

**A NEW
IRELAND**



BUSINESS, ENTERPRISE AND INNOVATION

Sinn Féin Alternative Budget 2019





A NEW IRELAND WHERE NO ONE IS LEFT BEHIND

October 2018

For full breakdown of our alternative budget
measures visit www.sinnFéin.ie

**€300 million
budget for
Enterprise
Ireland**

**€32.8 million
increase in
apprenticeship
funding**

**€10 million to
introduce simpler
means by which
SMEs can access
R&D tax credits**

**Associate
Membership
of CERN**

**€2.25 million
to develop our
workers
co-operative
SME sector**

**€10 million
for the IDA to
attract more
multinationals
to regional
Ireland**

**€5 million for
a WALK PEER
programme in
every county**

**50% increase
in Digital
Voucher
Scheme**

Our 2019 alternative budget for the Business, Enterprise and Innovation portfolio has three main themes; helping indigenous SMEs prepare for Brexit; addressing the skills shortage; and investing in innovation.

We have allocated significant additional funding for Enterprise Ireland and InterTradeIreland to ensure they have the resources to assist Irish SMEs, across the island, to prepare for Brexit. We also want to see greater diversification of our export markets, more trade missions to countries with traditionally weaker ties, and get more Irish businesses online, helping them to access new markets and increase their sales.

Sinn Féin wants to establish a Cooperative Development Unit. The remit of this unit would be to finance, support and co-ordinate the development of the Worker Co-Operative sector. We recognise the huge potential of this sector and our budget is committed to its development.

We have increased IDA Ireland's budget substantially, highlighting Sinn Féin's commitment to attracting Foreign Direct Investment to Ireland, and particularly to the regions.

To address the widening skills shortage, we have allocated over €32 million extra in funding for apprenticeships next year, which would see the number of apprentices rise to 18,000. In addition to expanding third level educational opportunities for our young people, we also need the educated and skilled workers to deliver our ambitious capital commitments in the coming years.

Our proposals in other areas, such as an immediate rent freeze, one month's rent relief, doubling the government's social housing output in 2019 through the construction of social and affordable homes, halving the cost of childcare, and investing in the health service, will take financial pressure off workers, sole traders and business owners.

Sinn Féin is proud to be a strong advocate for worker's rights. However being pro-worker does not make us anti-business. We recognise that without one, the other cannot exist; the two are not mutually exclusive.

Our vision for a new economy in a New Ireland is to ensure workers' rights are respected, while also providing an environment for indigenous businesses to grow; and ensuring everyone, including multinationals, pay their fair share of tax in order to fund high quality public services.



Maurice Quinlivan TD

*Sinn Féin Spokesperson on
Business, Enterprise and Innovation*

Record €300 million budget for Enterprise Ireland – ↑ €27 million

Sinn Féin is proposing to increase Enterprise Ireland’s budget to a record €300 million for 2019. Next year Irish businesses and exporters could face unprecedented challenges due to Brexit, and this additional €27 million in funding would guarantee Enterprise Ireland has the resources needed to assist Irish SMEs throughout this turbulent period.

This increase also aims to ensure EI can continue to support the 209,338 people employed in agency supported companies, and grow this number in line with their 2017-2020 strategy, which aims to create an additional 60,000 jobs, and grow annual exports to €26bn per annum by 2020.

We also think now is the time to diversify our export markets further. Enterprise Ireland’s Export Performance in Global Markets Report for 2017 shows that currently just 1% of Irish exports are destined for Latin America, and just 9% of Irish exports go to Southern Europe, Africa, the Middle East and India, despite these locations representing about half the global population. This contrasts heavily with Britain, which still accounted for 34% of our exports last year. We believe it is vitally important to diversify these export destinations to ensure our exporters are not over reliant on any single market.

Recently Enterprise Ireland and Goggle Ireland entered into a partnership to bring Google’s Digital Garage to the regions, aiming to assist SMEs with increasing their exports using free online tools. We think this is a very positive initiative between a state body and a private enterprise and would like to see this expanded and see more similar initiatives.

Review Brexit Business Supports

Unfortunately there has been a very poor uptake of the Brexit business supports put in place by the government to date. As of September 2018 the uptake of these supports for businesses stood at the following;

Brexit Loan Scheme	10
Market Discovery Fund	88
Be Prepared Grant	127
Brexit Start Planning Vouchers	394
Brexit Scorecard	2,669

One Stop Shop Brexit Assistance Clinics

Sinn Féin would also create and launch clinics for vulnerable SMEs across the state, with a particular focus in underdeveloped regions, which would act as a one-stop-shop for Brexit assistance.

