# LABOUR'S PLAN FOR

# ENTERPRISE, INNOVATION AND GROWTH.

## Introduction

Ireland has deep economic problems, but also great economic strengths. The social and economic curse of unemployment, in particular long-term unemployment, that largely disappeared for the first time in our country's history during the economic boom has returned with a vengeance. At the same time, we have many natural and accumulated competitive advantages. What we need is a clear vision on how our economy is to grow in the future and a strategy to implement this vision.

Labour has consistently stated that in order to chart a growth strategy for the Irish economy we need to replace Fianna Fail's casino economy with an investment economy, where innovation is promoted across all sectors, where there is an environment that promotes firm start-up and expansion, and where there is a commitment to the provision of world-class infrastructure. Creating and supporting this investment economy in order to grow employment and increase living standards is at the core objective of our economic policy.

There are three elements to Labour's vision of an investment economy: sustainable funding, competitiveness and sound public finances, and productivity and innovation. We have previously outlined our proposals for financing the investment economy by the establishment of a Strategic Investment Bank. Our broad proposals on competitiveness will be set out in our forthcoming public finance and budgetary strategy. We have also separately set out a series of Labour Market Strategies. In this document we make proposals for a coherent jobs and enterprise strategy that will get a grip on the unemployment problem and drive economic growth.

The starting point for our proposals is an acknowledgement that irrespective of the many Fianna Fail policy catastrophes in the past decade, Ireland has significant economic advantages and strengths that can provide the basis for an economic renaissance if the right policies are implemented. However this acknowledgement must be balanced against the reality that the necessary actions to create a sustainable economy were mostly ignored during the decade-long credit binge. This neglect has left the Irish economy with a number of structural defects that will conspire against the resumption of strong economic and employment growth unless tackled head on by the incoming government.

**Key Challenges: Overall**

- Almost 450,00 on the live register (of which almost 300,00 unemployed)
- Almost half those unemployed are long-term, compared to only a quarter a year ago
- Increase in unemployment for men under 25 from about 10% pre-crisis to almost 45%.
- Domestic demand is likely to remain weak in the medium-term, removing a key driver of potential employment growth
- Deficiencies in our national system of innovation
- Significant skills deficiencies

## Labour's Jobs Fund

Labour is proposing to establish a Jobs Fund of €500m to fund the initiatives set out in this paper, as well as our other Jobs Proposals which include a series of work experience and training initiatives. The Jobs Fund would be funded by the exchequer, but would be administered outside the normal estimates process by a Cabinet Sub-Committee. Agencies supported through the fund would not be exempt from achieving economies in existing operations, but would be funded on the basis of specific business plans that identify how employment will be generated.

## Labour Proposals: Trade & Enterprise Policy

Competitiveness and productivity gains which generated strong export-led growth formed the basis for the Celtic Tiger stage of Ireland's economic development from 1994 to 2002. We need a renewal of this strategy in order to create the foundations for future economic and employment growth. However the previous blueprint will have to change significantly as many of the factors that were decisive during that earlier period of growth no longer apply. Meanwhile, the emergence of the BRIC countries and other emerging economies, the imperative for a transition to a low-carbon economy and the increased competition for foreign-direct investment from lower cost economies are all new factors that need to be addressed decisively. It is no longer sufficient to assume that we can grow our export performance exponentially by relying solely on our traditional markets.

There is also a need for a step change in the level of ambition within government towards the task of rebuilding a strong export economy. While Ireland's export sector has performed relatively well during the recession, current Government plans fall well short of what is required in order to ensure the dynamism of the earlier period of growth is restored. Furthermore, while the contribution of the foreign multinational sector to our export performance will continue to be critical, Labour will place a far greater emphasis on the contribution of indigenous firms across both manufacturing and services to export growth.

