

Action Plan for Jobs 2018

An Island of Talent at the Centre of the World

September 2017

INTRODUCTION

The American Chamber of Commerce Ireland's priority is that Ireland remains a unique transatlantic trade and investment gateway and a location of choice for US inward investment to Europe. Ireland is home to 700 US firms which are creating products and services that are saving and enhancing lives around the world and transforming how we work and live. Today, over 150,000 people are directly employed by US companies in Ireland.

This submission acknowledges, at the outset, that Ireland has made enormous strides to become the vibrant, high performing economy that it is today. The performance of the FDI and exporting sectors has led Ireland back to strong economic growth with positive impact on employment levels, labour market participation, net migration and income growth. This expansion is creating new challenges to provide essential services and associated infrastructure over the next 20 years in housing, transportation, energy, health, education and water services. On housing, its provision has the challenge of not only providing for the potential increases in population, but also for the backlog of those currently seeking suitable accommodation today.

The American Chamber concurs with the analysis of the National Competitiveness Council that the need for upgrading and modernisation of Ireland's infrastructure will require targeted and prioritised investment to address infrastructural bottlenecks which, if not addressed and planned for, will constrain growth in the economy by dampening productivity and increasing costs. Ireland has an enviable global reputation for inward investment.

The American Chamber of Commerce Ireland welcomes the Government's ongoing commitment to the Action Plan for Jobs initiative. This submission is structured into three broad priority areas:

- Focus on Competitiveness
- The Capacity to Grow
- An Ambition for Talent and Innovation

FOCUS ON COMPETITIVENESS

The American Chamber believes that Ireland must focus on the things it can control in the face of political, economic, social and technological opportunities and challenges – whatever they bring and whenever they impact – to sustain competitiveness for inward investment.

The American Chamber is of the view that Ireland’s taxation regime should reward talent, innovation and ambition and welcome the certainty given by successive Governments to Ireland’s corporate Tax Roadmap and the commitment by the current Government to seek to reduce personal income taxation levels. Competition for investment is intensifying as jurisdictions see the added benefits that investment links bring to strengthen trade relations, future proof the economy from economic shocks and disruptive industrial upheavals. It is in that environment that a competitiveness agenda becomes central to economic decision making to future-proof the country.

ACTIONS

1. **Ensure that the recommendations from the National Competitiveness Council** are reflected in the Action Plan especially as they relate to the costs of doing business and the identification of opportunities to improve our positioning for trade and investment.
2. **Continued support for the International Financial Services (IFS 2020) Strategy** and its supporting annual action plan.
3. **Develop a Vision Statement of Ireland’s Place in Europe within the EU-US Transatlantic Economy.**
4. **Commence the planning and consultation to the successor to Ireland’s inward investment strategy** lead by the IDA’s ‘Winning: Foreign Direct Investment 2015-2019’.
5. **Ensure that the strengths of Ireland’s linkages to the USA is fully supported** to grow opportunities for trade and investment **within the Government’s plan to double Ireland’s Global Footprint by 2025.**
6. Ensure that **changes to business and employment regulation are examined by way of an impact assessment** focused on retaining, creating and attracting quality jobs.
7. Brexit: Critical that Ireland retains the **common travel area** with the UK and press for a high degree of regulatory cohesion on common UK-Irish priorities and **set a high-bar in terms of UK state-aid restrictions for any EU market access arrangements.**
8. Brexit: Press for a special EU **‘Economic and Social Transition Programme’ for Ireland post-Brexit** to include agreements on investment, enterprise support and regulation requirements to assist Ireland’s adjustment to the UK’s departure from the EU.
9. Brexit: Ensure that **Revenue has the required resources to prepare customs procedures and supporting technology solution to meet the demands of the outcomes of the UK negotiations** with the EU on its exit from the Union.

10. In future Budgets, **reduce the total marginal rate of income taxation to below 50%** and improve the **shares-based remuneration regimes** to retain, attract and reward talent.

