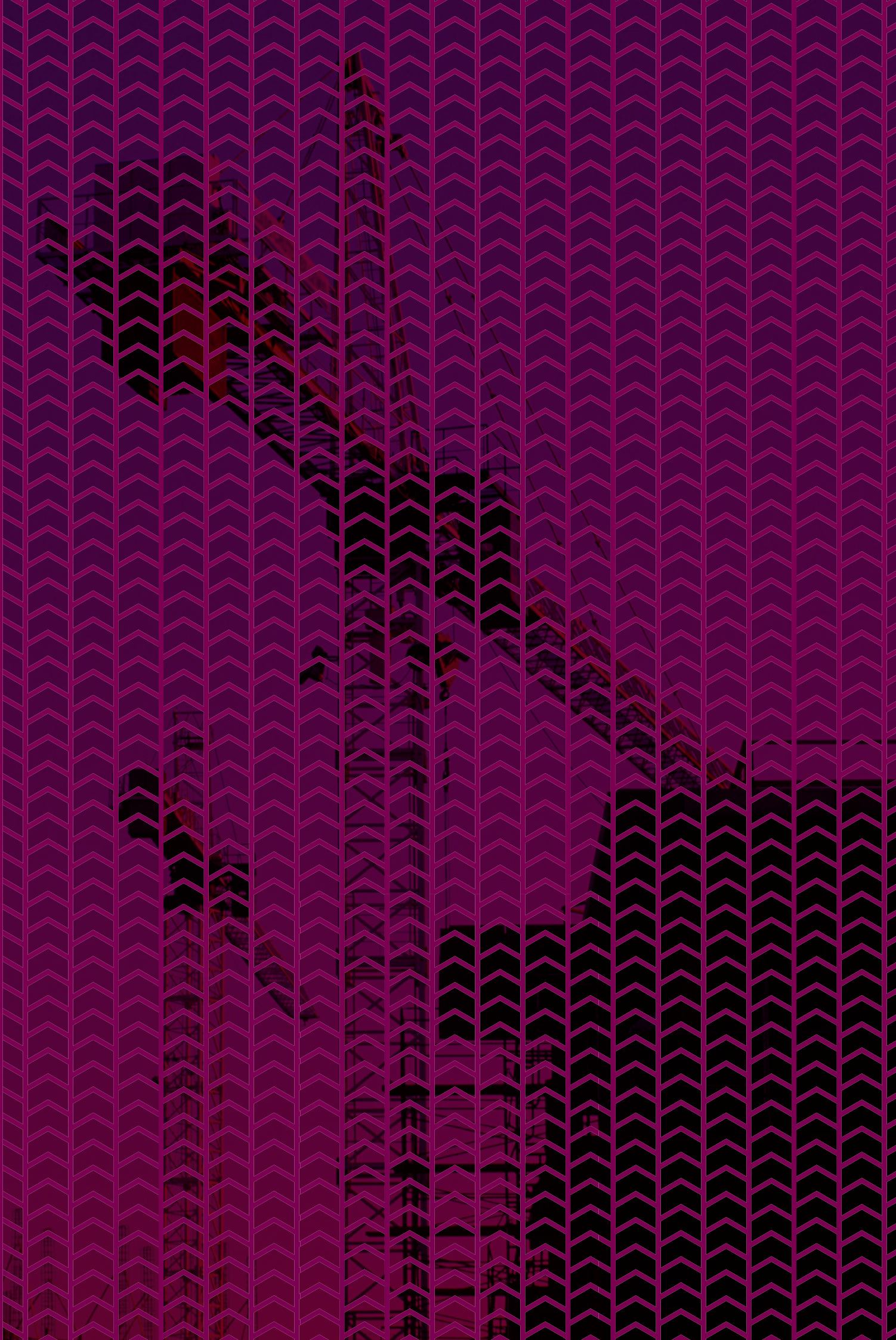


- The Regional Action Plan for Jobs has been recognised as providing a unique opportunity for Ireland's regions to develop their own specialisations, clusters and comparative advantages in specific industry sectors. These plans will support the future growth of social and economic development across the country. These Regional plans should not only be maintained, but should also be expanded upon and further developed in line with the development of the National Planning Framework.
- There needs to be coherence between national and regional planning and economic development strategies in order to support development in every region. Robust regional development policies will help prioritise strategic investment and support growth across the country.