Recognition of the new economic realities and the need to develop a new generation of export champions will require a reset in our trade and enterprise policy. Labour in government will take the following actions in pursuance of these objectives:

- Our target for export-led growth will be for a return to a 1990s-level of export performance instead of the more modest government projections.
- We will seek to increase the overall indigenous contribution to exports (currently only 11.6 per cent of manufactured exports and 6 per cent of international services exports) to 15% and 10% respectively by 2016.
- We will seek to increase exports of agency- assisted indigenous firms by 50% by 2016 instead of the 33% government target.
- In recognition of the core importance of services to our economy, we will place a much stronger emphasis on the promotion of services exports, including software, engineering, financial services, education and culture.
- To support the development of exporting SMEs, we will seek reform of EU procurement rules so that a greater portion of all public procurement goes to small and medium sized enterprises, particularly in the context of the follow-up to the European Commission's January 2011 Green Paper 'Towards a more efficient European Procurement Market' and the planned 2012 legislative proposals to the European Parliament and the Council revise European procurement legislation
- We will promptly implement all the recommendations in the *Trading and Investing in the Smart Economy Report*
- In particular, we will establish a Trade Council to strengthen cooperation and coordination across all of the key departments and State agencies involved in the promotion and development of trade and exports. Unlike the government proposal, we envisage that membership of the Council will be divided equally between government and private sector representatives who have experience

in establishing and growing export-oriented business both in Ireland and abroad.

- To work in tandem with the Trade Council, we will appoint a high profile Trade and Enterprise czar who will be able to draw on full diplomatic and civil service resources and who will report directly to the Minister for Enterprise and the Taoiseach.

In recognition of the need for a new geographic focus in order to improve the positioning of our exports in the BRICs (Brazil, Russia, India & China) and other emerging growth markets, Labour in government will take the following key actions:

- In each of the BRIC countries as well as the other priority markets identified in the Trading and Investing in the Smart Economy Report, we will establish a local trade and investment team reporting to the local Irish Ambassador or Head of Mission and the Minister for Enterprise that will execute a detailed local market plan. Progress against targets will be reviewed annually.
- We will seek to promote market access to emerging economies consistent with Fair Trade principles.
- We will draw on the economic strengths and connections of Ireland's immigrant communities by appointing a representative from each of the BRICs and other strategic markets resident in Ireland as trade champions for their respective countries, reporting to both the Trade Council and the Minister for Enterprise. Trade champions will have a mission of promoting trade to and from Ireland and will be supported by the Department of Enterprise.

**The BRICs – A Key Strategic Opportunity**

The past decade has seen the BRICs (Brazil, Russia, India and China) - the “Big Four” rapid-growth economies - make an indelible mark on the global economic landscape. The acronym BRICs, coined in 2003, is now commonly used to denote the shift in global economic power away from the developed G7 economies in the direction of the developing world. BRIC nations currently offer some of the most exciting investment opportunities in the world. However, according to figures from the Central Statistics Office, from January 2008 to Oct 2010, the share of Irish trade with the BRICs constituted less that 4% of our overall external trade. Yet, in terms of potential growth and income, the BRICs represent an unmatched opportunity and a key strategic focal point for Irish exporters and investors for the following reasons:

- The BRICs encompass more than a quarter of the world’s land mass and 40% of its population.
- The coming years will see China and India become the leading suppliers of manufactured goods and services globally, whilst Russia and Brazil will reassert their positions as two of the world’s most important commodity suppliers.
- Within the past decade, the BRICs have contributed more than a third (36.3%) of world GDP growth.
- Since 2000, the BRICs have steadily increased their share of global output. They have grown from comprising one sixth of the global economy to currently comprising almost a quarter, in terms of Purchasing Power Parity (PPP).
- Analysts, such as Goldman Sachs and McKinsey, expect these trends to become even more pronounced in the next decade. Indeed, the BRICs, as an aggregate economy, are predicted to overtake the US by 2018. Individually, by 2020, Brazil’s economy will be larger than Italy’s, and the economies of India and Russia will be larger than that of Spain, Canada or Italy. Collectively the BRICs will account for a third of the global economy (in PPP terms) by 2020 and almost half of all GDP growth.
- The rise of the new BRICs middle class appears to be indomitable. Having grown by hundreds of millions in the last decade alone, the percentage of the BRIC population classified as middle class (that is, with incomes between $6,000 and $30,000) is forecast to rise even further. China will lead this growth, closely followed by India. As two of the world’s most populous countries, increased incomes in both these countries will have an unprecedented impact on global demand. However, the phenomenon of the growing middle class is not simply confined to China and India – Brazil and Russia will also see a rising middle class in the next decade and should also see an upward trend in the proportion of their populations classified as ‘upper class’ (i.e. those with incomes exceeding $30,000). By 2025, the population of the BRICs with incomes above $15,000 is forecast to increase by 200 million people, which is equal to the combined populations of Germany, France and the UK.
- As the incomes of the population increase and a robust middle class begins to emerge, so too will their consumption. China alone has 1.3 billion consumers currently and is forecast by McKinsey to become the third-largest consumer market in the world by 2025. Furthermore, the trend of rising growth in the BRIC middle-class indicates that imports of high value added goods, such as cars, office equipment, technology and other luxury goods, will increase exponentially.

  *(Sources: Central Statistics Office, Goldman Sachs, McKinsey)*

**Labour Proposals: Innovation**

Innovation is the single most important factor in the transition to a sustainable investment economy. In advanced economies, productivity and standards of living can only be enhanced by technological innovation. Fostering an environment that promotes innovation requires a sophisticated level of co-operation between government, education and industry and in particular strong investment in research and development (R&D), support for high quality scientific research institutions and extensive research collaboration between universities and industry. Taken together these elements are the foundations for a national system of innovation.

If Ireland can make the transition to an innovative economy this will drive productivity and employment growth across all sectors. However to date, despite the many government reports and strategy groups, there are key gaps in Ireland's national system of innovation that constrain the greater diffusion of innovation across the economy. This has been recognised recently in the World Economic Forum Global Competitiveness Report for 2011 where Ireland is behind comparatively-sized competitor economies like Israel, Denmark, Finland, Norway, Holland, Austria and Belgium in terms of firm-level technology absorption, capacity for innovation, company spending on R&D and most particularly in Government procurement of advanced technology products. By contrast, Ireland scores well in terms of quality of scientific research institutions, availability of scientists and engineers and university-industry collaboration in R&D, meaning that there are a number of key strengths that can provide the foundation for our transition to an innovative economy and society.

Labour has identified two additional deficiencies in Ireland's national system of innovation: a failure to properly support applied scientific and technology research beyond the basic stage supported by Science Foundation Ireland and the lack of financing for companies involved in this stage of technology development. As such, while basic (non-commercial) research is adequately supported by SFI and while companies that are already in the market have a range of supports from Enterprise Ireland, there is a significant gap in the supports available for companies that are taking technology from proof-of-concept stage up to the stage where they can be taken to market by an investor. Furthermore, there are very limited prospects that this gap will be filled by private funding.

> **National System of Innovation**.
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> The concept of a National System of Innovation (NSI) is set out in NESC Report No. 93 *The Irish Economy in a Comparative Institutional Perspective.* The NSI consists of a wide range of institutions and actors that have a bearing on how effectively firms and entrepreneurs can develop new ideas, and translate them into profitable businesses. The NSI includes the education system at all levels, the availability of finance, the existence of supportive state agencies, the tax code, and a number of other factors. While Ireland has made significant advances in developing our NSI in recent years, for example through Science Foundation Ireland, there are still significant gaps: particularly in the areas of financing and commercialisation of technology that has passed proof-of-concept stage

Labour's proposals on innovation are targeted specifically at addressing the weaknesses identified while simultaneously building on our existing strengths.

