



An Roinn Fiontar,  
Trádála agus Fostaíochta  
Department of Enterprise,  
Trade and Employment

# Public consultation on the preparation of the White Paper on Enterprise

The Department of Enterprise, Trade and Employment invited submissions from the public to inform the development of a White Paper on Enterprise in July 2022.

In total 127 submissions were received.

## **Original Notice:**

# **Public consultation on the preparation of the White Paper on Enterprise**

3rd July 2022 | Open Consultations

The Department of Enterprise, Trade and Employment invites submissions from the public to inform the development of a White Paper on Enterprise.

## **Background**

The Government has approved the development of a White Paper on Enterprise in 2022, to be led by the Department of Enterprise, Trade and Employment (DETE).

## **Purpose of the White Paper on Enterprise**

As Ireland looks towards 2030, the country is facing a variety of mutually reinforcing challenges – from digitalisation to decarbonisation as well as geopolitical and global economic changes. Arguably, Ireland now faces a ‘hinge moment’, a pivotal turning point that could profoundly shape our future economy and society.

The White Paper on Enterprise will ultimately serve as a cornerstone in protecting the core elements which make Ireland’s economy attractive for enterprise to flourish, ensuring a competitive environment that promotes micro, small and medium enterprises’ establishment and growth in the locally traded and international economies, whilst remaining attractive to international Foreign Direct Investment. The White Paper will explore several high-level policy questions under the thematic areas of strategic direction for the enterprise sector, enterprise objectives and challenges, as well as levers or policy instruments at our disposal.

Further details on the White Paper on Enterprise can be accessed [here](#).

## **Guide for submissions**

The development of the White Paper will be underpinned by an extensive consultation process, to ensure the views, experience and aspirations of Ireland’s citizens, workers and businesses are adequately captured in the analysis.

Submissions should be no longer than 1,500 words and should be submitted by email to [enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie). The closing date for submissions is 5pm on Friday, 29 July 2022.

## Data Protection and Freedom of Information

We are committed to engaging with stakeholders in a clear, open, and transparent manner. Any person or organisation can make a submission in relation to this consultation. All submissions and feedback will be considered by the Department.

Please note that it is intended that all submissions received will be made available under the Freedom of Information Act 2014 (FOI) and as such may be published on our website.

In responding to this consultation, parties should clearly indicate where their responses contain personal information, commercially sensitive information, or confidential information which they would not wish to be released under FOI or otherwise published.

We would like to draw your attention to the Department's [Data Protection Data Privacy Notice](#) which is available on our website and explains how and when we collect personal data, why we do so and how we treat this information. It also explains your rights in relation to the collection of personal information and how you can exercise those rights.

In addition to the above notice, the Department restated that all submissions received may be published on its website when confirming receipt of each submission. The following submissions have been reviewed and personal data redacted including personal email addresses, personal phone numbers and home addresses. Full names have been redacted in the case of individual submissions.

No.	Submission Name/Organisation
1	.IE
2	Afri
3	Age Action
4	Alliance for Innovation-Driven Recovery
5	American Chamber of Commerce Ireland
6	Basic Income Ireland
7	BioPharmaChem Ireland
8	W. and E. Butler (Individual Submission)
9	Cement Manufacturers Ireland
10	Chambers Ireland
11	Chartered Accountants Ireland
12	M. Clancy, (Individual Submission)
13	Climate Change Advisory Council Ireland
14	Coalition 2030
15	Community Enterprise Association Ireland
16	Construction Industry Federation
17	Cork Chamber
18	County Kildare Chamber
19	County Wexford Chamber
20	Creative Enterprise West
21	DCU, Business School, Buckley, Finian, Professor
22	DCU, McAdam, Maura, Professor
23	DCU National Centre for Family Business
24	DCU, Robbins, Peter, Dr
25	Deloitte
26	Design & Crafts Council Ireland
27	Digital HQ
28	Digital Realty
29	DkIT, Henry, Colette, Professor
30	Dogpatch Labs
31	M. Dowling (Individual Submission)
32	S. Doyle (Individual Submission)
33	Drinks Ireland
34	Dublin Chamber
35	EirGrid
36	Engineering Industries Ireland
37	Engineers Ireland
38	Environmental Pillar
39	ESRI
40	Eurofound
41	Family Business Network
42	Feasta
43	P. Ferguson (Individual Submission)
44	Financial Services Ireland
45	Food Drink Ireland
46	Friends of the Earth

47	Galway Harbour Company
48	Geoscience Ireland
49	M. and C. Goeden (Individual Submission)
50	Great Northern Distillery, Teeling, John
51	Green Party, Garvey, Roisin, Senator
52	D. Griffith (Individual Submission)
53	P. Hogan (Individual Submission)
54	HRS Consultants
55	Ibec
56	Incoming Tour Operators Association
57	Industry Research and Development Group
58	Innopharma and the Lighthouse 5.0 Initiative
59	Innovate Island
60	Insight SFI Research Centre for Data Analytics
61	InterTradeIreland
62	Ireland South East Development Office
63	Irish Academy of Engineering
64	Irish Coalition for Business and Human Rights
65	Irish Congress of Trade Unions
66	Irish Exporters Association
67	Irish Hotels Federation
68	Irish Institute of Training and Development
69	Irish Medtech Association
70	Irish National Organisation of the Unemployed
71	Irish Pharmaceutical Healthcare Association
72	Irish Tax Institute
73	Irish Tourism Industry Confederation
74	ISME
75	ISME
76	Jennifer Rothwell Design
77	Johnson and Johnson
78	B. Keenahan (Individual Submission)
79	R. Kelly (Individual Submission)
80	Kemmy Business School, University of Limerick, Mulligan Kevin, Professor
81	B. Kennedy (Individual Submission)
82	KPMG
83	Labour Party
84	Local Enterprise Office Network
85	W. Lorimer (Individual Submission)
86	Marine Renewables Industry Association
87	Meta
88	Microsoft
89	Munster Technological University
90	National Disability Authority
91	National Institute for Bioprocessing Research and Training
92	National Standards Authority of Ireland
93	Nevin Economic Research Institute

94	Northern and Western Regional Assembly
95	Not Here Not Anywhere
96	D. O'Doherty (Individual Submission)
97	O'Donnellan, Niall
98	OpenLitterMap
99	L. O'Shea (Individual Submission)
100	Philanthropy Ireland
101	Regional Enterprise Plans Programme Managers
102	Retail Grocery Dairy & Allied Trades Association
103	Royal Dublin Society
104	G. Ryan (Individual Submission)
105	Shannon Chamber
106	SIPTU
107	Skillnet Ireland
108	Small Firms Association
109	Social Enterprise Republic of Ireland
110	Social Justice Ireland
111	South Dublin Chamber
112	Southern Regional Assembly
113	Stamp 3 Association
114	Technological University Dublin
115	Technology Ireland
116	The Wheel
117	Think-tank for Action on Social Change
118	Tralee Chamber
119	Trinity Business School, Burke Andrew, Professor
120	Trinity Business School, Kingston, William, Professor
121	Trinity Centre for Social Innovation, Trinity Business School
122	UCC, Bourke, Jane, Dr
123	UCD, Kavanagh, Donncha, Professor
124	V.K. Precision Tool Ltd., Kennedy, Vincent
125	Vodafone Ireland
126	Western Development Commission
127	Whelan, John F, International Trade Consultant

We are pleased to make the following submission to the Department of Enterprise, Trade and Employment in response to its public consultation on the future direction of Enterprise Policy, in the context of the proposed White Paper on Enterprise planned for 2022.

.IE is the national registry for all internet addresses ending in .ie, but we also commission research, we publish e-books and we run initiatives and programmes, whose Purpose is to enable people, communities and businesses across Ireland to succeed online. We want everyone to experience the benefits of the digital world. The Internet needs Guardians, Guides and Stewards – and .IE is an active participant in multi-stakeholder forums dedicated to meeting these needs.

This submission from .IE is based on its research and its many years of experience in designing and implementing programmes to benefit Micro-Enterprises and SMEs with their digital journey. We have had successes and some failures, but we are pleased to share the lessons learned along the way, in the hope that we can make a positive contribution in this EU Digital Decade, in guiding and embedding digital within future national Enterprise Policy.

This submission from .IE is limited to recommendations on future programmes and initiatives, in acknowledgement of the quality and substance of strategies within recent publications from Government, in particular Remote Work Strategy, Town Centre First and Harnessing Digital which are, of necessity, aligned with the EC's '2030 Digital Decade, Policy Programme, a path to the Digital Decade', incorporating the milestones and targets comprising the four points of its compass - Skills, Infrastructure, Business, Public Services.

### Recommendation 1:-

#### In developing Programmes and Initiatives, there is an urgent need for post-Covid data.

This .IE Domain Profile Report<sup>5</sup> clearly illustrates the nation's digital intent, county by county, in 2020 and 2021, reflecting a narrowing of the digital divide. However, there are major gaps in our understanding of the full extent of digital transformation across the country during the two years of on/off lockdowns. To address the deficiencies, a whole-of-Government response will be essential.

“Any pre-2019 data we have on digital usage is chronically out of date. Post-Covid data is essential for policymakers and local leaders, to help them understand what has happened, and make better decisions around resource allocation, development of programs and supports needed for SMEs and towns during the digital decade.....”

**David Curtin, CEO** at the .IE Digital Town Awards<sup>1</sup> ceremony, June 2022, issuing an urgent call for post-Covid data.

In our considered opinion, Government and interested stakeholders urgently need updated data in order to:-

- Measure **SME productivity** - SMEs are now using websites, apps, digital banking, platforms in the Cloud. They are selling using click & collect, outsourcing fulfilment & deliveries. They are thereby eliminating wasteful commuting, paper workflows and queuing by their customers.
- Measure **consumers' preferences and behaviours** - they are alternating between digital & in-store buying & browsing (digital for midweek convenience, in-store for weekend experience).
- Measure the extent of the **transformation of professional service delivery** – estate agents, architects, designers, legal professionals, pharmacists, GPs - are all transforming their businesses by using single-purpose Apps, platforms, Zoom & mobile commerce.
- Measure **citizen's forced adoption of digital tools** and websites for accessing religious services, virtual entertainment events, social gatherings and financial transactions online – and in particular to measure the remaining digital divides between old and young, urban and rural – so that digital skills training can be targeted and focused.

For example, it is extremely helpful to have data from the April 2022 Census – where interim results shared by CSO shows that the number of people living in rural areas has increased by more than ¼ of a million since 1996. Some 1.75 million people lived in rural areas in 2016. According to eminent economist Dan O'Brien<sup>2</sup>, “What happened to the world of work as a result of the pandemic will, in the fullness of time, come to be viewed as the biggest ever sudden change in the functioning of the labour market....”.

...the liberation from the nine to five, Monday to Friday, rat race will have geographical consequences.

For many workers, the wastefulness of commuting to and from work 10 times a week has been highlighted. A lot of people simply don't want to do it any more, while many employers have come to see that having all

staff in one place is simply not necessary. With ever more expensive energy and the impact commuting has on the environment, more working from home is a no-brainer. It is here to stay.....

**Dan O'Brien, Economist** article:- *Census confirms that reports of death of rural Ireland are greatly exaggerated.* .....Business Post June 26, 2022

Despite these insights, new post-Covid is urgently needed. Policymakers' understanding of what has happened in the digital sphere during the pandemic years has yet to emerge. The team in .IE is looking forward to working with partners and government bodies to help figure this out.

**Recommendation 2:-**

**In developing digitalisation Programmes and Initiatives, there needs to be a bias in favour of regional development to close the digital divide.** Major cities suffer from transport infrastructure constraints, labour and housing shortages and negative quality of life experiences, arising from long commutes. Smart City initiatives are commendable, but extremely expensive. Accordingly, .IE strongly recommends that the future direction of Enterprise Policy should be focused on Ireland's towns.

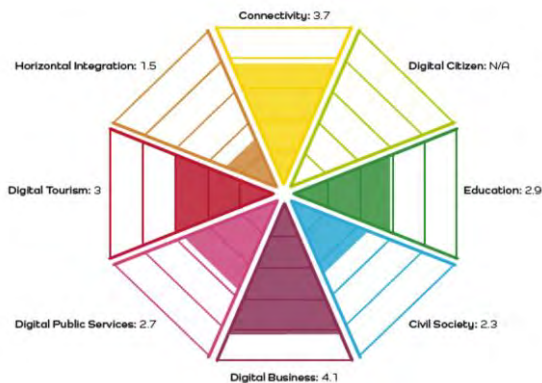
Research conducted by DCU Business School - Irish Institute of Digital Business, commissioned by .IE, has identified and defined eight rationales for **town level** digital technology adoption and use:-

1. **Societal:** digital technologies could help towns and their residents participate and function more fully in a digital society.
2. **Accessibility:** digital technologies can increase accessibility to services and opportunities to those who may be disadvantaged and vulnerable in society.
3. **Vocational:** digital technologies can help citizens prepare to work in a digital society.
4. **Sustainability:** digital technologies can help reduce adverse environmental impacts and build a resilient habitat for existing and future residents.
5. **Quality of Service:** digital technologies may increase the range, quality and efficiency of service delivery, whether public services, commercial services, or community services.
6. **Catalytic:** digital technologies can cause or accelerate other innovation across a community
7. **Economic:** digital technologies may attract greater economic growth and employment to a town.
8. **Opportunistic:** digital technologies can differentiate a town from other towns and make it a more attractive place to live, work or visit, or competitive from an economic and investment perspective, when compared to other towns.

This research led to the development of a **Blueprint<sup>3</sup>** – which is a framework that uses primary and secondary data to measure a town's digital readiness. It is intended to be used by policymakers, town leaders and public authorities to assess towns, thereby facilitating the creation and effective rollout of a local digital strategy, roadmap and action plan.

In order to measure the current state of digital readiness in a town, the framework draws on over 200 indicators across 8 dimensions. These 8 are connectivity, digital citizen, education, civil society, digital business, digital public services, digital tourism and most important of all, **horizontal integration** – which measures the degree of coordination across the town on digitalisation, both off-line and online, including the availability of a platform for citizens to interact, share knowledge, experiences and mutual interests.

Information on the [blueprint](#) and the [methodology](#) are set out on the .IE website (pdf or hard copies are available on request)



Gorey Digital Town Readiness Dimension score

Application of dimension weightings to Gorey, Co. Wexford.

Digital Town Dimension	Sub-dimension			Dimension Score	Readiness Score		
	Score	Weighting	Weighted Score		Dimension Weighting <sup>1</sup>	Weighted Score	Out Of
<b>Connectivity</b>							
Fixed broadband coverage	4	40%	1.6	3.7	20%	0.7	1.0
Mobile broadband coverage	4	20%	0.8				
Mobile broadband quality	3.5	20%	0.7				
Competition	4	10%	0.4				
Public WiFi	2	10%	0.2				
<b>Education</b>							
Pre-school	1.5	25%	0.375	2.9	15%	0.9	0.75
Primary	3.5	25%	0.875				
Post-primary	4	25%	1				
Digital skills education availability	1.5	25%	0.375				
<b>Civil Society</b>							
Web intensity	3.5	40%	1	3.5	10%	0.8	0.5
Digital technology penetration	3.5	40%	1				
e-commerce penetration	1.5	20%	0.3				
<b>Digital Business</b>							
Web intensity	4.5	30%	1.35	4.1	20%	0.8	1.0
Digital technology penetration	3.5	30%	1.05				
e-commerce penetration	3.5	40%	1.4				
<b>Digital Public Services</b>							
e-government	3.5	64%	2.24	2.7	15%	0.8	0.75
e-health	1.5	20%	0.3				
Open data	1	16%	0.16				
<b>Digital Tourism</b>							
Tourism business web intensity	4	20%	0.8	3.0	10%	0.3	0.5
Digital technology penetration	4	20%	0.8				
e-commerce penetration	4	20%	0.8				
Tourism digital infrastructure	1	10%	0.1				
Digital access	1	10%	0.1				
Platform availability and maturity	2	20%	0.4				
<b>Horizontal Integration</b>							
Coordination of digitalisation	1.5	75%	1.125	1.5	10%	0.2	0.5
Platform availability and maturity	1.5	25%	0.375				
					100%	3.1	5.0

<sup>1</sup>Note: Users may set the weighting for each dimension based on perceived relevancy.



Proof of concept was demonstrated by the application of the Blueprint framework to a set of five pilot towns. In addition, the Blueprint is being incorporated into the Master Plans for 26 towns selected for funding by DRCD as part of the Town Centre First programme.

The benefits in adopting a framework such as that developed by DCU based on its research, are significant for DRCD / Government (1-7) and for towns' citizens (8-12) in achieving Enterprise Policy objectives.

