



PROMOTING GREATER EMPLOYEE  
OWNERSHIP IN IRISH BUSINESSES

TOGETHER IS BETTER

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# ELECTION MANIFESTO 2016



## A Programme for Economic Expansion 2016

When private business flourishes so too does the Irish economy. A private company that continues to perform well ensures that it makes money, creates jobs and importantly retains jobs. This generates not only income for the business itself but also income for Ireland through an increase in direct and indirect taxation.

This is just one key consequence of a private sector business flourishing. A knock-on tangential effect is that they stay in Ireland. A company that remains in Ireland keeps communities together, breathes vital finance into the area within which it operates and acts as an attraction for emigrants to return home and for migrants to move to Ireland.

***“A powerful tool to help grow and sustain business is Employee Ownership.”***

The Irish economy is the perfect size and structure for Employee Ownership (EO) to take root in companies of all sizes, domestic and multinationals, and to grow and become a key driver of economic expansion and growth.

As Ireland emerges from a period of significant austerity, now is the time to fundamentally change our economy to ensure long-term growth with strength and balance. It is time for a new Programme for Economic Expansion<sup>i</sup>. This is the age of Employee-Ownership.

***“Employee-owned businesses are more resilient during economic downturns. They have more engaged employees who benefit from higher levels of wellbeing and experience less stress.”***

***Sir Charles Mayfield chairman of the John Lewis Partnership UK***

## What is Employee Ownership?

Employee Ownership of business is where all employees have a significant and meaningful stake in the business. Employee Ownership has been shown to create successful businesses in which employees enjoy working and which deliver wider benefits.<sup>ii</sup> Giving workers a greater stake in the company they work for is a powerful way of aligning the interests of employees with that of the business.

A worker who has a financial and personal stake in a company will take more responsibility for its success. The evidence shows that this is reflected in the economic strength of employee owned companies: lower absenteeism, a happier workforce and therefore less staff turnover and higher profitability. These companies also tend to be more resilient in tough economic times. More can and should be done to raise awareness of this business model amongst professionals and employees in Ireland.

It is the goal of the Irish Proshare Association to shift employee ownership into the mainstream of corporate Ireland and to show Government that with courage, Ireland can truly become the “best small country in the world in which to do business”<sup>iii</sup>.

We in the Irish Proshare Association (IPSA) believe that all stakeholders (Government, employers and employees) concerned with the continued sustainability and growth of the Irish economy now and into the future – will flourish and grow if Employee Ownership is given a real and honest opportunity in Ireland.

For Employee Ownership to truly take root the following three elements need to be nurtured:

1. **Reform and improve** tax system to encourage and nurture Employee Ownership;
2. **Engage and incentivise** the private sector to embrace Employee Ownership as a strengthening tool for business; and
3. **Attract businesses** to Ireland and **assist the growth** of those currently established here as a direct consequence of reform and engagement.



## About the Irish Proshare Association

The Irish Proshare Association (IPSA) represents organisations which are employee owned or transitioning to employee ownership across Ireland. We are a not for profit, independent, voluntary organisation that works in close partnership with its members to champion, promote and provide insight into the business case for employee ownership.

Current members benefit from unique learning, networking and trading opportunities across the network of diverse companies of all sizes and from all sectors that make up our membership.

Our ambition is to create and develop a broader awareness of employee financial involvement and ownership as a business model. We aim to get Government to champion the model as an arm of economic stability into the future.

Employee Financial Involvement can be a visionary economic development for Ireland and we want it to form part of the economic strategy for growth and sustainability in the next programme for government.

At present our nearest trading neighbours in the UK can attribute over 5% of UK GDP as being delivered by employee owned businesses; proof that this business model works, and what's more, works successfully.

IPSA continues to work hard to influence – on behalf of its members – policy makers, the media, Government and a range of other stakeholders. There has never been a better time to join the growing membership of the IPSA as businesses across a wide range of sectors, sizes and locations in Ireland are starting to realise the benefits and opportunities that employee ownership can bring.

The Council of IPSA is:

Keavy Ryan, Co-Chair. (Partner, A&L Goodbody)

Niall Kavanagh, Co-Chair. (Assistant Company Secretary, Perrigo Company plc.)

Gill Brennan, CEO (MD, Brennan Hayes Ltd.)

Cormac Brown, Secretary. (Director, Brown & Lombard Limited.)

Stephanie Bowe (Senior Tax Manager, EY)

Eleanor Cunningham (Senior Associate, McCann FitzGerald)

Bernard Daly (ESOP Manager, ICC ESOP Trustee Ltd.)

Nigel Derrick (Head of Share Plans Ireland, Computershare)

Liam Doyle (Director, PwC)

Daryl Hanberry (Tax Partner, Deloitte)

Gemma Jacobsen (Director, KPMG)

Fiona MacGregor (ESOP Manager, ESB)

Liam Murray (Country HR Director, Merck)

Sean Quill (Principal, Mercer Ireland)

Connor Wall (Employee Owner, Golder Associates)

Liz Lavin (Employee Owner, Each & Other)

***“Some of the most dynamic and successful technology companies today like Google and Microsoft, encourage widespread employee ownership of stock.”***

***Can Employee-Owned Companies Reboot the Economy?  
Time Magazine, Nov 2013***

## FOOTNOTES

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<sup>i</sup> T.K. Whittaker, “*Programme for economic expansion*” White Paper laid before the Houses of the Oireachtas, November 1958

<sup>ii</sup> Graeme Nuttall – author of “Sharing Success – the Nuttall Review of Employee Ownership”; July 2012

<sup>iii</sup> An Taoiseach, Enda Kenny during GE 2011 campaign

<sup>iv</sup> Action Point 6: Competitiveness; Action Point 9: Driving Export Led Growth; Action Point 11: New Sources of Growth, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>v</sup> Action Point 2: Disruptive Reforms; Action Point 3: Increasing Labour Market Participation; Action Point 4: Delivering Skills for a Growing Economy; Action Point 5: Innovation; Action Point 6: Competitiveness; Action Point 7: Finance for Growth; Action Point 8: Entrepreneurship; Action Point 10: Stimulating the Domestic Economy, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>vi</sup> Action Point 7: Finance for Growth; Action Point 9: Driving Export Led Growth; Action Point 11: New Sources of Growth, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>vii</sup> Action Point 2: Disruptive Reforms; Action Point 5: Innovation; Action Point 6: Competitiveness; Action Point 7: Finance for Growth; Action Point 8: Entrepreneurship; Action Point 10: Stimulating the Domestic Economy, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>viii</sup> In 2012, SMEs (employing less than 250 persons) accounted for 99.7% of active enterprises: *Business in Ireland 2012 – CSO Report*

<sup>ix</sup> Action Point 2: Disruptive Reforms; Action Point 5: Innovation; Action Point 6: Competitiveness; Action Point 8: Entrepreneurship; Action Point 10: Stimulating the Domestic Economy; Action Point 11: New Sources of Growth, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>x</sup> Action Point 7: Finance for Growth; Action Point 10: Stimulating the Domestic Economy; Action Point 11: New Sources of Growth, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>xi</sup> Action Point 6: Competitiveness; Action Point 7: Finance for Growth; Action Point 9: Driving Export Led Growth; Action Point 10: Stimulating the Domestic Economy; Action Point 11: New Sources of Growth, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*

<sup>xii</sup> Action Point 2, 2.2: Stimulating Regional Growth; Action Point 10: Stimulating the Domestic Economy, *2016 Action Plan For Jobs – Table of Actions, January 2016, Department of Jobs, Enterprise and Innovation.*