**Innovation Strategy Agency**

- We will subsume the current activities and functions of Forfás, the Innovation Taskforce, the Advisory Council for Science, Technology and Innovation and the Sustainable Energy Authority into a newly-established Innovation Strategy Agency (ISA), an independent agency within the IDA / Enterprise Ireland structure whose role will be to stimulate technology-enabled innovation in the areas which offer the greatest scope for boosting growth and productivity.
- The ISA will promote and support investment in technology research, development and commercialisation beyond the basic research supported by Science Foundation Ireland as well as advising Government on how to remove barriers to innovation and accelerate the exploitation of new technologies.
- The majority of the members of the board of the ISA will be drawn from industry and finance from both Ireland and abroad with experience of technology change and innovation.
- The ISA will focus its work by targeting key technology areas and sectors where innovation can be applied including but not limited to high value manufacturing, advanced materials, nanotechnology, bioscience, electronics,

photonics and electrical systems and information and communication technology

- The ISA will also focus on the application of technological innovation in established sectors of the economy like energy generation and supply, transport, creative industries, high-value services and architecture and construction by identifying challenges, establishing priorities and developing strategies which specify the necessary actions to transition to a more innovative approach.
- The ISA will promote Ireland's full engagement with the 'Innovative Union' proposals issued by the European Commission in October 2010 as one of the seven flagship initiatives under the EU2020 Strategy, with the specific aim of refocusing R&D and innovation policy on major challenges and at turning inventions into products

**Promoting Applied Research**

- There is a critical gap between the basic research promoted and funded by SFI / universities and its subsequent development into commercially viable propositions that will attract venture capital investment from either the private sector or Enterprise Ireland. This gap can only be closed by making new technologies investment ready.
- The ISA will be tasked with closing the gap between universities / SFI and industry through a ‘translational infrastructure’ to provide a business-focused capacity and capability that bridges research and technology commercialization
- The key element of this infrastructure will be the establishment of a network of Technology Research Centres focused on applied technological research in specific areas to be located in appropriate higher-education institutions.
- The centres will accelerate the exploitation of new technologies by providing infrastructure that bridges the gap between research and technology commercialisation
- The establishment of these centres will build on the approach already adopted with the Tyndall Centre on ICT and the International Energy Research Centre (IERC) in UCC where government, industry and academic partner to focus on

applied research that will lead to concrete results and commercial applications.

This is also similar to the approach successfully adopted in a number of other countries and modelled in particular on the Fraunhofer Institutes in Germany, Carnot Institutes in France and the 'Industry Centre' model in the US.

In order to promote Ireland's strong historical tradition in science and technology for the next generation of scientists, each centre will be named after a renowned Irish scientist from the past.

We estimate a capital cost of €10-€20 million for the establishment of each centre. Once up and running, we propose that the centres will be funded on the basis of one-third core funding from the ISA, one-third from competitive grants and one-third from contracts with private companies.

- Over time, the centres will be expected to supplement their core funding by gaining further income from public and private sector contract research and through the commercialisation of intellectual property.
- The ISA will initially establish three additional centres building on Tyndall and the IERC focusing on biotechnology, nanotechnology and high value manufacturing. Further centres from a number of other areas will be selected subsequently.
- The Innovation Research Centres will also be in a position to play a role as anchor tenants in more broadly-based Science and Technology Parks that will attract private firms in the specific research area.

The creation of the ISA, the establishment of a network of Innovation Centres and the scaling up of public money from the National Pension Reserve Fund (and when established Strategic Investment Bank) under Innovation Fund Ireland that will be invested in innovation will create the foundations for a national system of innovation that will enable Ireland to join the first rank of innovative economies during the next decade.