1. Provides **post-Covid data**, reflecting a Town's accelerated digital transformation during pandemic restrictions
2. Contributes the digital element of the **TCF MasterPlans**
3. Reflects the importance to DRCD of national **comparability and benchmarking**
4. Provides a significant **exemplar** for EU Digital Agenda. (EU universities engaged in dialogue with DCU).
5. Reflects the new Digital Divide (closing the gap in the regions, with remote workers & their new digital tools).
6. Indicators used are based on international standards (incl DESI) to aid in validity, interpretability & comparability.
7. Open data principles - preparation of **open data** against FAIR principles
  - o The research & framework is the first of its kind (before now, paucity of academic work on Towns)
  - o Incorporates **context sensitivity** in each town assessment e.g. digital tourism, smart agriculture etc.
  - o Indicators, sub-dimensions, and dimensions can be weighted to **reflect the priorities** of the town
  - o Research and methodology - Blueprint framework is informed by six best practice design principles
  - o Primary data collection effort - acknowledges the significant challenges in the terms of resources required, accuracy, and national / international comparability
8. Stakeholder **engagement methods** including **collaborative teams/task forces, town/community meetings, and of course online methods including portals, websites, email newsletters, and social media**
9. Recognises local ownership & engagement with bottom-up **community-driven** initiatives
10. Blueprint reports reflect positive data presentation, data interpretation & comms for local consumption - to maximise **positivity, motivation and engagement**.
11. Involving **local digital champions** and stakeholders, may make data collection easier and less costly, but will also ensure greater **buy-in and support** for subsequent actions.
12. Achievable objective is to **build coalitions of the willing**.

A significant proportion of people in Ireland live in towns and small communities. Too often, however, there is a lack of data about towns available in one easy to use place that can be used to evidence existing good practice. By using common indicators and dimensions this readiness assessment will, over time, provide benchmarks which can help town leaders, local authorities & national policymakers in decision-making and planning.

### Recommendation 3:-

**Programmes and Initiatives of the national Enterprise Policy should be targeted at SME representative bodies and sector-based organisations, rather than at individual mSMEs.**

Our surveys<sup>4</sup> reveal that the most significant barrier for SMEs when implementing digital projects is fear, uncertainty and doubt (the FUD factor) particularly when faced with a bewildering range of options from siloed service providers. Surveys also reveal that SMEs are confident in running new digital applications post-launch, but they do not have the time, resources or expertise in design, test and project management.

The .IE Optimise Fund ([here](#)), partnered with Matrix Internet to provide the Design & Crafts Council Ireland (DCCI) with a programme to help designers with an e-commerce presence, to target overseas clients and customers, using the DCCol sector-specific platform and subsequently through their own websites. With new skill sets, sector-based organisation such as DCCI, Retail excellence and Hardware Association of Ireland can continue to up-skill more of its members into the future (with the benefit of appropriate external funding).

### Footnotes

1. The .IE Digital Town Awards ceremony, June 2022 <https://www.weare.ie/about-ie-digital-town-awards/>
2. **Dan O'Brien, Economist** article:- *Census confirms that reports of death of rural Ireland are greatly exaggerated.* .....Business Post June 26, 2022.
3. .IE Digital Town Blueprint <https://www.weare.ie/ie-digital-town-blueprint/>
4. The .IE Tipping Point Report 2022 <https://www.weare.ie/tipping-point/>
5. The .IE Domain Profile Report 2022 <https://www.weare.ie/ie-domain-profile-report/>

## ‘TRANSFORMING OUR WORLD’?

Thank you for the invitation to make a submission for the White Paper on Enterprise. We look forward to positive engagement with the process.

The White Paper can draw on our resilient history, and the wealth of culture and ingenuity within our shared island’s diverse communities. Our population has only now regained its level before An Gorta Mór. The White Paper’s topic – how communities work with nature and the wider world – can hardly ignore the significance of that Great Hunger for our history, and our response to hunger and displacement today.

Our policies also bear the imprint of the Whitaker/Lemass transition. Dr Whitaker, lamenting the hidebound politics of the decade, wrote to a colleague on New Year’s Eve 1959:

There can be no doubt that an externally applied discipline... will arouse less opposition, appear less discriminatory, and be more effective than a system operated entirely at the discretion of the domestic administration. <sup>i</sup>

Whatever about that trade-off of political autonomy for the EEC’s discipline and benefits, how might Ireland now position itself as an EU member-state whose resources and potential put us in a place of real, enviable choice on a troubled planet?

We have demonstrated skill in engaging with powerful global structures and policies. We need to fulfil our potential as a world centre of creativity in areas such as renewable energy, sustainability and climate-friendly materials and technology. Such projects, engaging the enthusiasm of our climate-concerned young people, can respond to Irish Aid’s challenge: ‘Transforming our World: Help Ireland Make a Difference’.

*A Better World* is professedly ‘a whole of government policy... anchored in Ireland’s foreign policy values, working towards a world that is more equal, peaceful and sustainable.’ <sup>ii</sup> But these sentiments sit ill with the (non-pay) proposals from the Commission on the Defence Forces (CDF). Many of those clash

with our whole-of-government foreign policy, whose values are set out in Article 29 of *Bunreacht na hÉireann*:

Ireland affirms its devotion to the ideal of peace and friendly co-operation amongst nations founded on international justice and morality. Ireland affirms its adherence to the principle of the peaceful settlement of international disputes by international arbitration or judicial determination. Ireland accepts the generally recognised principles of international law as its rule of conduct in its relations with other States.

These are concrete commitments, a practical promise of who we are and how we will interact with our world. They were previously realised through active neutrality, work for disarmament, and UN-directed peacekeeping.

Recent EU/NATO military developments are unfailingly represented as appropriately updating such policies, reaffirming our commitment to active neutrality and Article 29. Now, overnight, we are informed that the people of Ireland are out of touch with reality. The CDF Report, for example, envisages ‘grounded debate [for] developing people’s awareness and understanding of the role of the Defence Forces’<sup>iii</sup> rather than grounding our policies once more in our Constitution’s commitments.

The Report urges developments far removed from any meaningful notion of appropriate defence or UN-directed peacekeeping, such as ‘Ireland’s Special Operations Force’, developing ‘war fighting capability’ for overseas missions involving ‘higher risks and harsher conditions’ in ‘tougher environments’.<sup>iv</sup> Such proposals must feature in the ‘grounded debate’ which governments for so long have promised and even now hesitate to join.

*The immediate issue for the White Paper on Enterprise here is the pressure to expand our already significant military-related production.*

Anyone attending the ‘Slándáil Security Summit’ at DCU in February 2020, or the Department of Defence’s RTI Webinar in November 2021, encountered bright, pleasant people, many young and enthusiastic, invoking security, cooperation, innovation – and

what our Chief of Staff called ‘the need for us to collaboratively explore towards a safer tomorrow’.<sup>v</sup>

A promised drone-demonstration at the ‘Summit’ was cancelled. Afghanistan, for example, fared less well around then, with a reported 62 civilians killed in two drone strikes on 8<sup>th</sup> and 9<sup>th</sup> January 2020.<sup>vi</sup> The point of war is planned destruction, and the point of contemporary ‘defence research and production’ is to prevail in methods of destruction.

Dwight Eisenhower called weapons ‘a theft from those who hunger and are not fed, those who are cold and are not clothed... This world in arms... is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. This is not a way of life at all in any true sense. Under the clouds of war, it is humanity hanging on a cross of iron.’<sup>vii</sup>

Einstein, without whose insights today’s science and technology would be unthinkable, in his last week of life in 1955 endorsed the Russell/Einstein Manifesto, highlighting the dangers of nuclear escalation:

Most of us are not neutral in feeling, but, as human beings, we have to remember that, if the issues between East and West are to be decided in any manner that can give any possible satisfaction to anybody, whether Communist or anti-Communist, whether Asian or European or American, whether White or Black, then these issues must not be decided by war. We should wish this to be understood, both in the East and in the West.<sup>viii</sup>

These warnings resonate with Article 29, the Belfast/Good Friday Agreement and the Peace Process, in which *decommissioning* was fundamental. The recent Downpatrick Declaration, launched by our Nobel Peace Prize laureate Mairéad Maguire, reaffirms the enduring relevance of that process, and its challenge to the practices embraced by successive governments.<sup>ix x</sup>

Such developments conflict with the professed principles – and so much of the *good work* – of Ireland’s presence in the world. The dissonance is increasingly ‘coming home’ through the promotion of weapons-related production, in both jurisdictions<sup>xi</sup>, under the ‘all-island’ approach to enterprise and research.<sup>xii</sup> No doctrine of appropriate defence or genuine peacekeeping could justify Irish

enterprise's expanding the world's current \$2 trillion-plus annual expenditure on armaments.<sup>xiii</sup>

We need not *remind* our governments of the toll of worldwide conflict; they acknowledge it themselves:

Conflict and fragility, compounded by climate change, are increasing the vulnerability of millions. Globally, the number of major violent conflicts has tripled since 2010 and more countries are experiencing war than at any time in nearly 30 years. <sup>xiv</sup>

An adequate Irish enterprise policy must *integrate* this evidence, rather than acknowledge it alongside 'business as usual'. In engaging with the White Paper exercise we will provide further information; here we indicate some key sources. The Campaign Against Arms Trade (CAAT)<sup>xv</sup> provides evidence that the economic contribution of arms manufacture is overstated. <sup>xvi</sup>

Military procurement budgets are often uncontrolled <sup>xvii</sup>, quite apart from the danger of corruption <sup>xviii</sup>. When the weapons are used, they devastate societies, as the World Food Programme (WFP) tells us:

Conflict is still the biggest driver of hunger, with 60 percent of the world's hungry living in areas afflicted by war and violence. Events unfolding in Ukraine are further proof of how conflict feeds hunger, forcing people out of their homes and wiping out their sources of income. <sup>xix'</sup>

Then come the 'Deadly comrades: war and infectious diseases' <sup>xx</sup>. For example, 'Yemen is experiencing the worst epidemic of cholera in modern history' <sup>xxi</sup>. Our own history must surely alert us to the needs, *and the suppressed potential*, of populations deprived of agency and voice by today's power-structures.

This entire submission could be devoted to the environmental aspect alone, in a country whose parliament has unanimously declared a climate emergency. The CDF Report hardly scratches the surface of these issues in its three pages on 'Green Defence' <sup>xxii</sup>. It is at least as concerned with the impacts of climate crisis *on* the military as with the impacts *of* the military on infrastructure, human and animal health, food security and pollution, all leading to further displacement. <sup>xxiii</sup>

Ireland is superbly situated to set up, in fact to *be*, a Global Just-Transition Centre not only in green-energy technologies, but also in the transformation from destructive industries and mindsets. We have the legacy and inspiration of Tuam-man Mike Cooley to inspire us <sup>xxiv</sup>.

## CONCLUSION:

We ask the White Paper team to consider this evidence and, where they disagree, tell us where and why. There is a large, complex, enthusiastic and well-informed community out here, wanting to realise Ireland’s proven creativity within a world in its turn crying out – albeit often unheard – for justice and peace as the basis for human flourishing. Please do not repeat the dreary policymaking cycles of recent decades: engage with us, your stakeholders; nothing else befits a democratic republic.

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<sup>i</sup> Murphy, G., *In Search of the Promised Land*, Mercier Press, Cork, 2009, p. 141

<sup>ii</sup> <https://www.irishaid.ie/about-us/policy-for-international-development/>

<sup>iii</sup> <https://www.military.ie/en/public-information/publications/report-of-the-commission-on-defence-forces/report-of-the-commission-on-defence-forces.pdf> p. 146.

<sup>iv</sup> Pp. 66, 49, 9-10.

<sup>v</sup>European Defence Fund (EDF) 25th Nov 2021 (Webinar)Lt. Gen. Seán Clancy – Chief of Staff Defence Forces “EU Funding for Irish Defence and Security Enterprise and R&D Maximising the Opportunities.” Lt. Gen. Clancy’s text was kindly supplied to us by the Department of Defence.

<sup>vi</sup>[https://en.wikipedia.org/wiki/List\\_of\\_drone\\_strikes\\_in\\_Afghanistan#2019](https://en.wikipedia.org/wiki/List_of_drone_strikes_in_Afghanistan#2019) accessed 25<sup>th</sup> July 2022

<sup>vii</sup> <https://www.goodreads.com/quotes/3408-every-gun-that-is-made-every-warship-launched-every-rocket>

<sup>viii</sup> <http://www.atomicheritage.org/key-documents/russell-einstein-manifesto>

<sup>ix</sup> <https://www.downpatrickdeclaration.com/>

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<sup>x</sup> <https://www.belfasttelegraph.co.uk/news/northern-ireland/peace-cash-handed-to-missile-company-28109745.html>[lckr.com/photos/innateireland/51046065166](http://lckr.com/photos/innateireland/51046065166)

<sup>xi</sup> [https://www.tni.org/files/publication-downloads/fanning the flames report-tni-web\\_new.pdf](https://www.tni.org/files/publication-downloads/fanning_the_flames_report-tni-web_new.pdf) See pp. 36-39 for Irish case-study.

<sup>xii</sup> <https://www.siliconrepublic.com/innovation/north-south-research-programme-ireland>

<sup>xiii</sup> [https://www.sipri.org/media/press-release/2022/world-military-expenditure-passes-2-trillion-first-time#:~:text=\(Stockholm%2C%2025%20April%202022\),2021%2C%20to%20reach%20%242113%20billion.](https://www.sipri.org/media/press-release/2022/world-military-expenditure-passes-2-trillion-first-time#:~:text=(Stockholm%2C%2025%20April%202022),2021%2C%20to%20reach%20%242113%20billion.)

<sup>xiv</sup> <https://www.irishaid.ie/media/irishaid/aboutus/abetterworldirelandspolicyforinternationaldevelopment/A-Better-World-Irelands-Policy-for-International-Development.pdf>

<sup>xv</sup> <https://caat.org.uk/alternatives/jobs/>

<sup>xvi</sup> See also <https://peacesciencedigest.org/effects-military-spending-economic-growth/> and [https://www.academia.edu/43152492/The Propaganda of False Trade Off s](https://www.academia.edu/43152492/The_Propaganda_of_False_Trade_Off_s)

<sup>xvii</sup> <https://www.scientificamerican.com/article/its-time-to-rein-in-inflated-military-budgets/>

<sup>xviii</sup> <https://caat.org.uk/news/gpt-arms-trade-corruption/>

<sup>xix</sup> [www.wfp.org/global-hunger-crisis](http://www.wfp.org/global-hunger-crisis) and <https://www.wfp.org/publications/wfp-scales-support-most-vulnerable-global-food-crisis>

<sup>xx</sup> [https://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736\(02\)11807-1.pdf](https://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(02)11807-1.pdf)

<sup>xxi</sup> <https://ojin.nursingworld.org/MainMenuCategories/ANAMarketplace/ANAPeriodicals/OJIN/TableofContents/Vol-26-2021/No3-Sept-2021/Articles-Previous-Topics/Disease-Management-of-Cholera-in-Yemen-Among-People-Displaced-by-Conflict.html>

<sup>xxii</sup> CDF Report, pp. 49-51.

<sup>xxiii</sup> <https://www.ipb.org/wp-content/uploads/2017/03/briefing-paper.pdf> and <https://watson.brown.edu/costsofwar/costs/social/environment>

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<sup>xxiv</sup> <https://www.wit.ie/news/research/wit-remembers-the-renowned-irish-scientist-prof-mike-cooley>





## Submission to the Department of Enterprise, Trade and Employment on the development of a white paper on enterprise

29 July 2022

Age Action is Ireland's leading advocacy organisation on ageing and older people. Age Action advocates for a society that enables all older people to participate and to live full, independent lives.

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Rialtas na hÉireann  
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*Age Action is part-funded by the Scheme to Support National Organisations 2019-2022, which is funded by the Government of Ireland through the Department of Rural and Community Development*

In relation to the eight high-level policy questions named in the consultation background paper, their interaction with older age should be considered in each case. For example, policies for inclusion and regional growth should have a central role for older workers. Policies to ensure skill availability and productivity should ensure that workers are given opportunities and support to develop throughout their lives, not just at younger ages. With reference to the consultation guidelines, Age Action's submission largely focused on the domestic landscape, the digital transition, skill availability, the SDGs and delivery of enterprise policy objectives.

In 2022, there are over one million people in Ireland aged 60 or older, representing more than one in four adults in the country. Older persons are a vital part of the economy, as employees, self-employed, business owners, landlords, investors and consumers. The future white paper on enterprise must give a central position to an analysis of Ireland's population dynamics and the changing age structure of the population.

The developmental welfare state<sup>1</sup> remains a relevant model when considering the future of enterprise in Ireland, however there is a need to change one key term, which is the inherently ageist concept of "working age". It should be replaced with the term "workers" or "economically active" and it should not be rigidly defined with reference to any set age, such as people aged 16 to 64. Similarly, rather than older age being defined in reference to a notional retirement age, a more fluid concept of the transition from work needs to be developed within the developmental welfare state model, reflecting the fact that many people would prefer to lower their work obligations gradually over time rather than suddenly stop all economic activity. The economic concept of "retirement" should reflect a situation where a person has transitioned to reliance on a pension or savings rather than economic activity to provide most of their income.