These would involve representatives from Revenue to encourage greater access to R&D tax credits, from the Department to provide business assistance and advice, from Enterprise Ireland to assist in market discovery and stronger supply chains, and InterTrade Ireland to offer advice on cross-border developments.

IDA Ireland - €190,780,000 – ↑ €10 million

We propose increasing IDA Ireland's budget to over €190 million next year. The IDA has been highly successful in attracting multinational companies to Ireland, and has exceeded the total net increase in jobs targeted in its five-year strategy, in the past three years alone. 210,443 workers are now employed in IDA backed companies.

With this additional €10 million increase in funding we would like to see the IDA propose new measures that will help bring more of these FDI jobs to regional Ireland. For example, to run a pilot scheme that would tie a certain amount of funding to a particular county with traditionally low FDI investment or unemployment blackspots, thereby requiring the IDA to find a company that will locate not just in Ireland, but in that particular regional area.

Ireland has a heavy reliance on FDI from American companies, with 54% of all IDA supported companies currently originating from the United States of America. We want to see more engagement and trade missions to countries with traditionally weaker ties with Ireland, particularly in Africa and South America. This will ensure we can broaden our FDI investments base, to insulate against major political or economic changes in any one country.

InterTrade Ireland - €10,125,000 – ↑ €2 million

InterTrade Ireland is the All-Ireland agency with responsibility to boost North-South economic co-operation. InterTrade Ireland is a powerful resource for business growth, helping SMEs through a strong mix of business intelligence, funding, support and meaningful contacts.

InterTrade Ireland's latest Business Monitor shows that they predict just 20% of businesses will have a Brexit plan in place by March 2019. This funding aims to provide the resources to InterTrade Ireland to help more businesses prepare for Brexit.

Brexit Mitigation Tax Reforms

A number of tax reforms should also be introduced to provide assistance to those most vulnerable to a Brexit shock. We must also encourage small businesses to invest in greater productivity, where in many cases a lack of public investment has actually dragged productivity down. Currently large multinationals are claiming the lion's share of R&D tax credits, so Sinn Féin would introduce a simpler pro-forma to assist small businesses.

The R&D credit is an essential part of the modern system in a world where innovation and change are so fast. It is in need of reform as report after report shows that it is being soaked up by a small number of companies with SMEs missing out.

We would allocate;

- €10 million; to introduce simpler means by which SMEs can access R&D tax credits.
- €76 million; to increase the R&D tax credit to 30% for SMEs, and lower the cap for other businesses to 20%.



Science Foundation Ireland – ↑ €5 million

Sinn Féin supports Science Foundation Ireland's vision for Ireland to be a global leader in scientific and engineering research, discovery and innovation, and we recognise the valuable regional economic impact SFI is having, now supporting 31,237 jobs across Ireland.

This increase in their annual budget will also allow SFI to expand on their current success, whilst also taking advantage of potential Brexit related opportunities in the research and innovation field. Brexit will result in many leading scientists, researchers and students looking for alternative research and educational institutions where they can continue to access EU funding and research programmes. This extra funding will give SFI the resources to attract these world class researchers who could have a substantial impact on Ireland's research and innovation capabilities.

CERN Associate Membership – €1,300,000

Sinn Féin will allocate €1.3 million in funding for Ireland to join CERN, the European body involved in research in the area of particle physics and quantum mechanics. Ireland is the only Western European country that is not currently a member of this prestigious research organisation. This funding would allow Ireland join as an Associate Member, with the ultimate aim of being full members.

CERN is an International Research Organisation, most famous for being the home of The Large Hadron Collider - the world's largest particle accelerator where the Higgs Boson was discovered in 2012. Also, the World Wide Web was invented at CERN in 1989.

Membership would emphasise Ireland's commitment to science and also could deliver significant benefits in the areas of research and development, technology, education, training, jobs, and procurement opportunities for Irish SMEs.



Health and Safety Authority - €23,125,000 – ↑ €1.35 million

The number of people dying in workplace related accidents remains too high. Accidents on Irish farms accounted for over 50% of workplace deaths last year alone. This increase in funding for the Health and Safety Authority aims to fund more inspectors, inspections and farm safety promotions to help reduce these numbers, and make our workplaces safer.