**A Strategic Approach to Key Sectors: It's not just the Smart Economy, Stupid.**

One of the key lessons of the global economic crisis is the importance of an overarching industrial policy for national economic development. We believe that it is no coincidence that the countries that fared best during the crisis were those with a clear vision and strategy for their economic development rooted in key industrial sectors. By contrast, those economies like Ireland, the US and the UK that had taken a more ad hoc approach to industrial development and allowed 'financialisation' of their economies run riot suffered the greatest shocks.

We believe it is time to put in place a new industrial policy for Ireland. However we reject the crude dirigisme of the past and the picking of winners. No government can predict the path of future technological industrial development and it would be folly develop a policy that sought to do so. Instead, we will implement an industrial policy that focuses clearly on the promotion of sectors that correspond with Ireland's comparative advantage.

We also reject the search for the 'New Nokia' that appears to have become a fetish with certain sections of government and advisory groups. While the role of innovation and the development of intellectual property is critical, Ireland's comparative advantage lies in large part in the innovations around the adaption and enhancement of existing technologies. A clear model for us to follow here is Taiwan or Israel rather than a futile attempt to create a second Silicon Valley.  We believe that Ireland has strategic potential and strategic strengths in a number of sectors, some of which are among the most technologically advanced in the world.

A key weakness of Government Strategy to date, however, has been to concentrate on an ill-defined concept of the 'Smart Economy' rather than the 'knowledge economy' resulting in a near exclusive concentration on a limited number of sectors and on high-end research, while neglecting key drivers of job creation and artificially restricting the reach of enterprise strategy.  Government must also have strategies to drive employment growth at all skill levels and in all regions.  It is possible to achieve this goal by harnessing the potential of the knowledge economy

The sectors normally associated with the knowledge economy include pharmaceuticals, aerospace, computers, electronic communications, scientific instruments, chemicals, motors, communications, finance, education and health.  A key feature of these sectors is the combination of new technology and ‘intangible’ or ‘knowledge’ assets, which have produced a wealth of new products and driven down costs of production.

But the knowledge economy is broader than these sectors. The idea of the knowledge economy is based on the spread of information and communications technologies throughout all sectors of the economy that has accelerated in the past two decades. It is widely accepted that we are now entering the ‘diffusion’ phase of information and communications technologies, where the benefits of these technologies will become more widely diffused throughout society and the economy resulting in a radical transformation in society and institutions.

As the diffusion process takes place, there is a shift in the ‘common sense’ of economic organisation, such that firms and workplace structures are increasingly organised around the logic of the new technology. The firms, sectors, regions and countries that adapt to this common sense will benefit most from the opportunities of the knowledge economy. We already see evidence of this across government, business and society at large with for example the impact of Wikileaks and Twitter.

A key challenge therefore is to develop strategies that position Ireland to take advantage of these trends in sectors where we have a natural or developed comparative advantage. On this basis, Labour in government will put in place an industrial policy that will promote and support a number of strategic sectors of the economy, including, but not confined to the following:

- Cleantech
- Creative Industries
- Education
- Internet Services/ Cloud -Computing
- Food
- Tourism
- Retail Sector

The following is a summary of the key strategic actions and targets for these sectors:

**Cleantech**

Cleantech has been described as the next Industrial Revolution. Clean technology, or "cleantech," is new technology and related business models that addresses the roots of ecological problems by way of scientific and technological innovation.

- The establishment of a renewable manufacturing hub to attract investment from international and national companies. We could facilitate companies to enter carbon-neutral green energy business parks
- Position Ireland as a leading player in the global carbon market and a centre of excellence in the management of carbon
- Introduce legislation based on the recently published 'Climate Change Law' which had the all-party support of the Joint Oireachtas Committee on Climate Change and Energy Security
- A major National Insulation/Retrofit scheme
- The need for a "one-stop-shop" for energy service providers to facilitate homeowners to undertake comprehensive retrofits
- Regulatory certainty for businesses and service providers in the energy efficiency sector by establishing a mandatory minimum BER for all houses at the point of sale or rent, effective five years from the date of announcement
- A requirement for all dwellings occupied by those in receipt of rental allowance to meet a minimum BER standard within 18 months