Significant numbers of people continue to work well into their 70s, and trends in data suggest that in future more people will work beyond the age of 66. For example, the latest Labour Force Survey found a 50% increase in the number of older persons at work compared to five years previously. Nearly a quarter of a million people aged 60+ are at work, including an estimated 80,000 (one in nine) aged 66 or older, most of whom would be entitled to a State Pension.

The following needs and concerns of older persons should be addressed in the enterprise white paper:

1. Expanding work opportunities for older persons
2. Ensuring income adequacy
3. Providing occupational pensions
4. Providing training and upskilling, including digital skills

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<sup>1</sup> [http://files.nesc.ie/nesc\\_reports/en/NESC\\_113.pdf](http://files.nesc.ie/nesc_reports/en/NESC_113.pdf)

5. Providing supports for issues that particularly affect older workers
6. Ending age discrimination that affects workers and consumers
7. Ending mandatory retirement
8. Developing a new norm of transitioning from full-time work to retirement

## Work opportunities

Older workers often report exclusion from training or promotion opportunities, and some workplaces segregate workers by age cohort. The WHO Global Report on Ageism notes the negative economic consequences of ageism.<sup>2</sup>

Many older persons, from their mid-fifties onwards, report difficulties getting work opportunities and those who are unemployed are more likely than not to be long-term unemployed, with many people from their mid-fifties unable to secure another full-time job before retirement. Increasing the labour market participation of older persons can be achieved by investment in training, adjusting training to meet older persons' needs, promoting more flexible working conditions and through targeted initiatives.<sup>3</sup> The research finds that older workers with lower formal education are more likely to take up training, but that training needs to be tailored to older persons' learning needs and styles. Improvements to working conditions should include flexible work schedules and part-time options to encourage people to remain in employment for longer.

## Income adequacy

Workers are under increasing pressure to save for an adequate retirement income at the same time as meeting a high cost of living. An increasing proportion of older workers are renters. Pension auto-enrolment will become another expense for many workers. Ultimately, enterprise policy needs to be oriented to the creation of higher-value higher-wage jobs to ensure income adequacy for more workers. The OECD notes that "Ireland has currently one of the highest incidences of low pay of the OECD Member countries".<sup>4</sup> This indicates that substantive structural changes are needed to achieve a higher wage economy, involving much greater investment in the training and development of workers, including older workers.

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<sup>2</sup> <https://www.who.int/teams/social-determinants-of-health/demographic-change-and-healthy-ageing/combating-ageism/global-report-on-ageism>

<sup>3</sup> Vodopivec, M., Finn, D., Laporšek, S. *et al.* (2019) Increasing Employment of Older Workers: Addressing Labour Market Obstacles. *Population Ageing* 12, 273–298. <https://doi.org/10.1007/s12062-018-9236-4>

<sup>4</sup> <https://www.oecd-ilibrary.org/docserver/501028262326.pdf?expires=1658399041&id=id&accname=guest&checksum=081AEED0FF3387B66D3A37178565D2E7>

## Occupational pensions

Revenue have found that “most employees on lower incomes do not make contributions to their pension”. When employee gross incomes are over €40,000, a majority make pension contributions but even at the highest levels of income, more than a quarter of income earners do not make pension contributions. At least 1.8 million employees were not making pension contributions and several hundred thousand were making relatively small contributions.<sup>5</sup> Pension auto-enrolment is designed to push more people into saving for a supplementary pension income in older age. Employers will have an important role to inform and to support workers to stay in the auto-enrolment system, and the future enterprise white paper should integrate retirement savings into its objectives for both adequate remuneration and incentives for investment.

## Training and upskilling, including digital skills

Many in-work training supports are oriented towards younger or middle-aged workers. Some employers may not see value in investing in workers aged 55+ if they feel that they are likely to retire before the investment would provide a return. Incentives are needed to ensure that all workers can avail of training opportunities throughout their working lives. There also needs to be joined up strategy with the Government’s aim for older persons to have digital skills (such as for telehealth or online public service transactions).<sup>6</sup> Typically, many people acquire digital skills through their workplaces, and employers should be encouraged to facilitate more workers to develop general digital skills, even if these are not immediately required in their current job role.

Workers in some industries may have little work experience of using the internet or digital devices, which reinforces a digital divide in society. Incentives are needed to ensure that all workers are included in digital skills training so that no one is digitally excluded upon retirement. Lack of digital skills also affects older persons as consumers, as lack of ability to use the internet is a barrier to accessing better prices or to getting the information necessary to make more informed purchases.

The acceleration of the digital economy combined with progress towards a green economy mean that many older workers are competing for training and job opportunities in a dramatically different work environment than the one they entered earlier in their lives. The White Paper should consider the Just Transition Policy Framework and be cognisant of the fact that older workers are an identifiable cohort requiring targeted measures. Older workers in transition either within the workplace or who may find themselves displaced from the workplace should be meaningfully represented in negotiations with adequate supports including counselling and career

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<sup>5</sup> <https://www.revenue.ie/en/corporate/documents/research/pmod-statistics-paper.pdf>

<sup>6</sup> <https://www.gov.ie/en/publication/f4a16b-national-digital-strategy/>

development, provision of early retirement packages that provide income adequacy and equitable opportunities for training and skills development.

## **Issues affecting older workers**

To retain older workers, employers need to offer flexibility and support for circumstances that are more likely to affect them, although they could affect workers at any age. Human resources policies designed for older workers will benefit workers of all ages.

Every employer should have policies on how to support workers who acquire long-term illness that requires treatment but does not prevent them from working. Cancer treatment is an obvious example.

Every employer should have a menopause policy as a standard part of its human resource policies, to support workers who may need time off or flexibility to deal with the associated symptoms of this natural change in their bodies.<sup>7</sup>

Every employer should have policies on how to support workers who have care duties, such as care of a spouse who has an illness or disability, for example through flexible scheduling of work and allowing flexibility so workers can accompany someone to medical appointments.

## **Age discrimination (Ageism)**

In Ireland, the number of older persons (65+) reporting work-related discrimination has risen from 0% in 2004 to 4% in 2019, and the number experiencing age discrimination accessing services has risen from 6% to 8%.<sup>8</sup> The increase of this reporting since 2004 may indicate greater awareness of rights, but it may also point to a higher occurrence of discrimination.

As noted above, exclusion from training or promotion may be a form of age discrimination. In a national survey of 1,849 adults carried out for Age Action by IrelandThinks in 2022, one in four people (25% of all ages) reported personally experiencing discrimination in the last couple of years because of their age, with nearly half (48%) of those who are unemployed reporting age discrimination.<sup>9</sup> From Age Action's interactions with older people and engaging with stakeholder organisations, it is clear to us that older jobseekers routinely face age discrimination such as not being called to interview and many feel excluded by job adverts aimed at young workers.

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<sup>7</sup> See, for example, [https://inmo.ie/tempDocs/20190514091138\\_WebMenopause%20Position%20PaperSM.pdf](https://inmo.ie/tempDocs/20190514091138_WebMenopause%20Position%20PaperSM.pdf)

<sup>8</sup> <https://data.cso.ie/table/EQQ12>

<sup>9</sup> Publication forthcoming in September 2022

The drive towards cashless transactions is an example of older persons feeling discriminated against as consumers.<sup>10</sup>

## Mandatory retirement

In Age Action's experience, mandatory retirement is a major concern for many older workers, and many cases taken to the Workplace Relations Commission by older workers relate to compulsory retirement. The continued existence of mandatory retirement clauses in Ireland is an instance of institutionalised ageism. Mandatory retirement was abolished in the UK in 2011 and in the USA in the 1970s. The EU Court of Justice states that any rules on a compulsory retirement age must be in the public interest, not to make things easier for employers.<sup>11</sup>

Evidence shows that involuntary retirement has a negative effect on the mental health of workers in Ireland,<sup>12</sup> similar to findings in the USA,<sup>13</sup> and to wider negative effects on people's physical health and economic situation.<sup>14</sup>

## Transitioning from full-time work

Nearly two-thirds of EU citizens would prefer to work part-time and to transition to a partial pension before fully retiring.<sup>15</sup> Part-time work can suit many older persons as a gradual transition to retirement and maintaining good health as an older worker is important to prevent early retirement.<sup>16</sup> A managed process of transitioning from full-time work can reduce health problems associated with a sudden shift to retirement.

The Workplace Relations Commission, in consultation with IBEC and ICTU, published a code of practice to encourage best practice engagement between employers and employees in the run up to retirement.<sup>17</sup> The enterprise white paper should consider how this code could be strengthened, as part of a more robust process of supporting workers to remain productive for longer, and to transition out of full-time work on their own terms, not based on an arbitrary age.

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<sup>10</sup> For example, <https://www.rte.ie/news/business/2022/0729/1312874-aib-reports-477m-profits-up-74/>

<sup>11</sup> <https://www.supremecourt.uk/cases/uksc-2010-0201.html>

<sup>12</sup> <https://pubmed.ncbi.nlm.nih.gov/27084792/>

<sup>13</sup> <https://pubmed.ncbi.nlm.nih.gov/19096091/>

<sup>14</sup> <https://pubmed.ncbi.nlm.nih.gov/7320461/>

<sup>15</sup> Eurofound (2016) *Extending working lives through flexible retirement schemes: Partial retirement*, Publications Office of the European Union, Luxembourg. [https://ec.europa.eu/eurostat/cros/system/files/203-2015-extending\\_working\\_time\\_lives\\_0.pdf](https://ec.europa.eu/eurostat/cros/system/files/203-2015-extending_working_time_lives_0.pdf)

<sup>16</sup> Gannon, B., & Roberts, J. (2011). Part-time work and health among older workers in Ireland and Britain. *Applied Economics*, 43(30), 4749–4757. <https://doi.org/10.1080/00036846.2010.498354>

<sup>17</sup> Industrial Relations Act 1990 (Code of Practice on Longer Working) (Declaration) Order 2017 (S.I. No. 600 of 2017).

# Alliance for an Innovation-Driven Recovery

## White Paper on Enterprise Policy Submission



# Contents

<b>1. Our Submission</b> .....	<b>3</b>
<b>2. The Sector</b> .....	<b>3</b>
<b>3. Enhancing the Island’s Tech Ecosystem</b> .....	<b>4</b>
<b>4. Employment and Staff</b> .....	<b>5</b>
<b>5. Tax Strategy</b> .....	<b>5</b>
<b>6. Regulatory Innovation</b> .....	<b>6</b>



## 1. Our Submission

This submission is made by the Alliance for an Innovation-Driven Recovery. It comprises **Scale Ireland**, which represents indigenous tech start-up and scaling companies; **HBAN** Ireland's largest network of business angels and angel syndicates across Ireland and abroad; **IVCA** the representative body for venture capital and private equity firms in Ireland; **Euronext** the leading pan-European exchange; and **TechIreland** which promotes Irish based innovation to the world through data and content.

The Alliance welcomes the development of a new *White Paper on Enterprise Policy*. Ireland needs a strategic plan for the coming decades to ensure a thriving business environment with sustained growth in terms of revenue, employment and exports.

The medium to long term phase of our enterprise policy needs to recognise that indigenous tech companies will be a major driver of our economic growth.

We believe that the strategic decisions taken by the government at this juncture, will be as significant to our future economic growth, as the decision to bring about the 12.5% Corporation Tax Rate in 2003.

Two significant EU roadmaps acknowledge the strategic importance and potential of the tech start-up sector. In March 2021, the European Commission launched the Startup Nations Standard<sup>1</sup>, and in June 2021 President Macron launched Scale-up Europe<sup>2</sup>. These highlight the best conditions to optimise growth in this sector which should be central to the White Paper, with a clear focus on positioning Ireland as a leading location for founders to start, scale and internationalise their companies.

There also needs to be a strong emphasis on promoting start-ups with sustainable solutions, and separately supporting start-ups in general to become more sustainable organisations through leadership programmes, mentoring, and focused grant schemes with clear medium/long-term objectives. Enterprise Ireland and Skillnet have central roles here.<sup>3</sup>

## 2. The Sector

There are over 2,100 indigenous tech start-up and scale-up companies employing almost 55,000 people nationwide.<sup>4</sup> For each additional job in the sector, five more are created in the community.<sup>5</sup> Almost 940 companies are outside Dublin with the majority export-focused. The OECD found that Ireland has one of the lowest ratios of exporters to total enterprise numbers in Europe, with only 6.3% of SME employer firms exporting, compared to 17% in the UK and 27% in Denmark.<sup>6</sup>

There are currently seven Irish tech unicorns, five emerging since 2021. The Irish Strategic Investment Fund's new strategy identifies increasing the number of tech unicorns and investing in scaling companies as a key objective.<sup>7</sup> The Alliance also recommends that data on the sector is gathered to ensure informed policies, and we support moves by the EU Commission to achieve this.<sup>8</sup>

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<sup>1</sup> Declaration on the EU Startup Nations Standard of Excellence, European Commission, 2021

<sup>2</sup> How to build global leaders in tech, Scale-up Europe 2021

<sup>3</sup> Sustainability Proposals, Scale Ireland's Budget 2023 Submission, Scale Ireland, 2022

<sup>4</sup> Workforce Development Report, TechIreland, 2022

<sup>5</sup> The New Geography of Jobs (Houghton Mifflin Harcourt, 2012) by Enrico Moretti

<sup>6</sup> SME and Entrepreneurship Policy in Ireland, OECD, 2019

<sup>7</sup> Impact Strategy, Ireland Strategic Investment Fund, 2022

<sup>8</sup> Establishment of the Startup Nations Standard Alliance, 2021

### 3. Enhancing the Island's Tech Ecosystem

**Supporting Tech Hubs:** Greater supports and increased funding should be provided to the Irish Tech Hub Network<sup>9</sup> which connects best-in-class innovation hubs across Ireland. The Network has significant potential to catalyse innovation in every region, leading regional development and the creation of highly skilled jobs. The growth of regional hubs has been a positive development since the National Policy Statement on Entrepreneurship, deepening our start-up offering. However many hubs are relatively new and rely on the expertise of the Network which is self-funded. To ensure the sustainability of hubs across Ireland, the Government needs to support the Network and formalise their position as leaders in this evolving area.

**Supporting students and researchers at third-level:** The promotion of entrepreneurship through curricula, internships and work experience needs to be enhanced. This would complement and feed into EI's Student Entrepreneur Awards, and make start-ups more attractive to students. More structured entrepreneurship skills are important in teaching students about the start-up creation process, with offerings tailored to the level of the student (from ideation to scaling). Co-funding of annual entrepreneurship competitions in each university/regional grouping of third levels should be explored (similar to MIT \$100k).

A national internship programme should be initiated by Enterprise Ireland, with a state-supported stipend for students given that start-ups are initially cash-constrained.

Spin-outs from educational institutions need to be increased. There should be more support for postgraduate students/researchers developing innovative sustainable solutions, specifically using deep-tech to solve issues with significant market pull (rather than just being about a "technology push"). Immersing postgrads/researchers in deep-tech companies for commercial opportunity spotting and customer discovery, similar to the **UK's Spin Up Science** will help. Greater funding for spinout-forming initiatives and investment can supplement existing schemes (i.e. I-Corps@SFI Academy, EI's Commercialisation Fund) using models like **Cornell's Runway Startup Postdoc** and **StEP Ignite** (funding to take existing university research IP "off the shelf" and commercialise it). Broader access to entrepreneurship training for all postgrads/researchers funded nationally is needed.

**Supporting Angel and VC Investment:** Successful start-up ecosystems globally are driven by strong angel capital markets. These markets recycle entrepreneurial gains into new ventures and are crucial to start-up formation because, unlike institutional investors, angel investors can make rapid investment decisions with minimal requirement for commercial proof-points at exactly the time when it is most important for start-ups. Ireland does not have an equity culture and government incentives for angel investment in Ireland lag competitor countries. It is essential that incentives for such investment are enhanced.

Irish based venture capital and private equity firms play a critical role in the ecosystem but the lack of private matching capital to complement state investment has inhibited the development of the industry, and the availability of scaling capital. The White Paper should address the need for further reforms to Ireland's Employment Investment Incentive Scheme to attract more private investment into early stage start-ups. The introduction of an "opt-in" requirement on new payments into pension schemes to attract pension fund investment into indigenous enterprises should be considered.

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<sup>9</sup> Irish Tech Hub Network, <https://www.irishtechhubnetwork.com/>

## 4. Employment and Staff

A continuous pipeline of skilled workers to ensure the growth of this dynamic sector is imperative. Investment in start-ups/scaling companies is determined not only by the commitment/experience of the founder, but the wider team. However, in our State of Start-up Survey, 45% of founders found it more difficult to recruit/retain staff in the last year and 40% had lost staff.<sup>10</sup>

Irish start-ups face competition from bigger companies offering attractive remuneration and jurisdictions with more competitive conditions. Reform of the tax treatment of employee share ownership is critical. While existing schemes (KEEP) are being reviewed, we believe broader changes should be implemented at an accelerated pace. Based on our international analysis, ease of use and simplicity, in addition to generosity of terms, are the driving factors of success for such schemes.<sup>11</sup>

We welcome government measures to address cost of living increases. Further consideration should be given to enhance our competitiveness as a location for founders and staff including ongoing reviews of income tax levels and housing policy.