Planning Reform

All planning decisions should be informed by evidence-based and strategic planning policies. An Bord Pleanála will have a key role to play in Ireland's future economic development given the size and scope of large scale infrastructure and housing developments that will be developed over the coming years. We recognise that a review of An Bord Pleanála's processes is underway, but beyond this review we must ensure that infrastructure planning is as efficient as possible.

- The process of making a Strategic Infrastructure Development (SID) application must be as efficient as possible, and decisions must be made within a reasonable timeframe in order to avoid costly delays. The timeframe for An Bord Pleanála reviews of SID applications should be fixed to avoid lengthy delays and provide certainty of timeframe for those applying.
- An efficient planning system for major infrastructure projects is crucial to ensure that existing businesses can expand and grow within Ireland, and to retain our attractiveness for FDI. An Bord Pleanála should be empowered to ensure that SID applications with the greatest economic impact are prioritised to prevent local economic development being delayed or disadvantaged.





Investing for our Future

Ireland needs the right physical infrastructure if it is to maintain its international competitiveness. We are competing against the top countries in the OECD for investment and for markets, and letting our infrastructure depreciate is not an option. The infrastructure we build now needs to be future-proof and capable of adapting to the demands of the industries of the future.

In order to make Ireland one of the best countries in the OECD in which to live and work, there must be high quality national infrastructure. Investment in energy, transport and communications infrastructure is integral to the future growth of Ireland's economy and society. Current levels of capital investment are not sufficient to support our growth into the next decade and must be increased.

Capital Investment

The current capital investment programme, while welcome, is not sufficiently ambitious. The budget allocated for capital expenditure was calculated based on forecasts of economic growth and tax receipts which have subsequently been significantly exceeded. This provides an opportunity to substantially increase the capital expenditure envelope and increase the number of capital projects in the programme.

Consideration should be given to establishing a National Infrastructure Commission which can provide independent views and guidance on Ireland's long term infrastructure requirements. This will prove increasingly important as a number of large scale linear developments come on stream in the coming years. Large projects will be undertaken in water infrastructure, electricity transmission grid, renewable energy, and social housing. Each of these projects will be of significant importance to Ireland's society and economy, and a National Infrastructure Commission providing impartial endorsement of strategically important projects will help secure public acceptance, and expedite their development.

- The next Government must increase the budget available for the capital expenditure envelope. An increase in capital investment will help ensure that Ireland is well positioned to meet the challenges of any future economic expansion, and will support Ireland's economic growth for future generations.
- Establish a National Infrastructure Commission; an independent body that would depoliticise nationally important capital investment decisions. This would provide future Governments with independent verification that specific projects are being commissioned in the national interest, and de-politicise essential infrastructure projects.

Energy

The COP21 Paris Agreement will have a significant impact on the policy decisions Ireland will make in the years and decades to come as we move to a more decarbonised economy. Many issues will need to be addressed, from how we generate our electricity and how we store it, to how we build our infrastructure, and operate our transport system. Business will also need to play its part by working with Government to support innovation and investment as we transition to a low-carbon economy.

This transition is a necessity as Ireland needs to face up to its obligations to reduce carbon in the energy mix, and to meet the increasing demands for power in a growing economy. Ireland's future economic growth is contingent on having a secure, sustainable and competitively priced energy supply, and if we are to achieve this we will need businesses and citizens to support a national vision for Ireland's energy future. This vision can only be delivered if there is an open and realistic debate around our national planning and infrastructure needs, and leadership on this must be shown by our public representatives.