**Creative Industries**

- Establish common IP agreements across the digital media sector and third level institutions
- Support the development of an International Content Services Centre to make Ireland a world leader in the management of intellectual property
- Merge the functions of Culture Ireland and Cultural Projects in to the Arts Council, which will be given an expanded mandate to promote Irish arts abroad

- Extend the R&D tax credit to the gaming industry in order to attract game developers and grow the game sector in Ireland
- Ensure Ireland fully engages in the debate arising from the forthcoming (2011) European Commission Communication on Cultural and Creative Industries. This Communication should include proposals to promote creative studies, attract investment and provide funding for artists, and to establish networks with businesses and improve mobility

**Education**

- Strong focus on the development of education as a significant export sector over the period to 2016
- Improve understanding within Government and agencies of economic contribution of education as an export to national income
- Develop an ‘ Education Ireland’ brand
- Seek to emulate New Zealand’s ‘Education as an Export’ strategy: the number of foreign born students in New Zealand is now 25% compared to 4% a decade ago. By contrast, the number of foreign born students in Ireland has risen only to 7% from 5% during the same period
- The Government plan[1] is not sufficiently ambitious - proposes to only have 2.6 foreign students in 2015 for every 1 in 2000
- Focus in particular on attracting students from India, China and the Middle East
- Relax visa requirements in pursuance of this
- Use state’s position as largest property owner to utilise vacant properties for student accommodation

**Internet Services / Cloud Computing**

- Continue to market Ireland as an EMEA headquarters location for internet services companies

[1] Investing in Global Relationships: Ireland’s International Education Strategy 2010-15

- Pursue an aggressive policy of attracting international data centres to Ireland, leveraging the appropriateness of our climate and energy and communications infrastructure
- Establish an expert group to address new security and privacy issues arising from the use of cloud computing and review the adequacy of current legislation and identify what steps need to be taken to ensure a supportive regulatory environment
- Introduce a policy that all government departments and agencies will adopt cloud based services if they demonstrate value for money and are adequately secure.
- Actively encourage new businesses that are cloud-focused
- Review broadband pricing and policies of commercial and other providers to ensure that any obstacles to the adoption of cloud computing are removed
- ISA to create and fund a program to actively encourage the use of cloud computing throughout all sectors

**Food**

While Ireland's reputation internationally has been damaged by the economic collapse, our reputation as a quality producer of food remains unsullied and is held in high regard all over the world. The capacity within our Agri-Food and Bioeconomy sector has significant potential for expansion and to assist in growing the country out of recession.

In particular, there is much Ireland can learn from New Zealand's experience over the past 25 years, which a small country with similar characteristics to Ireland, but existing outside the main trading blocks and suffering from geographic peripherality has restructured its food businesses and moved up the value added chain to become one of the world's biggest producers of the products it specialises in. Labour in government will take the following actions in support of a growing food sector:

- Implement the recommendations of the Food Harvest 2020 report vision for the agri-food sector
- Establish a dairy task force with stakeholders in the process to develop an action plan to facilitate farmers expanding to take advantage of these

opportunities. The task force should identify skills, capital and facility needs to facilitate the sector.

In particular, the task force should also facilitate necessary changes within the sector to benefit from the large opportunities to gain from scale in the processing sector. The task force should also try to achieve agreement about a move to greater market based pricing and to develop more integrated supply chains.