The Workplace Relations Commission - €15,415,400 – ↑ €1.4 million

Waiting times for cases in the Workplace Relations Commission and the Labour Court are unacceptably long. Information received by Sinn Féin shows that in July 2018 there were 3,140 complaints waiting to be heard in the WRC, with almost half of these waiting 12 months or more. In addition 1,473 cases were waiting for a decision.

This 10% increase in funding for the WRC is to ensure this backlog can be tackled and waiting times reduced for this vital component of the industrial relations machinery of the state.



Increase Wage Subsidy Scheme funding by 10% – ↑ €2.32m

The Wage Subsidy Scheme provides financial incentives to private sector employers to employ people with a disability who work 21 hours per week or more, up to a maximum of 39 hours per week.

We want to link the Wage Subsidy Scheme to the minimum wage and living wage. This will see the amount an employer receives under the scheme, rise in line with minimum wage increases.

This proposal, a 10% increase in funding for 2019, is to ensure that it remains financially attractive for businesses to employ people with disabilities and as a result protect this vital link into the labour market for people with disabilities.

Set up WALK PEER programme of employment supports for young people with disabilities in every county – ↑ €5m

Article 27 of the UN Convention on the Rights of Persons with Disabilities recognises the right of persons with disabilities to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities. States Parties shall safeguard and promote the realisation of the right to work, including for those who acquire a disability during the course of employment, by taking appropriate steps, including through legislation.

Persons with disabilities in Ireland are 4 times less likely to gain employment than their peers without a disability.¹

Sinn Féin would invest €5 million in rolling out the successful Walk Peer programme nationwide, which supports young people who are in education to successfully transition into the world of work by taking steps into further education and training and paid employment.

1 <https://www.esri.ie/news/two-pronged-approach-needed-to-ensure-jobs-for-all-those-with-a-disability-who-want-to-work/>

Apprenticeships – ↑ €32.8 million

This additional funding of €32.8 million would provide for an additional 4,411 apprenticeship places in 2019, bringing the total to 18,000 while also funding the establishment of 10 new apprenticeship courses, in line with our 5 year strategy in this area.

Fine Gael's current plans are unambitious, uninspiring and are unacceptably slow. In fact, the government are missing their own targets in this area. In 2017 just 391 people took part in newly established apprenticeship programmes, significantly missing their own target of 800. In addition, only 9 of the promised 15 new apprenticeship programmes were introduced last year.

Apprenticeship training will allow people to earn, learn and gain work experience whilst also working towards a qualification. In addition it will help equip Ireland with the skilled workers it needs for growing and emerging industries in the coming years.

Countless reports from industry have pointed out the current and developing shortage of skills in various sectors of the economy. The National Skills Bulletin 2017 cites skills shortages in the ICT, engineering, business and financial, healthcare, transport and construction industries.

The Construction Industry Federation's 'Demand for Skills in Construction to 2020' report outlined that Ireland will need 112,000 workers to deliver the houses and infrastructure we need in the coming years. Our expansion and reform proposals are aimed at meeting the demand in emerging sectors while also ensuring the construction sector continues to benefit from existing trade apprenticeships.

This funding aims to also introduce new courses in growing and emerging industries. The number of apprenticeship programmes available in Ireland is substantially behind other European countries. Austria has 250 apprentice occupations while Germany has some 348. Currently just 37 are available in here.

Sinn Féin is particularly interested to introduce apprenticeships in areas such as green energy, hospitality, childcare and administration, as highlighted by SIPTU in their submission to the Apprenticeship Review Group.

Brexit had not occurred when the previous review into apprenticeships was published in 2015, so we need to re-evaluate what programmes are needed to give people the opportunity to upskill as a result of the consequences Brexit will bring. For example an apprenticeship in customs and tariffs administration could be established to assist Irish exporters if Britain decides to leave the customs union. As most workers who previously dealt with such regulation are no longer in the workforce, this method of education and training could help alleviate this deficit.

Also Brexit could provide Ireland with some new employment opportunities, including with the relocation of British based business to Ireland to continue to access the European market. Whether in the financial services industry or manufacturing, we should be anticipating these needs and developing programmes now in order to attract these jobs.



Developing our Workers Co-operative SME sector – €2.25 million

Sinn Féin is dedicated to developing Ireland's Worker Co-operative sector. We believe this section of our SME sector has huge potential for indigenous job creation, as well as greater diversification of enterprise in an economy dominated by Foreign Direct Investment.

Across Europe, Worker co-operatives (businesses which are owned and run by workers) have been found to be more resilient, more productive, and provide greater social benefits to works and their communities when compared with traditional hierarchical enterprises.