- The upgrading and improvement of the energy transmission network will be an important component of Ireland's future energy policy. Ensuring access to secure, reliable and safe supplies of electricity is critical to Ireland's ability to attract foreign direct investment, to promote domestic investment, and to create and retain jobs. This is particularly important in efforts to attract FDI in areas outside of major urban centres. Our electricity grid is also a vital piece of infrastructure for indigenous businesses. Irish businesses cannot grow or remain competitive unless they have access to an affordable and reliable electricity supply.
- Our future energy policy must also underpin national and EU energy policies, specifically by supporting interconnection and low-carbon targets. In our view, increased interconnection with mainland Europe and the United Kingdom is of strategic interest to our future energy security, and should therefore be prioritised.



- Under EU obligations, Ireland must decarbonise its road transport sector to achieve emissions reduction targets. Electric vehicles (EVs) and electric trains, powered by low carbon electricity offer a solution to these issues. Although Ireland is ideally suited to electric vehicles, adoption of EVs is lagging significantly, with less than 2000 on the road currently. Examples of steps that could be taken to increase the use of electric vehicles and decarbonise our transport system include;
 - Commit to develop a package of non-fiscal behavioural incentives to support the uptake of low emission vehicles that can be rolled out, including free tolls/use of bus lanes/free on-street parking while charging.
 - Roll out appropriate fiscal incentives to support the uptake of EVs, including reduced Benefit in Kind taxation and zero motor tax for zero emission capable vehicles.
 - Make the public sector an exemplar in the use of zero emission electric vehicles within its own fleet, and for the electrification of Ireland's heavy use public transport and licensed taxi fleet.
- Public procurement contracts in specific areas should reflect the full carbon costs of purchasing decisions. Ireland will ultimately be liable to pay for our carbon consumption and this should be incorporated in the true cost of goods and services.

Water

The capacity of our water infrastructure to meet the daily water requirements of both businesses and domestic households is of immense importance for our ability to create sustainable economic growth and attract further investment. If Ireland is to continually attract FDI and support new industries we must ensure that the capacity of our water network is improved, which can only be achieved through large-scale capital investments. Domestic charges for water use must be maintained. There is no way our water infrastructure can be brought in line with modern standards without users paying a fair price for the service.

- Adopt a long-term view and upgrade water services infrastructure and source additional water resources to areas in need, particularly the Eastern and Midlands region. This will facilitate the area becoming increasingly attractive to foreign direct investment, bringing both jobs and economic growth not just to these regions, but along the infrastructure corridor, and to the benefit of the national economy.
- The stable supply of high-quality water is a key requirement for Ireland's future economic growth. Not only is water critical for citizens, investment in water services infrastructure is also directly linked to Irish businesses' ability to manufacture high quality products. Investments must also be made to ensure that Ireland can meet its obligations under the Wastewater Directive and that any bottlenecks in wastewater treatment capacity are eased.

Transport

The scaling back of public finances has hampered centrally funded capital expenditure, and the consequences of this are now beginning to show. While undoubtedly there is a strong need for more investment in affordable housing and our public services, we must be careful not to neglect investment in the strategic infrastructure which is vital for businesses to function and succeed. Without increased investment in transport we risk undermining our ability to generate economic growth in a sustainable manner, as well as damaging our national competitiveness. Good transport links enable regional networks to develop, and give rural businesses better options and opportunities in trade. Reliable and affordable travel options are important for all industry sectors, from tourism to agriculture, and for all areas of the country. It is vital that the recent extensive damage caused to roads in some areas by flooding be addressed as soon as possible so that the disruption to businesses and people living in affected areas ends. The next Government must ensure that transport is not neglected. As Ireland's economy continues to grow, so too must the transport network.