- Cooperation between industry and public sector agencies to improve market intelligence as to consumer preferences and market trends in export markets. This is particularly important in developing new markets for existing products and developing markets for new products.
- Work with large scale processors to consolidate so as to improve the scale efficiencies associated with food production
- Developing partnerships across food supply chains to build trust, promoting the greater transfer of information and knowledge over the supply chain to increase the value of the supply chain and improve the distribution across the supply chain.
- Given the strengths of the sector and the future expansion potential, IDA and Enterprise Ireland should continue to include the Food industry as a development priority, with a focus on supporting existing large scale exporting indigenous business, attracting Foreign Direct Investment and supporting small and medium enterprises to expand.
- Explore the potential of an Irish ‘super-brand’ to promote tourism and the food industry.

**Tourism**

Ireland has a strong tourism product, but we have lost our competitive edge in recent years. Tourism is a sustainable industry, capable of providing jobs at every skill level, in every corner of the country. We need a fresh approach to providing tourist infrastructure, new ways of using ICT to enhance visitors’ stay here, and a joined-up approach to finding new markets.

We will address the transport needs of visitors by extending a free travel scheme for every visitor over 66 at off peak times on all CIE services, within CIE's existing budget, and facilitate the development of our coach tourism infrastructure.

We will maintain the Tourism Marketing Fund as an essential pillar of our tourism strategy, and will introduce a systematic auditing system to ensure the best return on exchequer spending. Growth in global tourism in the 21st century will predominately come from non-traditional markets, especially Asia. Marketing campaigns should be developed in emerging long haul markets such as China, Eastern Europe, India, Japan and the Middle East. This will be complemented by a broader translation policy and a reformed tourist visa process.

There will be a new emphasis on platforms provided by the internet for new or enhanced tourism products, such as an interactive Irish tourism application for Mobile Internet Devices and specialist websites, such as a Surf Ireland portal or a dedicated portal for golfing holidays in Ireland.

Ireland is well-placed to benefit from the growth in eco tourism and activity holidays. We will support local authorities which seek to cultivate local, sustainable tourism. We will also explore the development of a cycle route along the canal tow path from Dublin to the Shannon.

'Event tourism' will be prioritised, with strategic planning and funding to major international fairs and events to Ireland such as the Volvo Ocean Race or the Solheim Cup. We will also mandate Tourism Ireland to develop a dedicated service organising and promoting sightseeing in and beyond the conference location for conference delegates.

Domestic tourism will be a priority for the department and its agencies. We will make the Culture Night Initiative a twice yearly event, and introduce a National Lottery Funding Anniversary Day, whereby all facilities which have received funding from the National Lottery will open their doors to the public free of charge

We will ensure that Ireland fully engages in the debate started by the European Commission's June 2010 Communication 'Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe' and that the new tourism provisions of the Lisbon Treaty (Art.195, TFEU) are fully utilised to the benefit the Irish  tourism sector.

**Sustaining the retail sector**

The retail sector in Ireland employs over 250,000 people, and is Ireland's largest industry. This sector has suffered two-fold from the property bias of Fianna Fáil's economic policy. First, it has seen its revenues plunge after the dramatic collapse of the property bubble; and secondly, it finds itself trapped in upward only boom-time leases, with recession levels of consumer demand.

This toxic combination has resulted in the loss of 37,000 retail jobs over the past two years, and the closure of long-standing businesses.

Labour will implement the following strategy for sustaining viable jobs and businesses in the retail industry:

- Enact the Labour Party's legislation to abolish upward-only rent reviews for all commercial leases, as a matter of urgent priority for the Dáil.
- In the interim, appoint a Commercial Rents Ombudsman with some powers currently only granted to an Examiner. This Ombudsman would have the power to adjudicate on rents that have the potential to cause a business to fail, and would be a much cheaper medium of arbitration than the current examinership process.
- Reform the Joint Labour Committee structure, beginning with the appointment of independent chairpersons to the JLCs.
- Retain the existing Retail Planning Guidelines and maintain the retail planning cap. This will sustain existing retail jobs; create the conditions for new and innovative small businesses to develop; and which enhance both the economic and environmental sustainability of local communities.
- Encourage local authorities to introduce differentiated, time-limited rates to facilitate new business start-ups.