Visa and permit systems are vitally important. Programmes/incentives to encourage the return of tech-talent from third countries should be reviewed.

## 5. Tax Strategy

The international tax landscape continues to evolve. Ireland should ensure that its transparent and clear corporate tax system is adapted in a manner which continues to attract capital and expertise and enables enterprises to start, grow and internationalise here.

**CGT** - Ireland's Capital Gains Tax rate of 33% is the fourth-highest among 35 countries in the OECD. The 2019 OECD assessment of Ireland's policy framework identified our CGT rate as an obstacle to entrepreneurship.<sup>12</sup>

Reducing the rate is critical. In 2008, it stood at 20% but has since increased four times. A reduction to 20% on disposals of shares in active SMEs would broadly encourage Irish investors to redirect more into Irish SMEs. It would incentivise founders to locate themselves in Ireland as they realise value from their businesses. This would unlock additional funding, and help companies expand. With additional investors on board, these companies are likely to remain here, generating additional employment and activity.

We welcome recent government measures for small start-ups. While some measures have been legislated for, they have not been fully implemented.

Any changes should be mindful that start-ups have limited resources, so simplicity, certainty and flexibility are critical. Additionally, further changes are needed to EIS to make it more attractive and user-friendly.

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<sup>10</sup> State of Start-ups Survey, Scale Ireland, January 2022

<sup>11</sup> Submission to the Department for Finance Consultation on The Key Employee Engagement Programme, Scale Ireland, June 2022

<sup>12</sup> SME and Entrepreneurship Policy in Ireland, OECD, 2019

## 6. Regulatory Innovation

Europe's tech ecosystem was positively endorsed in an analysis of European start-ups conducted by Stripe<sup>13</sup> (talent, proximity to markets etc.). Worryingly, though, almost 60% of interviewees identified time spent on compliance processes as the greatest threat to their businesses, and it is increasing. Most (80%) believe that regulatory/policy/compliance structures are designed for large, established businesses.

This mirrors the experiences of Irish founders. Our State of Start-up Survey<sup>14</sup> found most respondents had not applied for state schemes - EIS (74.2%), R&D Tax Credits (65.9%) or KEEP share options (77.7%).

**Scaling Division within Revenue:** It is essential that state schemes are user-friendly for founders who have limited time and resources. They need support if our national policy objectives are to be achieved. A new scaling division within the Revenue Commissioners would assist Revenue's understanding of the challenges facing this sector, and encourage higher take-up of schemes. The 2019 OECD review 'SME and Entrepreneurship Policy in Ireland' states that "SME involvement may be held back by difficulties in understanding how to use the scheme and the costs of preparing, filing and defending claims."<sup>15</sup>

**Personal Disincentives:** Founders face particular disincentives to pursue entrepreneurship, such as applying for mortgages. Likewise, there is an administrative burden on many founders opening a bank account or accessing personal loans. Start-ups as businesses should be able to access debt through retail banking.<sup>16</sup>

**Regulatory Innovation:** State regulators can assist start-up innovation. For example, a 'regulatory sandbox' would enable FinTech start-ups to develop innovative solutions and trial them within a regulatory-proofed environment. The opportunity, as highlighted in Stripe's report, exists for Europe to develop as a FinTech centre of excellence. Ireland can play a significant role, not dissimilar to the international position the IFSC offered the country in the 1990s.

**Regulatory structures:** The introduction of a payment services regulator should be considered to address the specific needs of payment services firms, as distinct from traditional banking institutions. This would address difficulties around the processing times of different payment service licences and support the development of a broader FinTech sector.<sup>17</sup>

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<sup>13</sup> European Tech Voices Report, Stripe, July 2022

<sup>14</sup> State of Start-ups Survey, Scale Ireland, January 2022

<sup>15</sup> SME and Entrepreneurship Policy in Ireland, OECD, 2019

<sup>16</sup> Commission on Retail Banking, Scale Ireland Submission, 2022

<sup>17</sup> Commission on Retail Banking, Scale Ireland Submission, 2022



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# White Paper on Enterprise

Response from the American Chamber of Commerce  
Ireland (AmCham) to the Department of Enterprise,  
Trade & Employment's public consultation on the  
preparation of the White Paper on Enterprise

July 2022

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AmCham welcomes the opportunity to contribute to the Department's consultation on the White Paper on Enterprise.

Over 900 US companies call Ireland home, employing over 190,000 people, and supporting a further 152,000 jobs in the Irish economy. The scale of this investment is further visible through their annual expenditure of €12.4bn on payroll, €8.8bn on goods and services, and €6.5bn on capital expenditure. Additionally, in 2021 the OECD reported that, over a six-year period, one of every four multinational employees either moved to an existing Irish company or started a new one.

This is an extraordinary achievement, both by multinational and domestic Irish business. AmCham would welcome an ambitious enterprise strategy for the next decade that preserves and builds upon the significant achievements of business in Ireland, particularly in the context of the scope and scale of geopolitical and economic change.

## People

In attracting business, Ireland's competitive edge is its people, however, talent is now more mobile than ever before. Ensuring Ireland remains a destination of choice for talent into the future is essential to the success of Ireland's enterprise policy.

AmCham believes there are several factors which are integral to this:

- Smart policy choices to fund our higher education and research sectors is essential in supporting talent, and ensuring the skills needs of business are met. **Smart investment in higher education will enhance the reputation of Ireland's education system on the global stage and drive greater participation from key stakeholders**, including world-class educators, while also building a world-class talent pipeline.
- The workplace will continue to become increasingly digital in the lifetime of the enterprise strategy. The **advancement of digital literacy and skills** will support both business and talent with hybrid and remote working environments remaining commonplace into the future, and ensuring every person is empowered to avail of the opportunities provided in an ever more digitalised Ireland.<sup>1</sup>
- Tackling the gender disparities existing in STEM subjects will support the advancement of women in key industries, including advanced manufacturing and life sciences. The enterprise strategy should **encourage women to pursue careers in the STEM fields** which would result in greater gender balance in the leadership of companies in these fields in the longer-term.
- Ireland's attractiveness for talent is enhanced by the social progress we, as a country, have made in recent years, including in relation to marriage equality and women's rights. **Ireland should continue this progressive journey** making our country a more attractive place for people to live.
- Ireland is globally recognised as a **rules-based democracy committed to international institutions and norms**. This commitment, and the consequent political stability, is greatly

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<sup>1</sup> Further information is available in AmCham's position paper on [Digitalisation - How Ireland can accelerate](#)

appreciated by both domestic and international business. AmCham would welcome Ireland's ambitions in this regard being reflected in the economic strategy.

- Quality of life will continue to be integral to Ireland's competitiveness in attracting talent. According to the UN Human Development Index, Ireland ranks second in the world for quality of life. **To sustain a high quality of life in Ireland, key challenges must be addressed.** These challenges include the availability of affordable homes, access to affordable childcare, sustainable public transport, a globally competitive personal tax regime, and fit for purpose healthcare and education systems.
- In supporting job creation and retention, Ireland's enterprise strategy should recognise the importance of the continuation of the direct engagement model regarding industrial relations.

## Place

Ireland has many attributes which make it a destination of choice for both talent and business. As the only English-speaking, common-law country in the EU, Ireland is at the heart of the largest set of free-trade agreements in the world. Ireland is also the transatlantic gateway to Europe, acting as a bridge which connects two of the world's biggest economies.

Successive administrations have pursued pro-enterprise policies. AmCham believes an ambitious enterprise strategy provides an ideal opportunity strengthen Ireland's reputation on the global stage for job creation and inward investment. AmCham recommends the following are included in this strategy:

- To adequately address any future economic shocks which may occur, without risking the provision of core services and the development of vital infrastructure projects, government must outline a roadmap for fiscal sustainability, including a **5-year plan to reduce the public debt burden to sustainable levels.**
- In a recent AmCham survey, **100% of respondents identified cost competitiveness as important to maintaining FDI employment in Ireland.** With geopolitical circumstances leading to increased economic uncertainty, ensuring Ireland is viewed as a cost competitive location when compared with competitor jurisdictions is important in sustaining business development and growth.
- It is vital that enterprise is supported in the transition to carbon neutrality. To support this, enterprise policy should provide a comprehensive and inclusive roadmap **outlining how each sector of the economy will adapt to sustainability measures** which lower emissions and advance climate goals, while also outlining how economic growth will be supported.
- Security and cost competitiveness of Ireland's energy and water supply, and capacity for current and future demands will have a direct impact on the ability of business to grow. AmCham recommends a continued focus on the **development of offshore wind, and infrastructure capable of pivoting to green hydrogen.**
- Given the scale of the multinational presence in Ireland, and the importance of digital and data to the Irish economy, strengthening cybersecurity is a necessity. **Greater cybersecurity**



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**will provide protection for business and public services and safeguard critical national infrastructure from external threats.<sup>2</sup>**

- The **delivery of essential physical and digital infrastructure** will be paramount in enhancing Ireland's enterprise ecosystem. Road, rail, and other key transport projects must be advanced to provide the required connectivity for business. Digital infrastructure, including the rollout of the National Broadband Plan will be essential in supporting enterprise in connecting with key markets, and supporting the increasingly digitalised working environment.
- Clustering has had many benefits for the enterprise ecosystem in Ireland and provides great opportunities to spur further innovation. **The move towards a clustering model within domestic policy is positive** and will support innovation and collaboration between MNCs, SMEs and academia. To further enhance the impact of collaboration, Ireland should consider developing an innovation district which will have a global standing.
- **Reform of the planning process** to provide certainty of timeframe for business is essential. Logjams in the process create a barrier for investment and delay the delivery of vital infrastructural projects. A process which provides stability in terms of the timeframe for a final decision to be reached will support the growth of business in the years ahead and strengthen Ireland's enterprise ecosystem.

## Impact

Ireland, as a country, consistently punches above its weight and has been recognised by global leaders as a great place in which to do business. However, Ireland cannot be complacent as competitor jurisdictions seek to emulate and compete with Ireland in attracting investment, business, and talent. In a recent AmCham survey, 95% of respondents said they have a positive view of Ireland as an investment of growth location.

To ensure Ireland is best placed to continue to be competitive on the global stage, AmCham believes that many opportunities exist for Ireland to enhance its impact:

- AmCham welcomes the constant reshaping of government portfolios, including the creation of the Department of Further and Higher Education, Research, Innovation and Science. AmCham recommends that future reshaping **reflects the importance of data, digital and cyber to the Irish economy.**
- Industry 4.0 and the development of centres of excellence provide opportunities for Ireland to be at the cutting edge of advanced manufacturing and emerging technologies. Enterprise can be further supported through the **outlining of a long-term funding strategy for Industry 4.0** which focuses on the enhancement of coordination between business and research centres.
- To realise the opportunities provided by Industry 4.0 fields, an enterprise strategy must foster collaboration and cross-sector impact, with a focus on fields **including quantum computing, artificial intelligence, augmented reality, data analytics, and robotics.** A disproportionate amount of the world's top firms in manufacturing have a base in Ireland. Many of these sites

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<sup>2</sup> Further information is available in AmCham's position paper on: [The Strongest Link in the Chain: Ireland's Global Cyber Security Leadership](#)

are of global strategic importance providing Ireland with the opportunity to be at the forefront of technological advancement.<sup>3</sup>

- Closing the RD&I investment gap will support greater innovation in Ireland and ensure Ireland's reputation as a place to do business is strengthened. In 2020, Ireland's expenditure on RD&I was 1.2% of GDP while the EU average was 2.3%. This discrepancy must be overcome to ensure enterprise in Ireland is best placed to have a global impact. **Ireland must increase its expenditure on RD&I and outline a multi-year plan to bring RD&I expenditure in line with the EU average.**
- The Global Ireland initiative focused on expanding Ireland's footprint must examine how it can be enhanced to have the greatest impact in an ever-changing world. Ensuring Ireland can strategically grow its reputation in global markets and international forums will be essential in supporting business in Ireland. The enterprise strategy should consider **widening the scope of the Global Ireland initiative to encompass key areas**, such as further and higher education, research, innovation and science.
- Ensuring the importance of trade and investment to the Irish economy is recognised within our society should be advanced within an enterprise strategy. AmCham believes a **focus on the benefits of trade and investment for Ireland's open economy should be factored into the curriculum** in second-level education.

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<sup>3</sup> Further information is available in AmCham's position paper on [Industry 4.0](#)

## **Public consultation on the preparation of the White Paper on Enterprise**

### **Submission from Basic Income Ireland (sent by Anne Ryan, July 20 2022 on behalf of BII)**

Below we make the case for the provision of a permanent, unconditional, universal basic income as an essential part of a platform for supporting and developing enterprise in Ireland.

Society benefits from entrepreneurship, yet budding entrepreneurs and people considering self-employment face many challenges in making their venture a success. These challenges include:

- Accessing credit
- A high exposure to risk with the possibility of losing everything, becoming bankrupt and being plunged into poverty if the venture fails
- Establishing the business while making a living at the same time, and dealing with the insecurity of income and cash-flow problems during the early phase of the business
- Recognising that the need to invest all their time in the venture may mean putting other aspects of their lives on hold. This can result in many potential entrepreneurs abandoning their ambitions and dreams because of their over-riding commitments to other people
- Pressure from the market and from investors means the self-employed person or entrepreneur feels obliged to choose between doing work that the market recognises as profitable and capable of providing a high financial rate of return or doing “unprofitable” work of social or ecological benefit that will not attract investment support
- Pressure to keep the business “growing” at all times. Sustainability of the enterprise, as opposed to making a profit, is not often considered to be an acceptable outcome
- Some self-employed people qualify for a back-to-work-enterprise allowance from the state, but this can involve high levels of red tape and bureaucracy and it is gradually withdrawn after a time.

#### **How basic income can help:**

- Entrepreneurs benefit from the provision of a guaranteed ongoing basic income and associated cash flow. It is a boost to existing enterprises and a support for those starting out
- Basic income makes accessing credit easier as it reduces the risk the entrepreneur presents to creditors
- Basic income reduces entrepreneurs’ exposure to risk – as they won’t ‘lose everything’. Business wind-down does not equal personal disaster and the guaranteed basic income remains in the event of bankruptcy
- The entrepreneur’s dependents are not completely reliant on the success or failure of the venture as they have their own basic income

- A basic level of income security is available while the entrepreneur develops the necessary networks and markets to sustain the enterprise
- A basic income increases the viability of business ideas that investors may not consider profitable or that don't have the potential to provide a 'living wage'
- This in turn permits society to benefit from greater levels of social entrepreneurship, where people can do important work that doesn't provide a living wage in the market
- Basic income enables a 'co-operative' or 'partnership' approach to ventures by reducing collective (as well as individual) risk
- Basic income enables better long-run planning in the enterprise because short-term, survival, pressures are reduced.

### **What a basic income will not do:**

Basic income cannot remove all the risk from establishing a new venture – people will still need to invest their scarce time and scarce savings (or encourage other people to invest their savings) in the venture. But basic income will mean that the entrepreneur will at least not have to worry about putting bread on the table while the venture is at the early stages. Nor can basic income guarantee the success of the venture – this will still depend on the talent, effort and persistence of those involved. On its own, basic income will not change people's perceptions of what constitutes worthwhile or useful work, though it will facilitate businesses that are socially useful but marginal in market terms.

*Anne B Ryan*

*Ag tacú le cúis an bhunioncaim uilígh/Advocate for universal basic income*

[www.basicincome.ie](http://www.basicincome.ie)

## **White Paper on Enterprise – submission by BioPharmaChem Ireland**

### Introduction

Ireland's globalised economy has demonstrated its agility and resilience in recent years with the life sciences and Healthtech industries playing a lead role in growing the economy while improving lives through innovation. The biopharma, MedTech sectors and digital health sectors in Ireland are renowned for attracting international investment with 700+ companies operating here across the country, employing 102,000 people, and making a global impact with exports of €105 billion. To sustain our hard-won competitiveness and position ourselves on the world stage as champions in the evolving world of health innovation we need the right industrial policies which promote a more coordinated and strategic way of thinking. Ireland needs a more unified approach to industrial policy to help prioritise and cultivate collaboration to advance our position as the 11<sup>th</sup> rank strong innovator in Europe so that we are set-up to deliver next generation innovation – which in many cases will rely heavily on harnessing the strengths of our global life sciences ecosystem.