- Greater regional transport links, such as completing the Atlantic Corridor, have the potential to benefit regional economies and attract investment, as well as to enable indigenous industries to trade further afield. Inter-urban connectivity must be delivered as a priority.
- Port infrastructure is crucial for Irish export and import industries. Ports should be connected to appropriate road and rail networks that make the transport costs and time of trading as efficient as possible.
- A second runway at Dublin Airport is needed to deal with predicted increases in passenger numbers over the coming years. The tourism industry and trade will both suffer if Dublin Airport cannot deal with demand. Irish airports need to retain direct access to international destinations if Ireland is to retain its standing as a hub for FDI and to support regional development. The National Aviation Policy must be delivered on by the next Government.



Broadband

Access to high-speed broadband is no longer a luxury but an economic necessity. Next generation broadband provision is a pre-condition for Irish businesses to trade internationally, and to increase online trading and e-commerce opportunities. Accelerated investment is required across the country to reduce the digital divide that currently exists between urban and rural areas, and to enable SMEs to compete on a level playing field. Improved broadband infrastructure nationally will enable rurally based entrepreneurs to establish businesses and create employment opportunities in their own localities.

- The next Government must prioritise roll out of the National Broadband plan to achieve target of 100% roll out as soon as possible.
- We support the goal of the Intervention Plan to include a provision that the company that wins the tender must be capable of catering for higher performance in the future, so as to keep pace with consumer and business demands. Any bidders selected to implement the National Broadband Plan should have a comprehensive plan to ensure the future-proofing of the broadband infrastructure. We cannot allow for State resources to be spent on Broadband infrastructure which may become redundant and no longer fit for purpose within a few years.
- For broadband to enable commerce, upload speeds need to be increased as well as download speeds. Chambers Ireland is of the view that download and upload speeds should take into account the current and future needs of businesses across the country, and the current minimum goals of 30mpbs for downloads and 6mbps for uploads should be increased to reflect these needs.

Climate Mitigation and Adaptation

Climate change is already affecting Ireland and we are witnessing increasing incidences of extreme weather conditions, particularly severe flooding. Extreme climate changes will impact Irish businesses through the increased vulnerability of supply chains, changing markets, impacts on premises and processes, and may have implications for investments, insurance costs and stakeholder reputation.

Businesses are particularly sensitive to disruption in both their supply chains and their operations.

While there are many steps businesses can take individually to better adapt and insulate themselves from severe weather and climate change, long-term government investment in climate adaptation will be absolutely vital if our businesses and communities are to be capable of withstanding severe weather incidents. Rather than being a once-in-a-generation event, unfortunately, the kind of flooding that we have recently experienced is likely to become more frequent in the coming years.

- It has become absolutely necessary that national and regional plans are put in place so that agencies like the OPW and our local authorities can not only react to severe weather, but also can defend against it. If the OPW are to take the lead role in flood prevention coordination, there must be a defined programme management plan put in place, with clearly defined roles and responsibilities, as well as systems of accountability.
- The next Government must ensure that the Shannon Catchment Flood Risk Assessment and Management Study is completed as soon as possible.
- Make climate mitigation and adaptation the responsibility of a single Government department. This Department must establish increased oversight of local development plans to ensure that they are compliant with flood-risk management requirements and that critical pieces of business infrastructure are climate resilient.
- Ensure that national critical infrastructure, both existing and future, is climate resilient. Planning for any future infrastructure construction or development must take into account the increased risk of recurring floods.

Public Sector Evolution

Over the past number of years the public sector has made a significant contribution to Ireland's economic recovery and this should be recognised. However, it is important that the next Government continues a process of reform and modernisation of our public service.

- The process of public sector reform and modernisation must continue, with a meaningful performance management system put in place. High performing workers should be recognised with wage increases and the opportunity for advancement.
- A number of shared services centres have been successfully established within the public sector. Efficiencies and cost savings delivered through both centralisation and outsourcing solutions must continue to be identified and implemented. These allow for better allocation of resources within the public sector, improved citizen engagement, and cost savings.
- Greater flexibility should be introduced to public service employment and promotion policies. Movement of workers between the public and private sectors should be encouraged, particularly at higher executive levels.