Sinn Féin believes that developing Ireland's worker co-operative sector has the potential to not only generate significant job growth, but it also presents us with an opportunity to greatly expand worker-ownership of businesses.

The concept of workers growing their share of ownership in the businesses in which they work goes to the very heart of the fundamental structural change that we need to make to the Irish economy.

We need an economy in which workers have a share in capital ownership and therefore a say in the decision making process. The worker-cooperative model provides a practical alternative.

In our 2019 alternative budget, Sinn Féin has allocated €2.25m towards the development of Worker Co-operatives. This commitment is supported by a Worker Co-operative policy document which our office published last year and is available at the following link 'insert link'.

In government, Sinn Féin would re-establish the Irish Co-operative Development Unit in the form of a worker co-operative network. The remit of this unit would be to finance, support and co-ordinate the development of the worker co-operative sector. We recognise the importance of this sector and we are determined to establish a level playing field in the enterprise sector.

In 2002, the coalition government of Fianna Fáil and the Progressive Democrats closed down Ireland's Co-operative Development Unit at the very same time in which Scotland was developing their own. Today, the Scottish Co-operative Development Sector (CDS) is thriving. The CDS estimates that for every pound spent supporting

the agency (totalling just over £5m between 2009-2016), it generates cumulative gross value added ten times that, and has a target for developing 350 new co-operatives in the next ten years.

One particular area of focus for the CDS has been on 'business succession'; the process through which an owner of a business seeks to move on, often because of retirement. It is estimated that in the EU each year, 150,000 enterprises and 600,000 workers are affected by retiring owners who have no succession plans. Surveys in France and Canada have predicted that well over 50% of SME's in the next ten years will face succession challenges. Ireland is no different. In 2016, a PWC survey found that only one in seven Irish SME's had a robust succession plan, and half of those surveyed had no plan whatsoever. As we come to terms with the demographic challenges of our retiring 1950's 'baby boomers', there are huge opportunities for worker co-operatives transitions.

In recent years, France, Italy and Scotland have all moved to introduce what is known as the Worker Co-op Buyout model - a process through which the workers of a conventional enterprise can sit down with their trade union and/or government to pool their resources together to buyout the business in which they work and transition it into a worker co-operative. We want to support this model.

In Government, Sinn Féin would establish the Worker Co-operative Development Unit and support it with the required finance. We would also introduce legislation to give workers a statutory right to request employee ownership during business succession.

Sinn Féin recognises the huge potential of worker co-operative sector and our budget is committed to their development.



Courtesy Bus Scheme – €5,300,000

This funding aims to assist rural public house enterprises with the cost of running a courtesy bus for patrons, with the intention of supporting rural businesses, sustaining rural communities and reducing instances of drinking driving collisions and fatalities.

These grants would only be open to rural enterprises that are not currently served adequately by taxis or public transport. 90,000 jobs across the country are dependent on the drinks industry alone, but a recent report has revealed that there were 1,477 fewer pubs in Ireland last year than there was in 2005, a rate of two closures every week, with rural counties seeing the highest drop at 18.7%².

We want to support these enterprises, which can be the heart of many rural communities, and the only location where some rural dwellers get the opportunity to socialise. We also hope this initiative will help reduce the number of fatal road traffic collisions involving alcohol.

50% increase in Digital Voucher Scheme – ↑ €1.5m

1 in 5 SMEs in the state don't have any online presence, and 30% can't take orders for their products online. This is a reality which significantly impacts on the ability of small and medium businesses to attract and maintain new business, especially at a time when the stability of exports and supply chains is under siege from the prospect of Brexit.

Sinn Féin would expand the Trading Online Vouchers Scheme which is currently in operation, providing grants of up to €2,500 to businesses who need to develop websites and a stronger social media presence.

United Ireland Economy Report – €250,000

It is shocking that almost 100 years after the partition of this island the Department of Business has no intention of commissioning any research on the benefits and challenges a reunification of the economies of this island would bring.³

With the reunification of Ireland now firmly on the agenda, this funding would provide for the commissioning of a comprehensive report examining the benefits and challenges reunification would bring.

2 <https://vfipubs.ie/news/latest-news/almost-1500-less-pubs-in-ireland-last-year-than-2005/>

3 PQ [27862/18]



A NEW IRELAND WHERE NO ONE IS LEFT BEHIND

Join the campaign today

If you're on the side of workers, families, public services and a united Ireland it's time to get on board and make a difference.

Go to www.sinnFéin.ie/join
or **text 51444**



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