### Life Sciences Strategy

BioPharmaChem Ireland is advocating for the Government to develop a national industrial life sciences strategy led by the Department of Enterprise Trade and Employment, with the support from other Departments, and recommends that appropriate resources be appointed within the Department of Enterprise, Trade and Employment to develop and implement same. Ireland is one of the leading global hubs for the development, manufacturing and supply of medicines and their ingredients. Ireland remains the location of choice for new and cutting edge biopharmachem molecules. The Irish industry needs to stay at the cutting edge through embracing new advanced therapeutics, and also ensuring that its installed base remains competitive and sustainable through the adoption of the principles of Pharma 5.0. By doing this it will continue to create employment and wealth for the Irish economy as well as bringing healthcare solutions to patients around the globe.

### UK example

Looking to our closest neighbour the UK and their success in this space shows that central to the UK's Life Sciences Vision is a focus on cultivating a business environment in which UK life sciences firms can access finance to innovate and grow, are regulated in an agile and efficient way, and are incentivised to onshore manufacture and commercialise their products in the UK. To support this ambition, the government launched its Life Sciences Investment Programme, a £200 million government investment that will unlock the potential of innovative UK life sciences companies so that they can grow their operations and create high-skilled jobs in the UK. The programme will leverage further private sector investment and support the development of a world leading UK life sciences venture capital ecosystem. The investment will be delivered through British Patient Capital, part of the government-owned British Business Bank, which will allocate the £200 million to specialist funds. In a further boost to the sector, British Patient Capital has recently agreed a

collaboration with Abu Dhabi's Mubadala Investment Company, one of the world's leading sovereign investors. Under this partnership, facilitated by the Office for Investment, Mubadala has committed to invest £800 million in the UK life sciences industry and will work with British Patient Capital to identify sector trends and investment opportunities. In total, this means £1 billion of new funding is available for the UK's most promising life sciences companies, with the potential to crowd in further funding from other investors.

The Life Sciences Investment Programme will have access to a scientific advisory panel composed of leading industry figures, chaired by Life Sciences Champion Professor Sir John Bell. The panel will share insight on key scientific trends. The life sciences sector is critical to the UK's health, wealth and resilience, employing more than 250,000 people and generating an £80 billion turnover each year in the UK. A key theme of the Vision is to support the sector to grow, attracting investment and creating high skilled jobs across the UK.

### Research & Innovation

The Government's 'Impact 2030: Ireland's Research and Innovation Strategy' has highlighted how the country's strengths can help us overcome social, economic, and environmental challenges by setting national priorities to maximise impact in R&D as well as talent development. This is set against a backdrop of Government supports such as the Disruptive Technologies Innovation Fund and the Disruptive Technologies Partnering Portal. The National Institute of Bioprocessing Research and Training (NIBRT), the IDA led Advanced Manufacturing Centre, Tyndall National Institute, as well as the SFI and Enterprise Ireland research contestant, as well as the National AI strategy. This year, 2022, also saw the launch of the welcomed Stay Left, Shift Left strategy for Ireland through the Department of Health. Stay Left, Shift Left is based on partnering with innovative companies, universities and individuals to utilise the power of digital applications, data and technology in order to improve quality of life and improve quality of care while reducing the cost of care in the Irish health system. The successful implementation of this strategy will strengthen Ireland's value proposition. Ireland ranks 11<sup>th</sup> strong innovator on the European Innovation Scoreboard, and 19<sup>th</sup> overall on the Global Innovation Index. Additionally, it is 12<sup>th</sup> in the Global Scientific Ranking. This is underscored by our performance as a world leader in science ranking 2<sup>nd</sup> for immunology, 3<sup>rd</sup> for pharmacology and toxicology, as well as 4<sup>th</sup> for neuroscience and behaviour. However, a lack of strategic prioritisation and coordination means that our high performing ecosystem has not yet reached its potential, nor is it set-up to fully harness the opportunities ahead which will come out of convergence across the life sciences and technology sectors and ecosystem. Innovation in healthcare has seen a rise in combination devices with leaders in the biopharma and MedTech industries collaborating to share their expertise to develop singular solutions, in areas such as bioelectronic medicines, drug delivery devices, and digital health solutions. BPCI is calling on the government to develop a national industrial life sciences strategy that reflects international best practice in industrial policy by embracing clustering. This should be led by the Department of Enterprise Trade and Employment, like Ireland's Industry 4.0 Strategy 2020-2025, and appoint appropriate resources at the Department to oversee and implement same. The life sciences sectors of biopharma, MedTech, and digital health, have demonstrated their value in

improving lives, and stimulating sustained economic growth even in the face of global challenges. Nevertheless, to achieve these industries potential and solidify our position as global leaders we need a coordinated, and focused industrial policy to surmount rising obstacles, broadening our base from manufacturing and supply chain, creating an environment where homegrown start-ups and SMEs flourish, access to world class talent, along with maintaining our hard-won competitiveness, while moving up the value by developing and commercialising next generation innovation.

### Recommendations:

- The Government develop a national industrial life sciences strategy led by the Department of Enterprise Trade and Employment, with the support from other relevant Departments within Government.
- Appropriate resources should be appointed to implement the strategy and lead this new “office” to champion research, innovation, and the use of technology to transform health and care services globally.
- Review global best practice in ecosystem development as a mechanism for strategy/ecosystem development such as the MIT REAP Regional Entrepreneurship Acceleration Program (MIT REAP) which provides opportunities for communities around the world to engage with MIT in an evidence-based, practical approach to strengthening innovation-driven entrepreneurial (IDE) ecosystems. A typical MIT REAP region has a population of 1-10 million people.

### Benefit for Ireland

Active coordination of business policies and industry leadership has made Ireland a location of choice for business with the world’s top life sciences companies selecting here as a gateway to Europe and the world. Our reputation for manufacturing is of an indisputably high calibre with Ireland being the only country in Europe to see exports rise with growth of 5.4% largely supported by the crucial role of the life sciences industry in tackling Covid-19. To keep pace with the international business trends, and the increasing complexity of the health innovation ecosystem we need to adapt. To continue on the road to success we need to forge a new path or get left behind. While manufacturing sites in Ireland continue to win projects and deliver in a challenging environment with more companies embracing smart factories to develop products, and more resilient supply chains to deliver on customer expectations, this is not enough to stand out. We have the potential to be at the vanguard of life sciences innovation thanks to our well-established ecosystem that has a culture of collaboration with world class talent and leadership.

Given this trend, national and/or cluster ecosystem strategies are becoming common place in countries known for life sciences and innovation. These regions have recognised the opportunity to develop a national collaborative approach for future competitive advantage.

July 2022

## W. and E. Butler

### *Public Consultation Future Enterprise Policy July 2022*

Ireland today has successfully transitioned from an agricultural economy to an urban industrialized society utilizing a labour-force moving to the beat of an indoor, clock-based workplace.

This transition occurred late in the State's existence after failure to attract European FDI caused a successful pivot westward. The result is U.S. FDI generating 20% of private employment using up-skilled workers and U.S. IP to produce world-class exports and an industrial landscape moulded by such investment.

However, the benefits of an English-speaking workforce and American links come with long-term downsides. The loss of our native tongue has meant the narrowing of the flow of ideas and examples that come with translating other languages. This has resulted in over-reliance on business models developed by large English-speaking countries with Irish immigrant populations, such as the United States, Britain, Canada, and Australia. While their business models have been beneficial, and Irish emigrant information-flow has generated "comfort" links, their industrial culture is not a sustainable fit for a small open island economy of the edge of the EU.

This has resulted in us reading little about similar States such as Austria, Belgium, Croatia, Denmark, Norway, Slovakia, Slovenia, Sweden, and Switzerland, other than headlines and stereotypes. To benefit from their internal dynamics and industrial adaptations we need to learn from their successes and mistakes by increasing the flow of cultural and business information from such relatable economies.

Actions to achieve this could include;

Developing a network of linkages by boosting Embassy staffing in target States.

Providing a regular stream of Government-funded media translations free-of-charge to Irish information outlets.

Actively sponsoring managers and future business-creators inside companies in small States, even to the extent of part-funding their salaries.

Encouraging Irish labour to expand their language skills. As English is widely spoken among European youth, being the only English-speaking EU State will decline in relevance.

Increasing investment in work-placement exchanges to improve the ability of Irish labour to integrate into European economies alongside policy efforts to diversify Irelands export portfolio and business models. This would encourage Irish workers to engage in other European economies and learn alternative business approaches.

Student exchange programs, like Erasmus but focussed on immersing Irish students in targeted cultures and ways-of-business.

Apprenticeship exchanges based on some central European State models, which for certain fields favour such career paths in place of university. Sponsoring these exchanges would create hands-on experience to allow young workers to bring their experience of different business processes back to Ireland.

Encouraging 3<sup>rd</sup> Level Institutions to attract Lecturers from such States to teach business ideas focussed less on the "Harvard MBA" and more on small-state models.

Funding regular visits by society leaders, Trade Union representatives, media figures, and social media influencers to examine cultures and companies in the target States.



**History past and present shows that large powers act primarily in their own interests and that dependency is not a long-term strategy.**

**If we are to have a truly “Irish” economy, we should seek industrial models comparable to our size and skillsets, which rely on locally developed technology for generational employment.**

**Such a policy pivot would create an economy suited to our long-term needs and buffered from distant policy changes and the agendas of others.**



Department of Enterprise, Trade and  
Employment

Public consultation on the  
preparation of the White Paper  
on Enterprise

A SUBMISSION BY  
CEMENT MANUFACTURERS IRELAND



26th July 2022

## Cement Manufacturers Ireland

Cement Manufacturers Ireland (CMI) was established in Ibec in 2003 as the representative body for the indigenous cement manufacturing industry. CMI has three members in the Republic of Ireland; Breedon Cement, Irish Cement, and Mannok Cement and an associate member in Northern Ireland - Cookstown Cement. CMI is a member of Cembureau, the European Cement Association and an Associate Member of the Global Cement and Concrete Association.

Located in predominantly rural locations the cement industry has a long industrial heritage using abundant local resources to manufacture high quality cement. Our members operate modern cement factories to the highest European standards and support over 2,000 jobs.

The members compete on the island of Ireland to supply cement products to both domestic and export markets. Accessing export markets has broadened our customer base and been a vital source of revenue during periods of reduced demand from the domestic construction sector, allowing us to continue operations and investment in our workforce and factories. Up to 40% of our members cement production is sold in export markets.

## Concrete and a Net Zero future

Our high quality cement is the essential ingredient in concrete. Concrete, is the most common construction material because it provides unrivalled versatility, resilience, safety, and durability. Properly designed and constructed concrete structures can last 100 years or more, making it resource efficient and over this extended lifespan concrete buildings have low embodied carbon. At the end-of-life concrete is 100% recyclable.

Concrete is crucial for the construction of a low carbon future; be it the foundations and towers of wind turbines, on land or at sea, energy efficient buildings, new transport infrastructure, flood protection or other projects aimed at adapting to climate change. Significant innovation and disruption to the traditional supply chain is already underway. The cement industry has been to the fore in driving down emissions associated with the manufacture of cement. Through **investment of over €500 million since 2000 by our** members, innovation and the production of lower clinker cements, the carbon footprint of a typical bag of cement today in Ireland has been reduced by 20%. Like all sectors, we have more to do. In line with both the Cembureau and GCCA Roadmaps we and our partners in the construction sector are committed to becoming climate neutral by 2050.

## Cement, a Unique Perspective

Our members welcome this opportunity to provide our unique perspective to the Department's work developing a new White Paper on Enterprise. A vibrant indigenous cement industry is essential for all modern economies. Our members' operations are intrinsically linked to construction sector activity and in turn to the wider economy. The factories are 'high-tech', **high temperature**, highly digitised facilities using the latest technologies and equipment to manufacture high quality cement. The vast scale of our

industry masks the technology, innovation, continuous quality control and highly trained workforce required to operate these facilities and deliver this essential construction product.



A modern central control room in one of our members cement factories

Our unique perspective comes not only because we represent a modern, heavily-invested manufacturing industry but also because we contribute to the economy in three principal ways. Our cement is, firstly, essential for building the homes and infrastructure needed by our modern economy. **Our product is literally the foundation of Ireland's construction** activity, supporting thousands of jobs and enabling virtually every construction project on the island.

Secondly, between now and 2030 our cement factories will double their consumption of waste-derived fuels to 500,000 tonnes each year. **'Co-processing'**, the use of 'alternative fuels' made for our cement kilns, not only significantly reduces the need for imported fossil fuels but also provides a reliable, effective recovery option for these discarded resources. Co-processing in our members' cement kilns offers a vital waste treatment option for non-recyclable waste, improving Ireland's self-sufficiency and reducing waste exports and landfill.

Thirdly, the use of alternative fuels and alternative raw materials in our cement kilns supports the transition to a more circular Ireland. These materials provide energy and minerals necessary for our manufacturing process. Our industry, given the scale of the operations, the demand for raw materials and the high temperature process is ready to collaborate with Government, Regulators and other enterprises to maximise the value of discarded resources and transform them into vital construction products.

We believe our unique perspective will assist the Department in the development of this important White Paper.

## UN Sustainable Development Goals

Our members are committed to supporting the achievement of the UN Sustainable Development Goals (SDGs). **Society's** demand for cement and concrete enables us to positively contribute to many of the SDGs and play a critical role in particular for the following four; No 9 - Industry, Innovation and Infrastructure; No 11 - Sustainable Cities and Communities; No 12 - Responsible Consumption and Production; No 13 - Climate Action.

The design and delivery of climate-smart innovations that support communities and improve the social value of the built environment by transforming construction activities is already underway. Proper planning and design, with new ways of building are delivering more **'liveable'**, sustainable, resilient communities that provide protection from the growing impacts of climate change. Higher density urban living, with improved health and wellbeing for inhabitants, including access to nature and protection of biodiversity must be part of the modern built environment.

We recognise that healthy economies depend on a healthy environment. Our sector is committed to a more circular model, preserving the resource value in our built environment and using natural resources more responsibly to minimise our environmental impact and preserve and enhance biodiversity.

## Our Request

The key requirements for our members are; raw materials, energy, a skilled workforce and access to markets. Our members have abundant reserves of traditional raw materials however through ongoing research and development we will continue to manufacture high quality cement while introducing new types of raw materials and increasing the use of alternative fuels. In recent times there has been some recognition of the role of our industry. However, there is still a need for a regulatory framework that recognises co-processing and supports the business case for circular construction.

The White Paper must recognise the importance of making renewable energy readily available and affordable right across enterprise. The electrification of industrial processes should be encouraged through appropriate compensation mechanisms to ensure the Irish economy remains adaptable and competitive.

The education and skills needed by the workforce of tomorrow must be addressed in the White Paper to ensure the many opportunities available to Ireland around renewable energy, renovation, digitisation and new circular business models can be achieved.

Policies based on material neutrality and a whole life-cycle assessment of construction products are essential. They will ensure that objectivity and balance continue to underpin the huge transformation underway in the construction sector. Design choices and material selection must be driven by informed decisions. No single material is the solution. There should be support for the development of low-carbon cements and concrete and more rapid adoption of new product standards to maximise the contribution of all construction materials, **whether 'bio' or mineral based.**

With the introduction of EU Emission Trading Scheme in 2005, accountability, validation and reporting of our CO2 emissions became mandatory for our members. Our industry responded and made the necessary investments and innovations to drive down our emissions. By 2030, our members will be faced with a significant new challenge, that being carbon capture. In addition to the on-site investment in capture technology, energy-intensive industries, including cement, will need sufficient infrastructure to transport, store or re-use the CO2 captured. The Department should urgently develop a detailed analysis of the future CO2 transportation network focused around regional industrial clusters. This will create the vision for a future decarbonised enterprise sector, will encourage industrial growth and development and will provide clarity around the level of investment required.

Transformation is required; **'business as usual' is no longer acceptable.** As our members look to embrace breakthrough technologies like carbon capture and the use of hydrogen and biomass as fuels for our cement kilns we need closer collaboration with Government, Enterprise and Society. For our industry to accelerate its transformation the White Paper must create a clear vision that empowers businesses to drive innovation and investment. It must provide certainty that enterprise-led investment will be backed with coherent and aligned policies that reward and support an ambitious sustainable investment strategy.

Cement binds the other ingredients to make concrete; concrete itself brings together so many strands of our economy. It is an essential material that spans manufacturing, design, planning, construction, and the performance of the built environment. Recognition of the unique role of the cement and concrete industry by the Department in the White Paper will help to pull together a coherent enterprise framework that drives future sustainable prosperity for the Irish economy.