Bringing our Diaspora Home and Working with those Abroad

Since 2007, nearly half a million people have emigrated from Ireland. These were primarily young people under the age of 30, who chose to leave Ireland as a result of the recession.

While emigration has started to decrease, and more Irish people seem to be returning from abroad, it is certainly not happening at the pace the current Government would like, or indeed the at the pace that the economy requires. The net loss of population has had a severe impact on villages, towns and cities across the country, where there are now skills gaps and a loss of a key demographic of the younger working population. More needs to be done by Government to engage with our Diaspora community, many of whom would like to return, but feel there are too many obstacles in doing so.

- Measures introduced earlier last year, such as the Enterprise Ireland Competitive Start fund, will go some way to attracting entrepreneurs and start-ups to return home. We would encourage the next government to continue to develop initiatives to attract our Diaspora back in order to establish new businesses.
- Lack of access to schools, high housing costs, high re-location costs, and issues with Habitual Residency requirements have all been identified as barriers to the Diaspora returning to Ireland. If the next Government is serious about bringing skilled, educated workers back home, a commitment to resolving these issues in a short timeframe is needed. Solutions that will take years to materialise will be too late to encourage the return of these people.
- Ireland must develop strong and structured cultural and commercial links with our Diaspora abroad. Strengthening these links will help develop a robust international network that will support Irish business men and women both at home and abroad.





Ireland in the Global Economy

Trade and investment has never been more important for the Irish and European economy, and have shown their worth as stabilising forces for the EU, softening the recession considerably when domestic demand remained weak. The European Commission reports that over the next ten to fifteen years, 90% of world demand will be generated outside Europe. It is essential for future trade that Ireland remains in the heart of Europe and the global economy.

Taxation

- Multi National Corporations (MNCs) choose to operate in Ireland for a number of reasons including access to European markets, a highly skilled workforce and political stability. Ireland's clear and transparent corporate tax system provides certainty for MNCs and its structure. The rate of 12.5% corporate tax must be maintained to ensure continued investment, and to ensure that Ireland remains an attractive destination internationally.
- Ireland has been at the fore in the ongoing evolution of the OECD's Base Erosion and Profit Shifting Project (BEPS). The coming years will likely bring renewed focus on international corporate tax structures and it is important that any solutions proposed by the EU or the OECD are appropriately designed so as not to undermine the State's tax sovereignty. Ireland must continue to show leadership as OECD countries cooperate in redesigning their tax structures to combat aggressive tax planning.

Corporate Social Responsibility

- While taxation and infrastructure are of paramount importance in attracting investment, promoting Ireland as a good place to work, live and do business because our businesses are socially conscious and engaged in their communities is also important. We should strive to see Ireland recognised as a Centre of Excellence for responsible and sustainable business practice through the implementation of best practices in CSR in enterprises and organisations as widely as possible. The next government must continue to promote the benefits of being a socially responsible business, particularly when it comes to enhancing Ireland's reputation as a good place to do business.



Trade and the European Union

- The European Union needs to remain strong and needs to build relationships with new markets. We must continue to support the development of an ambitious trade agenda that will open new markets to Irish business (CETA, TTIP, new proposed treaties with the ASEAN countries). The next Government must support the implementation of the US and Canada trade treaties, which would benefit Irish SMEs in particular
- In 2015, a new Single Market strategy was launched by the European Commission, however the Single Market is still not working as effectively as it could be and more needs to be done at European level to ensure that it is working in the interests of business, particularly SMEs. The next Government must work at European level to reduce red tape and unnecessary regulation so that Irish SMEs can fully benefit from the Single Market.
- With an increasingly knowledge-based economy and a strong pedigree in software and digital services, Ireland stands to benefit significantly from an effective European Digital Single Market. Driving the completion and enforcement of the EU Single Market in digital services and e-commerce must be a priority for the next Government, and would greatly facilitate ease of doing business online for SMEs.

Vision 2021

A Vision for 2021

A Manifesto for Ireland's Future from the Irish Chamber Network



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