CAPACITY TO GROW

Companies invest in locations where they can access skills, where people will want to live and work, and where the surrounding infrastructures are supportive of business. This is the context for a competitiveness agenda which needs to be central to economic decision making to future-proof the country. The American Chamber supports investment plans and reforms that improve housing provision and availability in areas with good physical and digital connectivity, schools and amenities – elements that are essential requirements for employment growth.

Ireland can be positioned as a global centre of excellence for all things data and digital within the EU. Ireland needs to invest in the right kind of infrastructure at a national and local government level to take advantage of the digital transformation. This can be transformative in how citizens engage with government to access services. It will require state alignment with long term economic and industrial planning that actively exploits public-private opportunities for data-driven innovation and world class cloud use. In parallel, the maintenance of a robust data protection and cyber security reputation, citizen trust and ubiquitous rapid broadband access are essential conditions for the sector to thrive.

ACTIONS

11. Resource and **implement the ‘Rebuilding Ireland’ strategy** as a holistic approach to the current challenges in the delivery of residential accommodation in response to economic growth.
12. **Conduct and publish a transparent and independent audit of construction costs for building apartment homes** against peer locations and a regulatory impact report examining how the increased costs associated with regulation compare to the benefits derived. From this, identify targeted actions to improve the business case for building apartment developments.
13. **Bring forward a new planning regime to facilitate appropriate higher densities of residential accommodation** within serviced urban areas in Ireland’s main cities of scale.
14. **Full implementation of the National Planning Framework** and ensure that the next Capital Investment Plan supports and is consistent with the ambitions set out for industry and inward investment as reflected in Enterprise 2025 and Innovation 2020.
15. **Initiate a Government stakeholder consultation on the ‘Future of Employment’** to identify the impacts, opportunities and challenges that digital technology and automation is bringing to the profile of industries and employment, and the policies to be put in place to support the expected transformation.
16. **Conduct a holistic assessment of the competitiveness of Ireland’s entire suite of investment incentives** in positioning Ireland to support Ireland’s strong inward investment performance.

17. **Intensify cross-Government work on the implementation of government response to the Digital Single Market** to modernise public services in consultation with industry.
18. **Implement the General Data Protection Regulation (GDPR)** in a manner that balances the need to encourage entrepreneurship and innovation, provide secure and safe services and meet the high standards of privacy set out in the regulation.
19. Ensure adequate resourcing of the **Office of the Data Protection Commissioner**, the **National Cyber Security Centre** and the **Office of the Chief Information Office** to advance the Government e-Strategy 2017-2020 in Budget 2018.
20. **Deliver on the targets within the National Broadband Plan**, seeking opportunities to accelerate the provision of next generation/IoT-ready networks including an appropriate regulatory, planning and investment environment to support timely deployment.
21. Continue to focus on the on-time and on-budget delivery of **Dublin's Metro-North**, **Luas cross-city** and the expansion of the **Airports** connections and capacity.
22. Planned enhancements to the **M50**, greater use of **high-speed bus corridors** and expanded **capacity on existing rail/light rail** services.
23. Complete the physical access network encompassing the **North West linkage to Dublin**, regional **City Orbital Routes and Extensions**, and a plan to **upgrade the Cork-Limerick road to become the M20**.
24. Deliver the **North-South electricity interconnector** project to secure energy supply on the island of Ireland and **advance the planning and business case for an Ireland-France interconnector**.

AMBITION FOR TALENT AND INNOVATION

The American Chamber's vision is Ireland as an Island of Talent at the Centre of the World. With challenges like Brexit and the changes in global trading blocs, the American Chamber believes now is the time to plan with ambition.

Ireland must protect and enhance its hard-earned international reputation for its talent pool and as a location of innovation. These factors are at the heart of FDI decision making. Relevance and excellence must always be at the centre of our education system, aligned with our industry base, to ensure our economy grows in a sustainable direction.