Inside a limestone store in one of our members cement factories



**Chambers  
Ireland**  
Advancing business together



## Chambers Ireland Submission to the Department of Enterprise, Trade and Employment for the White Paper on Enterprise Policy Consultation

July 2022

Chambers Ireland, the voice of business throughout Ireland, is an all-island organisation with a unique geographical reach. Our 40 members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

In September 2019, our Network pledged to advocate for and support the advancement of the Sustainable Development Goals. In doing so, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities

(SDG 11), advancements in Gender Equality (SDG 5), viable Industries, Innovation, and Infrastructure (SDG 9) and progress in Climate Action (SDG 13).<sup>1</sup>

The Department's decision to initiate a wide-ranging review of our national enterprise policy is timely. The last strategic look at our national industrial policy occurred in 2004. In the eighteen years since "Ahead of the Curve" was published, the housing sector overheated and collapsed. The six-year economic crisis that followed the Great Financial Crisis saw an enormous retrenchment in government expenditure. This has resulted in many public services operating at, or over, capacity which has degraded the associated fixed capital and reduced utility for the users. After three years where the economy seemed to be relatively stable, the Brexit crisis began which was followed by the domestic demand shock of the covid crisis, combined with the supply-side shock that is the consequence of a disrupted global logistics sector, and lower levels of production in east Asia. The Russian war on Ukraine has created an energy-shock that is driving short-run inflation but is also likely to lead to a medium to long-run increase in the cost of fossil fuels as counties and businesses are forced to diversify their energy sources. Ireland has long been navigating its course in an increasingly shock-prone world. The need to build resilient networks that can continue to deliver, and that can continue to support the needs of everyone on this island, is becoming ever-more apparent.

Our experience of working within the paradigm of the Sustainable Development Goals suggests that departments, agencies, and state bodies, should look to the goals which most closely align with their activities. The issue with prioritising **all** seventeen goals is that, in reality, this translates into doing very little about any of them.

Chambers Ireland have found the Sustainable Development Goals to be very useful for discouraging siloed thinking when it comes to policy. Our process is to review all our policy outputs from the perspective of someone who wants to attain the particular goals. We frame all our policy

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<sup>1</sup> The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>



outputs in the context of the five goals which we promote most actively, while also considering how they can indirectly support other Sustainable Development Goals.

The new enterprise policy is a huge opportunity to deliver on Climate Action (SDG 13), while also protecting Decent Work and Economic Growth (SDG 8) and supporting Industry, Innovation and Infrastructure (SDG 9). Delivering on the “Untapped Green Energy Resources” section of this document will also be essential for accomplishing the goal of Affordable and Clean Energy (SDG 7). If we are to also consider Life Below Water (SDG 14) we might look towards using our offshore energy developments as locations where we can create reserves for wildlife, protecting them from commercial overfishing. This way, we can use the goals to see how they can support each other, and also identify where policy fissures might be developing.

We find considering policies from the perspective of Gender Equality (SDG 5) to be very useful. It has forced us to amend our policy positions relating to Decent Work and Economic Growth (SDG 8) a number of times to consider the safety of those employed in the night-time economy and the transport networks that support Sustainable Cities and Communities (SDG 11): If streets and public transport are not safe for women, then we will undermine the progress we need to make to accomplish Climate Action (SDG 13). If we were to apply the Gender Equality (SDG 5) lens to enterprise policy, we would question why women make up the majority of those who participate in LEO “start your own business” training, but an average of only 20 of women go on to form High Potential Start Ups (HPSUs) in any given year, as few as 1 in 6 HPSUs are lead by women.

The benefit of using the goals is that it can highlight how policies can reinforce each other to accomplish shared aims.

Chambers Ireland looks forward to future engagement with the Department to highlight the opportunities that are before us.

## Contents

Key Points .....	5
Chambers Ireland’s Perspective on our existing Enterprise Policy .....	6
Negative trends since the implantation of “Ahead of the Curve” .....	6
Skills & Talent .....	6
Housing & Migration .....	6
Energy .....	7
Water .....	7
Taxation .....	8
Positive trends since the implantation of “Ahead of the Curve” .....	8
Untapped Green Energy Resources .....	8
Brexit & Trade .....	11
Deglobalisation .....	12
Cybersecurity .....	12
Creative Industries .....	14
Underutilised domestic capacities .....	15

## Key Points

- There are strong benefits to be gained from maintaining our policies that relate to High-Value Manufacturing Centres
- Future Policy should look to expanding efforts beyond these, and have more focus on strengthening the broader domestic economy, rather than focusing on HPSUs.
- Our infrastructure deficit weakens our offering on the international stage and must be addressed
- In the wake of the OECD BEPS2 agreement we need to create a new narrative around business in Ireland
- Housing is holding us back, both in the domestic economy and in attracting talent for MNCs
- As more companies become more sensitive about their climate impact our reliance on fossil fuel derived electricity will count against us in the FDI space
- Making progress on improving our water infrastructure is critical
- We have enormous opportunities to benefit from the exploitation of our renewable offshore energy resources, but we need far greater ambition
- Brexit will strengthen our attractiveness for US FDI in the EU, and places us in a unique position to become a logistics hub on the interface between GB, EU and the rest of the world
- Deglobalisation and friend-shoring will open up new opportunities for Ireland as we are an agile economy that can quickly adapt to changes in the global economy
- Cybersecurity is an area where we are not as strong as we could be but there are enormous opportunities for the country if we extend our activities in this area
- The Creative Industries were identified as a key growth area in “Ahead of the Curve” but the opportunities there were not exploited to the fullest
- Within the domestic economy there are considerable underutilised resources that could be more productively employed and can be a source of growth for years to come

## **Chambers Ireland’s Perspective on our existing Enterprise Policy**

Chambers Ireland strongly supports the existing policy for multi-national companies which has created almost 300,000 jobs in Ireland. In areas of the High Value Manufacturing Sector such as Pharma/Biotech, AgriFood, ICT, and MedTech, our existing industrial policy has served Ireland particularly well.

Any future policy should build on the success of these sectors and must ensure that the achievements in those areas can continue. However, we also need to consider that many of the competitive advantages that we had in 2004 are either no longer present, or not weighted as heavily by the FDI sector.

### **Negative trends since the implementation of “Ahead of the Curve”**

#### **Skills & Talent**

Skills and Talent are national issues for firms in the domestic economy and also for MNCs. Our chief constraint here is the availability of affordable and secure accommodation. Competition between those in employment, between landlords, and between Local Authorities buying “turnkey” homes on the market is adding €50,000 to the baseline cost of homes, according to some accounts. The pressures on housing also filter into the rental sector - the high cost of housing often being cited as a cause for employees emigrating. For those who do not emigrate, poor access to housing is often a drain on productivity; either through repeated, prolonged house searches or through extended commutes to and from work. Finally, the cost of housing - both in the ownership and rental sectors - is a leading cause of claims for increased wages.

#### **Housing & Migration**

Poor housing options make Ireland a less attractive destination for migrants. Accordingly, we do not have the same capacity to import skills from other jurisdictions as we did in the early 2000’s.

## Energy

Energy supply is not as secure as it has been in the past, and our energy mix is still overly dependent on fossil fuel sources.

The environmental concerns related to how we sourced our energy were not a priority at the creation of our existing industrial policy strategy. Our relatively heavy dependence on Moneypoint to secure our energy will make Ireland a less attractive location for Foreign Direct Investment; particularly as increasing numbers of firms are being obliged to include climate impact metrics in their annual reports by regulatory bodies.

For those that are already present in Ireland, many are already being forced to modify their activities as a result of the difficulties in maintaining supply when the national grid is routinely operating at 95%+ capacity. As large energy users, the high-value manufacturing sector is typically the first to be curtailed when outages occur, leading them to be disproportionately affected by supply and transmission constraints. This is harming our reputation as a reliable location for foreign capital.

Difficulty supplying locations with electricity is resulting in a de facto ban on new data-centres. While the individual number of jobs that are directly foregone in those instances are relatively low, there are a huge number of associated roles within the wider MNC sector that are dependent on having access to large data sources. The inability to guarantee security of supply to those data-centres is likely to result in fewer of the ancillary roles being located in Ireland.

## Water

Access to water resources, and waste-water treatment capacity, are increasingly becoming problems for businesses that are looking to expand in, or into, Ireland. Supply constraints are limited where businesses may operate from and their ability to increase their range of activities on existing sites. Meanwhile, the lack of effective water treatment capacity is often a key reason given for the rejection of planning permissions.

## Taxation

With the OECD BEPS2 agreement now in place, Ireland can no longer be branded as a low tax venue for Foreign Direct Investment. Chambers Ireland supported the decision to join with the other OECD members in addressing the issues that have emerged as a result of the interactions between multinationals, their subsidiaries, and international taxation norms. We fully agree that Ireland's interests are better served by participating in the international taxation reforms than by isolating ourselves, and damaging our reputation, by retaining the 12.5% rate of corporation tax. However, considerable efforts to brand Ireland as a low tax venue for international capital, and so we will have to learn to encourage investment here without relying on the advantageousness of our tax regime.

## **Positive trends since the implementation of “Ahead of the Curve”**

### Untapped Green Energy Resources

Ireland has enormous untapped green energy resources, and we have the potential to benefit from “second mover advantage”. While security of supply is a key concern for businesses, it need not be. Had we engaged with the potential of our offshore energy resources, then we would not be as vulnerable as we are today to the energy shock that is being delivered by Russia.

We urgently need to become much more ambitious with respect to our offshore energy generation. At a time when Scotland is, by 2033, increasing their offshore energy capacity from 15GW to almost 40GW and including 17GW of floating offshore wind, our national objective is 5GW by 2030 (including 0GW of floating offshore wind).

We should utilise the REPowerEU decision regarding ‘overriding public interest’ to fast track the grid upgrades that are needed to make our electricity networks more resilient and effective. We must upgrade our electricity grid around the objective of becoming net exporters of green energy to the European continent. We have the potential to produce orders of magnitude more

electricity than we will ever need, but we need to smooth out the intertemporal volatility of our production.

There are three primary ways to do this: exporting directly to the European Grid (but this is an infrastructure-heavy solution, that would lead to most of that capacity being unused most of the time (because we'd need to deliver the electricity as the wind generation was peaking, and peak Irish demand will never compare to peak production volumes). Alternatively, we could store the electricity in batteries, but this is a relatively short-run option (it helps flatten out the inter-temporal variation over timelines of up to a week, but not inter-seasonal variation), or chemically which will allow for smoothing out the curve over significantly longer timelines.

Given that our nearest EU neighbour has a low carbon electricity network, the limited capacity to connect into the EU grid, and the variability of wind, Ireland would be best suited to focus on chemically exporting our excess energy through a medium such as Hydrogen.

As wave energy becomes more commercially feasible, we are likely to be generating ever increasing amounts of electricity which will incidentally result in Ireland being as energy-secure as we are food-secure.

We need to use our excellent and underutilised natural harbours to export Compressed Green Hydrogen to continental Europe to facilitate their transition to a net zero economy. In the short-run port terminal capacity that can be used for Hydrogen export could also be used for temporary liquified natural gas (LNG) importation, which may allow us to limit the use of coal as a source of energy. A nascent Green Hydrogen industry could also supply into our existing gas-fired thermal plants which will reduce our CO<sub>2</sub> impact on the environment, even as we help our emergent energy sector to grow.

Similarly, large energy users (particularly those in industries like aluminum smelting, cement manufacturing and agrifood) could be incentivised to transition to hydrogen (or a hydrogen/methane mix) to reduce our dependence on imported fossil fuels while also catalysing a Green Hydrogen industry.

Aside from the indirect benefits of supplying large volumes of clean energy to the Irish population, at scale, there is also the regional development role that will be served with the expansion of offshore wind to the Atlantic coast.

Hundreds of billions of euros of infrastructure needed to harness the energy of the Atlantic, there will be a generation of work involved in building it and the efforts of generations more will be required to ensure that the value of this capital is maintained. Only a tiny share of the cost of renewable energy is captured in the build cost. Over the lifetime of these projects most of the spend will be on the Operations and Maintenance that is needed to ensure the efficient operation of the turbines. Each and every turbine will need to be inspected four times a year, and each of them will require a longer refitting to happen on an annual basis. This will translate into thousands of highly-paid jobs in many of the most disadvantaged regions of the country.

Offshore energy will become an industry that will be larger than the entirety of the agricultural sector, and likely even the construction sector by 2050. There are no good reasons for not accelerating this transition, even if it was not also necessary.

To make this opportunity a reality, Government needs to ensure that MARA, when it is founded, operates as an IDA for the sea – as a one-stop-shop agency that delivers the quickest path to operation for everyone who seeks to invest in our offshore energy potential. MARA needs to be the single point of contact that liaises with planners, agencies, departments, and semi-state



bodies to ensure that Ireland can decarbonise at the greatest pace. We have, as a direct result of an inadequate regulatory regime significantly delayed on our decarbonisation – we need to make good on the 15 years of delay that was caused by the lack of an adequate offshore planning regime.

Finally, the existing method of creating nitrogen fertiliser is dependent on superheating methane using the Haber-Bosch process. Green Hydrogen can be an alternative zero-carbon feedstock for this process for fixing nitrogen, which would not only facilitate the creation of a more environmentally sensitive fertiliser industry, but also one which does not carry the same geopolitical and price risks of our existing source of nitrate fertiliser.

Ammonia is not only relatively stable and energy dense, it can be used in both jet turbine and diesel engines as fuel which can help decarbonise the international transport sector.

Using biomass, biowaste, farming and foodwaste to produce methane can also maximise the lifespan of existing natural gas investments, while also reducing the impact that the naturally released methane would have on the atmosphere. Coupling them with carbon-capture technologies would turn such waste into net-negative feed that would allow for carbon sequestration.

### **Brexit & Trade**

Given the greater difficulties that Britain has created for itself when it comes to international trade, the Island of Ireland has an enormous opportunity to position itself as a logistics hub for any business that seeks to trade with both GB and the EU.

Located as we are between the EU and the Rest of the World, we have the potential to position ourselves as a first port of call. This is particularly the case for large shipping that may want to avoid the congested ports and waterways on the continent or in Britain.

By integrating rail with our ports, we can facilitate smaller vessels that will have access to less strained EU and GB ports to support imports and exports to the US and Asia.

As the primary English speaking and common law country in the EU we have a distinct advantage over many of our peer nations, particularly when it comes to international services. This should help ameliorate the tax related challenges that we will have as we now have other (and higher value) strengths with which to distinguish ourselves.

### **Deglobalisation**

Deglobalisation is a process that is already well underway and the effects it will have on Ireland are complicated. Friend-shoring and near-shoring production is likely to lead to higher costs, but also shorter supply lines, and so, reduced inventory. Ireland should be focusing on high-value advanced engineering processes which involve additive manufacturing (assuming that we also deliver a transformation of our electricity networks to green energy).

Creating items through additive manufacturing methods is becoming increasingly effective, most processes that involve metals, however, are reliant on there being access to considerable volumes of energy (i.e. laser sintering and direct energy deposition) which would make an Ireland that has a large excess electricity capacity a welcome home for manufacturing, where products are destined for the EU market.

### **Cybersecurity**

The vulnerability of Ireland as a target for criminal and political cybersecurity threats has become a serious business concern. As our economy becomes more digitised, it is vital that

Ireland has robust, secure digital and legal structures for businesses and entrepreneurs to work within.

The MNC companies based here, who contribute a substantially to the Corporate Income Tax which the state receives need their data to be secure. Many of the firms headquartered here, report to the Irish Data Protection Commissioner (DPC) regarding their data privacy and GDPR obligations. The value of these data, and the value of the associate exchequer returns, have not been met with a commensurate support from the state sector to protect them.

With so much of the world's data housed here, it is paramount that we ensure that the data we are entrusted with remains secure. Irish security threats and vulnerabilities risk becoming security threats for other countries which could hurt Ireland's standing as a safe base for such countries. Ultimately, the long-term presence of these data-intensive companies depends on the capacity of our public sector to respond to cyberattack threats.

Similarly, we have obligations to all the citizens, particularly of the EU, but also those in other jurisdictions to ensure that their data are treated sensitively and responsibly by those that have been entrusted with it. The data held in Ireland are of value – to the firms that control the data, and the people to whom it relates, then we should ensure that that value is maintained and guarded.

Ireland needs to ensure that there is a robust cross-departmental public sector strategy to pre-empt cybersecurity threats. Such a strategy should involve the development of a civilian cybersecurity agency which collaborates with Justice officials, the DPC, industry, security experts and our third level sector to identify, monitor, and respond to cybersecurity threats.

To do this effectively we need to see a national cybersecurity agency to be put on a legislative footing. This agency will need to have an educative mission – supporting Irish residents, officials and businesses to understand the risks that associated with poor digital practices.

An effective cybersecurity agency would need to have a proactive role in understanding the threat environment and should seek to establish what threats exist for people in Ireland, state bodies, and the commercial sector rather than treating cybersecurity as a criminal matter which needs to be investigated retrospectively.

To accomplish this, the agency will need to work with international partners, local professional experts, state agencies, departments and corporate bodies to ascertain how our information infrastructure can be compromised, and to establish how best to remedy and mitigate potential threats before they are exploited.

Thirdly, the agency needs to be empowered and mandated to conduct penetration testing on state bodies to ensure that the vulnerabilities are exposed before they are misused by bad actors.

