

National Risk Assessment
Department of the Taoiseach
Government Buildings
Merrion Street Upper
Dublin 2
D02 R583

17 February 2023

RE: National Risk Assessment 2023 Consultation

To whom it concerns,

Cork Chamber represents 1,200 members employing over 100,000 people throughout the city, metropolitan area and county. Our vision is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals.

On behalf of our membership, Cork Chamber welcomes this opportunity to contribute to the Department of the Taoiseach's National Risk Assessment 2023 Public Consultation.

We would like to put forth a series of additional risks that we ask to be fully considered and included in the National Risk Assessment 2023. We remain at your disposal to share any additional insights from our member businesses to support this consultation.

Yours sincerely,



Conor Healy

CEO

Housing Supply & Talent Attraction

With a pro-business economy, Ireland is rated 2nd in the EU region on economic freedom¹. The highly skilled talent pool, strong FDI base and supportive indigenous enterprise environment all contribute to maintaining Ireland's position as an attractive location for investment.

There are, however, a number of societal risks that have the potential to impede economic development and impact on Ireland's ability to attract and retain new talent and investment. Housing and apartment supply and how they are impacting the human capital agenda in particular pose serious risks to our economic development.

As the number one concern for our members, the lack of housing and apartments has now become an economic problem. Without a sufficient supply of high quality and affordable homes across all tenures, Ireland will risk losing out on potential investment and talent.

Throughout the Covid pandemic and lockdowns we witnessed an exodus of overseas workers. With a surge of remote working, this issue has become more pronounced as Irish cities are now competing for the same talent with cities of similar size abroad. The state of the housing market is beginning to impact on the country's reputation and there have been many cases where people have come to Ireland to take up jobs to then fail to find suitable accommodation resulting in their departure.

While talent attraction efforts are continuing, the delivery of housing and apartments in particular on brownfield sites will be key to facilitating growth, achieving the goals set out in the National Development Plan, and ensuring we remain competitive globally. The failure to deliver housing supply is a key risk for Ireland.

Rising trade barriers

Ireland's success is based on being an open trading economy operating within a global environment that encourages free trade and a consistent move to reduce trade barriers and tariffs. Recent years have seen increased resistance to frictionless global trade and the reversal of that trend of ever-reducing trade barriers and tariffs in the global economy. With Ireland's reliance on trade as an open competitive economy, rising trade barriers and a trend towards a reduction in frictionless international trade should be listed as a key economic risk in the national assessment.

Labour market discrimination

The recent insurge of migrants and refugees poses additional economic risks if they are not integrated into the labour market in a fair and inclusive manner. The integration of migrants into Ireland's labour market can impact both the economy and social cohesion. Migrants contribute to and support economic activity in Ireland and are essential to labour markets.

Findings from the ESRI², however, identify a significant migrant wage gap. Between 2011 and 2018 non-Irish Nationals earned 22% less than Irish Nationals. Eastern European migrants experience the largest wage gap, earning 40% less than Irish nationals. Migrant women experience a double

¹ <https://www.heritage.org/index/country/ireland>

² <https://www.esri.ie/news/new-esri-research-finds-a-significant-migrant-wage-gap-with-east-europeans-particularly>

disadvantage earning on average 11% less than non-Irish men and 30% less than Irish men. The study also found that migrants have lower job quality particularly when originating from the Eastern Countries of the EU, Africa, Central and South America.

While Ireland has made progress in anti-discrimination legislation, it is clear that discrimination exists in the labour market today and specific measures may be needed to combat it. There is a risk of societal unrest and real division if this inequality persists. As global talent competition continues, Ireland must ensure it positions itself as a welcoming, inclusive, equitable and diverse country or we risk failing to achieve our economic and social goals.

Climate related land loss & climate adaptation

Climate change poses numerous threats impacting people, the economy and biodiversity. Flooding and rising sea levels are one of the consequences of a warming climate as glaciers and ice sheets melt and extreme weather events occur with increasing frequency. The sea level rise (SLR) rate between 2006 and 2015 was 3.6mm per year, 2.5 times the rate between 1901 and 1990³. The SLR rate is expected to continue to rise at this rate or even higher in the coming years and could prove catastrophic if warming is not limited to 1.5°C.