Ensuring that the talent pipeline in Ireland has the key STEM skills to fill roles within the innovative companies which are located here is a priority. To keep the existing workforce relevant to technology-driven change – work and study must continue to become more integrated through curriculum reform that recognises, not just internships and cooperative education, but fully formed work-study models of learning from 21st century apprenticeships up to and including doctorates. Lifelong learning programmes are also vital to ensure all adults can continuously upgrade their skills and qualifications.

ACTIONS

25. **Implement reforms of the STEM Education Review Group** and continue to support the existing pipeline of Junior and Leaving Cert curriculum reform.
26. **Publish the STEM Strategy Statement in 2017** with an ambitious implementation programme to include early **delivery of Computer Science into the Leaving Cert curriculum, resourcing a CPD framework for teachers** and investment in **promoting STEM careers at all levels** within the education system.
27. Industry-Education collaboration in a **new model for school's career guidance** – supporting the existing regime.
28. Champion and promote enterprise-led programme development at all levels to continue to shift the education system away from rote learning, towards a more **critical thinking, entrepreneurial, teamworking approach to learning as key life skills**.
29. Continue to support **the ICT Action Plan** including heightened efforts in promoting Ireland as destination for digital career opportunities and development.
30. Bring forward a **National Languages Strategy** that supports an all-of-system/levels approach including immersion in-country development programmes beyond the existing achievement of EU programmes like Erasmus.
31. **Deliver on Government's plan to have 14,000 Apprentice and Traineeships per annum by 2020** by effective promotion of the opportunities to employer and candidate markets, encourage flexibility in work-training timetables, the use of on-line tools and the exploration of headcount cost sharing mechanisms to boost provision.
32. Decide on a **sustainable funding mechanism for third level education** for undergraduate, post graduate and part-time students.
33. **Advance the work of the National Skills Council** on future skills foresight, especially as it relates to plans for the provision of 50,00 upskilling and reskilling places by 2022.
34. Complete a **review of the National Training Fund** and seek to pivot programmes away from activation and community development – towards greater employer-led initiatives focused on upskilling an improved transparency.
35. Build-in **performance related metrics to the funding allocation model for higher level education** with a focus on alignment/engagement with industry requirements.
36. Ensure continued **resourcing and further innovation in Ireland's visa and permits system** with the aim of making Ireland's regime the international benchmark in terms of alignment with the forecasted skills ecosystem needs; investment in IT and its ease of access and interaction with client users.
37. Ensure there is **clear linkage between the numbers forecasted to take up work in Ireland and planning for access to housing and schooling**.
38. Continue to **strengthen the Export Licencing capacity** within the Trade competence of the Department of Business, Enterprise and Innovation.

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39. Continue to implement the Government's strategy for research and development, **Innovation 2020** with a renewed commitment to raising R&D funding levels to above the OECD average.
 40. **Continue to invest in Science Foundation Ireland's focus on Excellence and Impact** in areas such as advanced manufacturing, cybersecurity, and data analytics across all sectors. Agency supported research technology organisation (RTO) models such as NIBRT have proved highly successful at diffusing knowledge and developing talent pipelines continue to have a vital role in the research eco-system.
 41. **Resource a new applied Challenge-Centric research and innovation programme** to boost the commercialisation outcomes and deliver positive impacts on national policy priorities.
 42. As capital budgets improve, **targeted investment in strategic R&D infrastructure through the Programme for Research in Third Level Institutions (PRTLII)** should be re-established.
 43. The American Chamber supports the call for the establishment of a local division of the **Unified Patent Court** in Ireland and the need for a referendum in Ireland to participate in the single European patent system.
 44. Continue to **invest in expanding Ireland's PhD pool by improving career paths for researchers** and building stronger links with employers to recruit and develop this talent base within an industry rather than academic context.
 45. Seek opportunities to obtain the maximum **certainty in the operation of the R&D tax credit regime** to maintain its potency in attracting knowledge-based inward investment.