### **Creative Industries**

A narrow view of “Creative Industries” was taken in the “Ahead of the Curve” policy programme. Chiefly this focused on Broadcast, Film, and a nebulously defined “Media” category. We are in need of a broader industrial policy for the entertainment sector. Despite our national strengths when it comes to the Creative industries, we underperform in the areas of broadcast and film production where “Ahead of the Curve” had its focus.

While Ireland is often the location for the actualising of intellectual properties in movie/television productions, they are rarely Irish properties that are being developed with a view towards international markets. These productions are primarily due to the competitive taxation regime which exists in Ireland. Irish intellectual properties in those sectors are often developed as US/GB products, with locally produced creations being focused on the domestic market.

Given our oversized global creative industries footprint (including a broader definition of 'creative' involves music, writing, animation, games development) and the fact of English being the primary international language in the global entertainment industry, our growth in exports for this sector has been weak, relative to peer nations.

In 2017 (the last year where complete data from UNESCO is available) the scale of the Global Cultural Exports market was \$17.5 Trillion. Whereas Irish cultural goods exports in 2020 were only €1.138 billion. As a share of total Irish exports, this was only 0.72% - below the EU average of 0.9% despite the advantages that Ireland has.

Chief among the benefits of cultural exports is their capacity to scale, as the Republic of Korea has demonstrated, a systemic focus on entertainment (broadly defined) as an export industry not only facilitates the development of a strong domestic, indigenous sector, it also allows smaller countries the opportunity to make outsized gains as they provide creative and cultural services to larger markets.

The Korean model also demonstrates the indirect benefits of having a national industrial policy that promotes cultural services exports: Firstly, there is the soft-power element- there is enormous international good will to be gained from promoting our cultural perspectives to a global audience. Secondly, there is the tourism income that is to be derived from the consumers of cultural products in the first instance which is enhanced by the raising of the international salience of the country. There have been a lot of empty attempts to brand and rebrand Ireland based on what we were (an often-contested story) or what we might yet become (a still more contested story). Ideally, we would be promoting people in Ireland who tell Irish stories to an international stage where we can let the merits of Ireland speak for themselves.

### **Underutilised domestic capacities**

The considerable existing infrastructure deficit across many areas (including housing, transport, energy, and water) which has significantly depressed and constrained our domestic economy.

It is prudent for the Department of Finance to focus on our Debt/GNI\* ratio. However, the attention has typically been on the Debt side rather than the GNI\* level. The relatively low level of infrastructure investment since the Great Financial Crisis has resulted in considerable constraints being put on domestic growth.

There are two ways to reduce our Debt/GNI\* ratio. The first is to reduce the absolute levels of Debt which the state owes, and the second is to grow the denominator. The focus on Debt has resulted in Ireland pursuing complicated policies to try to keep debt off the national balance sheet (e.g. Housing Assistance Payments – which function as unsecured debt that are politically dangerous not to honour).

Domestic enterprise growth policy should attend to the greater body of firms which are not typically supported by the state. Firstly, the regulatory environment for these businesses should be simplified – efforts should be made to consolidate employment law, rather than create new bills for relatively micro issues.

More fundamentally, it should be recognised that most businesses will never be High-Performance-Startups, and that HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.

The real strength of the domestic economy is in the “Mittelstand” – the area where Irish business productivity is weakest, and declining. We need to develop an outward-looking medium business sector that trades internationally – for as long as our medium sized businesses remain focused on our domestic economy they will be vulnerable to shocks that alter their sector which emerge from abroad.

Another area that has low-to-negative productivity growth is construction. With population numbers in excess of our National Planning Framework figures, Government should be looking

to use its monopsony power in the social housing market to kick start modular building as an industry in Ireland. Government have the capacity to buy tens of thousands of modular homes, per annum, over the next decade at least, potentially decades to come. We should use that scale to transform the existing construction sector into one that is possible to optimise.

# Submission to Department of Enterprise Trade & Employment

## [Public Consultation – White Paper on Enterprise](#)

28 July 2022



**This submission is being made on behalf of the members of Chartered Accountants Ireland by email to [enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie)**

## About Chartered Accountants Ireland

Chartered Accountants Ireland is Ireland's leading professional accountancy body, representing over 30,000 influential members around the world and educating 7,000 students. The Institute aims to create opportunities for members and students, and ethical, sustainable prosperity for society. An all-island body, Chartered Accountants Ireland was established by Royal Charter in 1888 and now has members in more than 90 countries.

It is a founding member of Chartered Accountants Worldwide, the international network of over one million Chartered Accountants. It also plays key roles in the Global Accounting Alliance, Accountancy Europe and the International Federation of Accountants. Chartered Accountants Ireland members provide leadership in business, the public sector and professional practice, bringing experience, expertise and strict standards to their work for, and with, businesses in every sector. Chartered Accountants Ireland engages with governments, policy makers and regulators on key issues affecting the profession and the wider economy.

## Introduction

In response to this consultation into the development of a White Paper which will set out the medium- to long-term direction for enterprise policy in Ireland, Chartered Accountants Ireland has discussed below a number of policy suggestions, for your consideration, to help Irish enterprises respond to challenges, opportunities and to drive growth in Ireland.

## Ensuring Small and Medium Enterprises (SMEs) Survive and Flourish

SMEs are feeling the inflationary pressures of spiralling energy costs, supply-chain issues, and wage demands. Despite the prospect of a recession, the labour market is tight and staff shortages are impacting competitiveness. Government should make it possible for people overseas to come and work here that are not automatically eligible to do so, easing the administrative burden for employers, and opening the doors to global talent.

Staff retention, as well as recruitment, is also a challenge, and clear laws and tax policies for remote and flexible working arrangements will help employers plan their resources with some certainty. Greater investment in affordable, high-quality childcare and better access to parental leave is required if people are to be allowed work with genuine flexibility.

There is a lot coming at SMEs, increasing financial and administrative burdens, from often necessary developments such as an auto-enrolment pension system, the right to request remote working, and statutory sick pay. The timing of these initiatives, and their immediate impact on business needs to be considered and balanced.

## Sustainability

The journey to climate neutrality will require significant societal change, and individuals and communities need support from government to make these changes. Early and effective engagement with workers, local communities, businesses, and social partners will be critical, and significant investment in infrastructure will be needed for transition to a low-carbon economy, supported by substantial retraining and upskilling of the workforce. People and businesses need to be incentivised to switch to low-carbon technologies. However, affordable and viable alternatives must be provided to enable and influence this behavioural change.

We believe that continuing government initiatives for businesses to commit to carbon-reduction targets will be critical to effect the change required. Furthermore, there is an ongoing requirement for clear and coherent guidance from government to ensure that each sector of society, including the business sector, is aware of what it needs to do to help achieve the carbon targets.

New skillsets will also be required to achieve a zero-carbon economy in both Ireland and Northern Ireland. The future competitiveness of both economies will depend on it and the labour market must

adapt to this changing need. There will be requirements to upskill in emerging occupations, particularly the generation of renewable energy, energy renovations, residential retrofits, and electric vehicle deployment. New jobs will be created but this will require investment. A coordinated plan for training and upskilling must be developed between government, industry and education and training providers

Government should consider how to make Environmental, Social and Governance (ESG) training accessible to business owners, board members and senior management of organisations in all sectors of the economy, including the public sector and charities and not-for-profits.

As ESG affects different sectors and companies in different ways, each organisation will need to assess what is most appropriate for its business model and circumstances. Chartered Accountants Ireland ask that any proposed legal or regulatory change that will impact organisations' governance structures should consider this. The impact on smaller organisations should also be considered, as many will have a role in larger organisations' value chains.

## Global Standards for Sustainable Reporting

Historically, business performance was measured through analysing financial statements. However, non-financial information is becoming increasingly important to stakeholders for understanding how a business addresses ESG issues. Several regulations, voluntary frameworks and standards, accompanied by a substantial amount of guidance, have provided a structure for the measurement and reporting of this information. However, the lack of comparability and consistency makes it almost impossible to compare entities, and cross-framework mapping is difficult and costly. Consequently, consolidated sustainability reporting standards are needed to increase the global reliability and comparability of corporate reports on ESG issues.

Significant progress has been made in the past 12 months, particularly towards more cohesive sustainability standards at EU and global levels which should expedite the realisation of unified sustainability reporting standards that are reliable, comparable and promote transparency and consistent measurement of sustainability activity. We believe it is critical that the EU, the ISSB and other international initiatives work together to build on and contribute to each other's developments and that there is co-operation with regional standard-setters, which need to be very engaged in the process. The Irish Government has an advocacy role to play in fostering this cooperation. We believe a coherent ESG reporting regime will become an important component of Ireland's FDI offering.

## Digital Transformation

Ireland has made significant progress in digital development and is recognised internationally as a global hub for digitally deliverable services. The Irish Government's Digital Connectivity Strategy, a sub-strategy of the national strategy, Harnessing Digital – The Digital Ireland Framework, sets out Ireland's pathway to becoming a digital leader. We believe that Ireland needs to increase the ambition level of the strategy as investments made in this area will underpin Ireland's FDI model in the coming years. Our members have voiced concerns that Ireland will fall short if the digital connectivity strategy does not keep up with global developments and progress.

We propose that the digital connectivity strategy is reviewed and updated every two years to ensure that it keeps pace with change. Infrastructure, education, labour shortages and research are all areas requiring development to support this strategy.

While Irish Government policy and its implementation actively encourages the development of a digitally skilled workforce, it is important that Ireland continues to focus on improving basic digital and software skills to undertake current and future roles. We recommend that the digital transformation of Irish education and training also focuses on schools to equip children with the skills needed to do the jobs of the future.

The area of cybersecurity is of particular concern, considering the developing sophistication of cyberattacks and the importance of trust for the Irish economy. Highly skilled professionals who can navigate the evolving risks in this area will be needed.

## Hybrid Working

Hybrid working has become much more common since the pandemic. Hybrid working has different meanings for different industries and sectors, but common to all is the need for supports to enable this work model to be successful. We are asking government to encourage and assist organisations and people as they make the transition to hybrid working.

Key to the success or otherwise of hybrid working policy is the concept of what is the “Normal Place of Work”. It is central to the tax treatment of travel and subsistence reimbursements to employees. The Revenue Commissioners hold the position that an employee’s home does not qualify as a normal place of work other than in exceptional circumstances and this brings complexity to what should be a straightforward matter.

Rules to establish a normal place of work should now be reconsidered in light of the move to hybrid working arrangements. The employee’s normal place of work should be based on the facts of where the employee carries out the majority of their duties of employment, irrespective of whether that is their home, their employer’s office or another workspace. The resolution of this issue should also involve clarification where the worker lives outside of the jurisdiction, which will be an essential element of skills capacity building within the economy.

## Conclusion

To conclude, Chartered Accountants Ireland believes that the Government must set out a clear and ambitious strategy to support Ireland’s enterprises in a time when they are facing a variety of mutually reinforcing challenges.

The suggestions in this submission are drawn from our comprehensive policy document “The Next Financial Year” published in June 2022 which has already been circulated to members of the Oireachtas and to relevant departments. For more information on the policy initiatives set out above or to discuss anything in our submission please contact Public Policy & Tax Lead, Bríd Heffernan ([brid.heffernan@charteredaccountants.ie](mailto:brid.heffernan@charteredaccountants.ie)).

M. Clancy

**FAO:** [enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie)

Thanks to the personal invitation from Minister Varadkar's Office of September 16th I make this submission. I am the founder member of our Green Party Policy Group on Company Law and Business. A formal Green Party input is under consideration.

### **Summary**

This submission examines the "high level" global and national context that point to the urgent changes needed in the prevailing neoliberal free market orthodoxy. Consistent with your Commissions brief of this being a "hinge moment" we present the case that the hinge is a switch in the enterprise policy of the Department of Enterprise, Trade and Employment to **preferentially support companies and enterprises that supply and service the needs** of individuals, families, communities, and the nation. There are precedents for Government and EU implementing such actions in crises. This transition from a free market in the supply of needs, to state support for businesses supplying the needs of citizens can be gradual and not disruptive. Some enabling policy actions needed to smooth this transition are also outlined.

### **Global Context**

Since the Reagan/Thatcher era over forty years ago US and UK economic policies have fostered a neo-liberal enterprise policy. The transition in economics was guided by the writings of political scientist Francis Fukuyama writing in a celebrated essay called The End of History?

Fukuyama's thesis was that History is the process by which liberalist governments become universal. When this happens then history will have reached its goal and effectively end. Communism's collapse, he argued, would clear the last obstacle separating the entire world from its destiny of liberal democracy and market economies.

It seems a bit naïve now.

However, the collapse of the Soviet Union in 1991, and Fukuyama's influence as Deputy Director of Policy Planning in the US State Department at the access of President Bush stoked western economists and governments enthusiasm. The main features were representative government, free markets and individualist, consumerist culture. Fukuyama argued that the with "Common Marketisation" of international relations the world would achieve homeostasis.

This policy has spread worldwide.

This has resulted in unprecedented economic growth and the availability of needed goods and services, together with a surfeit of luxuries and needless stuff flooding world markets.

The result of such industrial liberalization has had devastating environmental effects. The extractive industries have hollowed out the world's supply of natural resources with devastating effects. The supply of clean air and water has been compromised. The natural environment and its biodiversity are being destroyed and planetary rhythms and cycles are under attack.

### **The evolution of neoliberalism in the EU**

The Treaty of Rome 1957 <https://www.europarl.europa.eu/about-parliament/en/in-the-past/the-parliament-and-the-treaties/treaty-of-rome> and subsequent treaties up to the

Maastricht Treaty of 1992 were amalgamated into the twin treaties of the European Union which followed quickly on the collapse of the Soviet Union.

In the buzz of neo-liberal market freedoms of the early 1990s it was politically popular to enshrine individual freedoms, and specifically **market freedoms in all things** as a foundation tenet of the new European Union. These market freedoms were supported at that time in Brussels by the greatest concentration of corporate lobbyists in the history of the EU.

[https://www.europarl.europa.eu/RegData/etudes/etudes/join/2003/329438/DG-4-AFCO\\_ET\(2003\)329438\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/etudes/join/2003/329438/DG-4-AFCO_ET(2003)329438_EN.pdf)

There are reports of 25,000 lobbyists in the Brussels at that time.

Powerful financial and business interests saw free market trading in all things as the road to riches. The lobbying was successful, and the EU treaties enshrined this dogma. All requests to the EU from member states, businesses or individual entrepreneurs for support or authorization must comply with the requirement that the action must not “interfere with the free movement of goods and services within the Union”. This stricture has ensured the flourishing of larger enterprises that can out-muscle market activities of SMEs and those with more social and cultural objectives. Enterprises that could better supply the direct needs of local citizens and the wealth and wellbeing of the Regions and local communities are disadvantaged.

The present market led enterprise system has provided for rapid growth and employment.

### **The Cracks in neo-liberal Capitalism**

Today growing discontent with the establishment is expressed in a steady rise of populism of the left and of the right. Trumpism typifies this in the US while European examples

include most recently Italy. Many economists are attributing this discontent, and sense of disenfranchised of the many, to the failure of the economic orthodoxy.

Joseph Stiglitz in his article in The Guardian in 2019 stated 'Decades of free-market orthodoxy have taken a toll on democracy'. He traces the origins of economic inequality and widespread public discontent to the worldwide success of this economic orthodoxy.

<https://www.tandfonline.com/doi/abs/10.1080/00131857.2020.1767073?journalCode=rept>

20

### **A recent brief by the European Environmental Agency**

<https://meta.eeb.org/2021/01/21/how-europe-can-grow-without-growing/> argues that our quest for uninterrupted economic growth "has detrimental effects on the natural environment and human health" because of "the Great Acceleration in human consumption". ... "Human civilization is currently profoundly unsustainable". They find that attempts have failed to decouple environmental destruction from economic orthodoxy and the greenwashing of economic growth is not working. They present new evidence that "greening GDP growth" is extremely unlikely to ever halt the current climate breakdown & mass extinction event.

It is a fact that in times of economic crises: such as pandemics, recessions, or financial collapse that the more powerful actors and institutions of the EU choose to ignore EU neo-liberal rules and endorse socialist practices. Banks and airlines have been nationalized.

### **Ireland**

In Ireland, individual opportunity and free market freedoms have become accepted dogma for successful political parties. The orthodoxy of growth and opportunities with personal



effort has guided laws and regulations. Ireland has a well-educated population and with the help of some competent politicians have used the freedoms of the competitive market to make us one of the richest countries in the world. Our FDI policy being the most evident example of competitive success.

However, the winds of change are blowing equally strong in Ireland. This Commission is obliged to take this on board, pivot around this “hinge moment” and plan accordingly. Entrepreneurial policy is a powerful arm of government and has the power to lead other government departments away from the dominance of free market policies to policies that subsume market imperatives to family and communal needs.