Irish cities are primarily in coastal locations and are also subject to changing tides. The impact of flooding in cities and coastal regions in Ireland is well recognised and there are a number of flood defence measures in development. SLR poses additional challenges to coastal regions and Irish urban areas, with major impacts including coastal erosion, flooding, damage to property and infrastructure, and the disruption of business. A study by Climate Central⁴ has found that if we continue on the same emissions pathway globally, we could reach 3°C warming. If this trend is not halted major Irish cities and significant parts of Ireland could be underwater by 2050.

This issue is compounded by Ireland's climate adaptation efforts, which when assessed by the Climate Change Advisory Council in the 2021⁵ and 2022⁶ Annual Reviews were found to be limited and incremental with mixed messaging from Government. Ireland's climate adaptation efforts require deeper policy coherence and integration, and they must be linked to climate resilience.

The risk of failing to adapt to the impacts of climate change is a key risk.

Increased pathogen and vector risk

With a warming climate in Ireland, disease vectors like insects, birds and other animals can expand their geographical range, bringing them into contact with animal and human populations that weren't previously at risk from these diseases. This is a particular risk not just for the human

³ <https://www.epa.ie/environment-and-you/climate-change/what-impact-will-climate-change-have-for-ireland/>

⁴ https://coastal.climatecentral.org/map/7/-7.9041/53.4607/?theme=warming&map_type=multicentury_slr_comparison&basemap=roadmap&elevation_model=best_available&lockin_model=levermann_2013&refresh=true&temperature_unit=C&warming_comparison=%5B%221.5%22%2C%223.0%22%5D

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https://www.climatecouncil.ie/media/climatechangeadvisorycouncil/contentassets/publications/CCAC_Annual_Review_2021.pdf

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<https://www.climatecouncil.ie/media/climatechangeadvisorycouncil/contentassets/documents/Final%20Copy%20editted%20version%20for%20website%20publication.pdf>

population but for Ireland's huge livestock and agriculture industry, exposing animals to diseases which would never have previously been a threat. This is a key national risk now and into the future.

Nationalisation of technology and IP

With an increasingly fraught geopolitical environment globally, the sharing of cutting-edge technology between countries has become a key point of contention, with moves by leading economies to block the supply or sale of certain technologies to certain countries or companies associated with those countries. Given Ireland is a key hub for the global technology industry and relies on it for a substantial part of its annual tax take, the increased nationalisation of technology or an increase in resistance to trade in cutting edge technology is a key risk to the continued success of our open trading economy with a large base of multinational technology companies

Changes in consumption patterns

The transition to a sustainable economy and society will require changes across all sectors and behavioural change across all cohorts. This paired with the Fourth Industrial Revolution means there will be changes to consumption patterns as values and motivations shift regarding communities and the environment, thus effecting business models and the whole of society.

This shift is already apparent, and consumers globally are beginning to avoid purchasing new goods in their efforts to limit their contribution to climate change⁷. At the same time, the price of sustainable products is more expensive than their conventional counterparts and can act as a barrier preventing many from buying them. Research shows that the trend towards buying second hand or even fixing and repurposing goods is growing. While this is welcomed from a climate perspective, there are massive implications for the economy and business.

The business community recognises that these changes are underway, and many are in the process of incorporating new means of production and business models in order to adapt and contribute positively to ESG. There are still many unknowns out there, however, as to how this new world and all the necessary moving parts will look and work, presenting risks to society, the economy and the environment.

Ireland's vulnerability to global forces has been brought to the fore as Russia's invasion of the Ukraine triggered a shock to the country's energy system and brought on inflationary pressures. These risks impact across the economy, society, environment and technology. This paired with the Covid pandemic has spurred the transition to buying local products. There are immense benefits from this type of activity, and it should be supported and encouraged. However, there are potential risks that need to be considered, mainly a drop in exports which the economy relies heavily on, with impacts on government finances.

Conclusion

Ireland is a resilient and progressive country with values based around community, inclusivity and collaboration. We are part of a globalised rapidly changing world with the potential to prompt

⁷ <https://www.statista.com/statistics/1310047/sustainable-attitudes-towards-buying-goods-world/>

transformational change across all sectors of society. The National Risk Assessment 2023 should reflect the profound effect of these external and internal risks across all of society and sectors.