During the covid crisis when individual action was clearly ineffective. The government reverted to regulating and guiding communal action. This was extraordinarily effective.

President Higgins has recently taken issue with the market fundamentalism driven by the prevailing economic philosophy in:

[rishtimes.com/business/economy/president-attacks-free-market-fundamentalism-for-creating-yawning-inequality-](https://www.rishtimes.com/business/economy/president-attacks-free-market-fundamentalism-for-creating-yawning-inequality/)

Today despite the post covid recovery in Ireland: the war in Europe, the energy crisis and the massive increases in the cost of living has ensured that most people are suffering.

The steady growth of the Irish economy, and the increased profits of suppliers is due in large part to the increased cost of supplying food, energy, shelter and the other basic needs of our citizens. GDP growth is no measure of wellbeing in Ireland today.

This Commission for Enterprise is obliged to plan for a future predicated on these realities.

**Some policy instruments to be considered for this transition**

The Department of Enterprise, Trade and Employment is uniquely positioned to lead in reforming actions which can convert economic growth to wellbeing.

1. A commitment within Government to support an enterprise policy that preferentially supports companies that **supply society's basic needs rather than individuals' individual wants and desires.**

- A first step is to set up a small team with a brief to identify qualifying enterprises and manage the ongoing decision making. Other commercial enterprises. **This will slowly reorient the function of government to prioritize the facilitation of individual, family, communal and national needs.**
- Assure EU relevant authorities of governing to precedence.

2. Our Green Party has developed transparency, auditing, criminal liability, and other company governance policies to be included in an "Inclusive and Sustainable Companies Bill" as an amendment to the Companies Act (2014). Consult with your Government Green Party colleagues.

3. An urgent commitment to the timetable of the **Climate Act (2021)** and make mandatory the objectives of sectors that are failing.

4. Government to reverse the contraction and disenfranchising of **Local government.** Confer increased authority and responsibility to both the councils and their senior executives. **The Green Party** has a recent comprehensive **policy on local government** which is relevant in this regard.

3.1 Parallel Government undertake a long needed bill reform of the **civil service.**

5. The impending arrival of ECB plans for a **sovereign issue of a digital euro** opens up the opportunity to lead in this area by building on the digital trials in France and elsewhere.

Your Department can lead the development of an integrated model that would:

- Propose the making of selected payments of **UBI in digital form**
- Combine this with an exchange center that can convert to euro currency.
- Again, our Green Party has very advanced proposals for a **Public Bank on the German Sparksassen model** which is being revisited.
- The **Just Transition Funds and Plan for the Midlands** managed by the DECC calls for research and innovation. The concurrence of so many opportunities could incorporate the first iteration of a **Public Bank in the Midlands**.



David Hegarty,  
Assistant Secretary  
Enterprise Strategy, Competitiveness and Evaluation Division  
Department of Enterprise, Trade and Employment

[By email to: [Alan.Dempsey@enterprise.gov.ie](mailto:Alan.Dempsey@enterprise.gov.ie)]

28 July 2022

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**Re: Consultation process for Enterprise Policy White Paper**

Dear David,

Thank you for your correspondence in relation to the development of a White Paper on Enterprise Policy and for the extremely useful discussions from our recent stakeholder engagement meeting on the enterprise sector.

We welcome the specific intended focus of the White Paper on acceleration of the decarbonisation of industry and the Council would be happy to engage with you as this develops and to provide any useful insights or feedback building on the topics discussed through our sectoral engagement.

Based on our recent engagement and a revision to the format of the Council's forthcoming Annual Review, the Council has prepared a detailed sectoral chapter focusing on Manufacturing Combustion and Industrial Processes emissions (in addition to the F-Gases and Waste Sectors) which may be useful to you in development of the White Paper. While this will unfortunately not be available by the 29<sup>th</sup> of July to input to this consultation process, the Council intends to publish the Annual Review in the first week of September and can notify you and your colleagues once this is available.

I trust that this is of assistance and should you wish to discuss these issues further, please contact the Secretariat on [info@climatecouncil.ie](mailto:info@climatecouncil.ie).

Kind regards,

A handwritten signature in black ink that reads "Marie C. Donnelly". The signature is written in a cursive, flowing style.

Marie C. Donnelly  
Chair

Enterprise Strategy Unit,  
Department of Enterprise, Trade and Employment, July 2022.



## Submission to the public consultation on the preparation of the White Paper on Enterprise

Contact:

Meaghan Carmody (Coordinator)

[REDACTED]

[REDACTED]

MACRO Centre, 1 Green Street, Dublin 7.

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### Table of Contents

[Mitigate siloed policy design](#)

[Embed at its core the principles of 'Just Transition'](#)

[Ensure work is 'decent' and implement a living wage in line with the Minimum Essential Standards of Living \(MESL\)](#)

[Develop, improve and support low carbon and public transport](#)

[Increase the availability of affordable childcare](#)

[Support small businesses, especially in rural Ireland](#)

[Support the development of skills and talent for decarbonisation, and ensure accessibility for all](#)

[Ensure businesses in Ireland are operating in line with principles of Human Rights](#)

[Mandate Local Authorities \(LAs\) to support businesses achieving the SDGs](#)

[Make sure our FDI policy does not jeopardise our climate targets, in particular when it comes to data centres](#)

[Conclusion](#)

[Annex 1: Coalition 2030 Member Organisations \(sorted by pillar\)](#)

[Domestic Anti-Poverty and Equality](#)

[Environment](#)

[International](#)

[Trade Union](#)

## Introduction

There is no doubt that businesses in Ireland are operating in uncertain times. Despite Ireland steadily recovering from the Covid-19 pandemic, Irish businesses continue to face significant hurdles. The cascading and interlinked crises of conflict, Covid-19 and climate change, the '3 Cs', are interacting to create spin-off price increases on the '3 Fs', food, fuel and fertiliser, all of which are key inputs to businesses in Ireland. This has required businesses to either increase their prices, or absorb the costs, neither of which are particularly palatable. The ensuing inflation, which recently hit an almost 40-year high of 9.6%, has spawned a 'cost of living' crisis, which is affecting consumer confidence, eroding purchasing power parity and resulting in an increase in the working poor. The combination of this situation with supply chain bottlenecks and disruptions, and severe market instability, means that many businesses are well and truly at the pin of their collar.

Coalition 2030 is an alliance of approximately 70 civil society organisations across the domestic antipoverty and equality, environmental, international and trade union sectoral pillars of Irish civil society<sup>1</sup>. Its objective is to encourage and support Irish policy-makers to develop policy that aligns with our national commitment to bring the Sustainable Development Goals (SDGs) to fruition by 2030, while also raising public awareness of the transformational nature of the SDGs.

What follows are Coalition 2030's recommendations on what to consider when drafting the White Paper (WP) on Enterprise so that policy is designed in a holistic way that mitigates trade-offs between the SDGs. To that end, we suggest that 'enterprise policy support for the Sustainable Development Goals' is not a point separate to the others, but rather the SDGs should offer the framework or the umbrella lens which undergirds the strategy as whole<sup>2</sup>.

### 1. Mitigate siloed policy design

In order to be genuinely inclusive and ensure nobody is left behind when it comes to national development and prosperity, social programmes and supports must be 'joined up' in order to ensure that everyone is facilitated to be part of the workforce if they so wish. This will require cross-departmental coordination to ensure that vulnerable or marginalised individuals are not falling through the gaps created by policies being designed in silos. Take the example of a young single mother who wished to return to education in order to access employment<sup>3</sup>. A course was offered to her during the summer months, but no corresponding affordable childcare. Her child of course was not in school, so she could not attend the course. Or the story of a person who had a medical card, and required assistance in order to heal and

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<sup>1</sup> See Annex 1 for list of members.

<sup>2</sup> Throughout this submission various of the SDGs are presented individually. This is useful for representing how and why certain SDGs can be progressed via the White Paper, but it is incumbent on us to point out that the nature of the SDG framework is that the SDGs are integrated, interdependent and indivisible and so they must all be progressed holistically. They should not be 'cherry-picked'.

<sup>3</sup> Examples from upcoming research by TASC, the Think Tank for Action on Social Change entitled 'Increasing Demand for Basic Necessities Provided by Community/Voluntary Sector in Ireland' (2022).

potentially seek employment. However this person did not have access to affordable public transport and so could not afford to access the medical care. These are just two examples of evidence that show how a

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coherent, ‘joined-up’ approach to policy design is a requirement for developing national enterprise in a way that leaves no-one behind, i.e. ensuring ‘Policy Coherence for Sustainable Development’ (PCSD).

The WP should therefore not only focus on increasing and maintaining employment, but should demonstrate a targeted approach by asking, who is being employed, in what sectors, and in what areas of the country? According to the European Semester Country Report for Ireland (2022)<sup>4</sup>, “While employment is already above pre-pandemic levels, it remains important to help under-represented groups, e.g. women, people with low skills, single parents and people with disabilities, integrate into the labour market...less than a third of people with disabilities were employed in 2019, with a disability employment gap of 38.6 pps recorded for 2020, which is also one of the highest in the EU. Irish single parent households have the lowest employment rates (64%) in the EU (74.2%), as well as compared to other household types in Ireland. This is further reflected in their high poverty rates.”

## 2. Embed at its core the principles of ‘Just Transition’

Ireland’s enterprise strategy must firmly embed at its core the principles of ‘Just Transition’<sup>5</sup>. The transition to net zero by 2050 is the 21st century’s industrial revolution, however the policy choices made over the coming years have the potential to leave behind vast numbers of people and communities if not executed in a sensitive, thoroughly considered manner. A ‘Just Transition’ approach to the enterprise WP would result in myriad benefits beyond those solely associated with business longevity and profit, indeed according to Ireland’s Just Transition Alliance, it would



*“protect and create jobs, reduce emissions, enhance living standards and generate new opportunities that will help to build sustainable, resilient communities across the country...while also enhancing biodiversity”<sup>6</sup>.*

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<sup>4</sup> [https://ec.europa.eu/info/files/2022-european-semester-country-report-ireland\\_en](https://ec.europa.eu/info/files/2022-european-semester-country-report-ireland_en)

<sup>5</sup> The Just Transition Centre of the International Trade Union Confederation (ITUC) defines a Just Transition as one which: “...secures the future and livelihoods of workers and their communities in the transition to a zero-carbon economy. It is based on social dialogue between workers and their unions, employers, government and communities. A plan for Just Transition provides and guarantees better and decent jobs, social protection, more training opportunities and greater job security for all workers affected by global warming and climate change policies.”

[https://www.ictu.ie/sites/default/files/publications/2022/Just%20Transition%20Alliance%20Joint%20Declaration\\_1.pdf](https://www.ictu.ie/sites/default/files/publications/2022/Just%20Transition%20Alliance%20Joint%20Declaration_1.pdf)

<sup>6</sup> [https://www.ictu.ie/sites/default/files/publications/2022/Just%20Transition%20Alliance%20Joint%20Declaration\\_1.pdf](https://www.ictu.ie/sites/default/files/publications/2022/Just%20Transition%20Alliance%20Joint%20Declaration_1.pdf)

The Irish Government has committed to employing Just Transition principles<sup>7</sup> in this green transition and so it follows that Ireland's enterprise WP should echo this commitment.

The next enterprise WP should also consider how businesses new and old can both benefit from and contribute to the transition. Removing the planning roadblocks that prevent energy consumers from selling the excess green energy generated on their property would be a logical first step and should be progressed as a matter of urgency<sup>8</sup>.

Finally, despite the headline goal of SDG 8 being 'Decent work and economic growth', we would suggest that the latter is subordinated to the former. The pursuit of economic growth has shown itself to be a false friend, as increasing evidence emerges of the deleterious effects of material throughput on biodiversity and climate change; and this relationship is not decoupling at the pace required to remain within planetary boundaries<sup>9</sup>. The most recent assessment by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services' (IPBES)<sup>10</sup> finds that when making policy decisions, there is too much global focus on short-term profits and economic growth that often undervalue nature. Instead we would suggest prioritising a wellbeing economy approach in the WP. This approach is being explored by the Government already with support from the National Economic and Social Council (NESC)<sup>11</sup>. Approaches and indicators beyond growth that enable enterprise, trade and livelihood generation to flourish need to be explored in the WP in order to remain coherent with the well-being framework for Ireland and give us the best chance of remaining within planetary boundaries while ensuring decent work for all.

### 3. Ensure work is 'decent' and implement a living wage in line with the Minimum Essential Standards of Living (MESL)

Decent work includes appropriate and safe working conditions, regular and consistent hours, access to a wage that meets the cost of living and work where the rights of employees are respected and enacted<sup>12</sup>. For 2022, a *living* wage is €12.90 per hour<sup>13</sup>, but currently the *minimum* wage for adults is



<sup>7</sup> See Paris Agreement (2015), Silesia Agreement (2018). See also National Economic and Social Council (2020), 'The Transition to a Low-Carbon and More Digital Future: Supporting the Needs of Vulnerable Workers and Enterprises'.

<sup>8</sup> <https://www.oireachtas.ie/en/debates/debate/seanad/2022-02-16/11/>

<sup>9</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7330600/>

<sup>10</sup> IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental SciencePolicy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES secretariat, Bonn, Germany. 1148 pages. <https://doi.org/10.5281/zenodo.3831673>

<sup>11</sup> <https://www.gov.ie/en/campaigns/1fb9b-a-well-being-framework-for-ireland-join-the-conversation/>

<sup>12</sup> See the EAPN Ireland Submission to the National Minimum Wage Consultation <sup>13</sup>

<https://www.budgeting.ie/living-wage/>

<sup>13</sup> <https://www.budgeting.ie/publications/mesl-2022/>



€10.50. A full-time minimum wage salary of a single adult household is estimated to meet only 72% of MESL expenditure needs<sup>13</sup>.

This has differential impacts on different populations. A 2017 ESRI report<sup>14</sup> found that women were over twice as likely to be earning the minimum wage relative to males, the incidence of minimum wage pay among non-Irish nationals was over twice that of Irish employees, and the incidence of minimum wage

was almost three times higher among part-time workers compared to their full-time equivalents. Meanwhile, young workers under 20 are subject to sub-minima rates of the national minimum wage, with the effective minimum wage for 16 and 17-year-olds as low as €7.35 per hour. In its report on the living wage, the Low Pay Commission<sup>15</sup> recommended the preparation of a report examining sub-minima rates for young people. This does not demonstrate the commitment to 'leave no one behind' as laid out in Agenda 2030.

Trade unions, one of our pillars, are calling for a New Social Contract with SDG 8 at its centre, rooted in a gender-transformative agenda based on jobs – the creation of decent, climate-friendly jobs with just transition; rights for all; minimum living wages and equal pay; universal social protection for all; equality, freedom from discrimination; inclusion, and ensuring development systems that empower developing countries.

#### 4. Develop, improve and support low carbon and public transport

The severe lack of public transport in rural Ireland represents a significant barrier to businesses seeking employees but whose prospective employees do not drive, or who are unable to afford the cost of running a vehicle. In order to address this, public transport in rural Ireland should be developed and improved, as should walking and cycling infrastructure. Additionally the bike-to-work scheme should be expanded to include people who are currently excluded from the scheme and electric scooters should be eligible for tax breaks. A scheme active in France<sup>16</sup> should be considered, whereby employees can claim for full or partial rebates from employers for the costs incurred taking public transport to work. The benefits of this would be four-fold; employers would access labour, the financial burden on employees would be eased, public transport use would likely increase (aiding decarbonisation), and the transport companies would see increased usage of their service.



<sup>14</sup> <https://www.esri.ie/node/6478>

<sup>15</sup> Low Pay Commission, Living Wage Report (2022)

<https://assets.gov.ie/226962/f72dbeb6-00ef-46cb-8af9-c347cb0851ff.pdf>

<sup>16</sup> Full-time workers in the private sector have the right to ask their employer for 50 percent of public transport costs (second-class, shortest journey) to be reimbursed. The same goes for workers in the public sector. You are also entitled to have public transport costs reimbursed if you are a part-time worker or intern in France – although the amount depends on how many hours you work per week

<https://www.thelocal.fr/20220126/french-pm-lays-out-plan-to-help-drivers-save-money/>

## 5. Increase the availability of affordable childcare

The lack of childcare, let alone affordable childcare, can prevent those with childcare responsibilities, who are mainly women, from entering the workforce if and when they choose to do so. With the average cost of childcare at €800 per month, take home pay at €1622 per month on a full-time, minimum wage position, and the average rent at €1,567 per month, it is evident how challenging it would be for a single parent to enter the workforce while maintaining an adequate standard of living and providing for dependents. Add to this a dearth of public transport and increased fuel prices, and a multifaceted problem begins to emerge which demands a multifaceted approach. Enterprise policy should be designed not in a vacuum, but in tandem with policies of public transport, childcare, and housing.



## 6. Support small businesses, especially in rural Ireland

According to the Irish Fiscal Advisory Council's most recent Fiscal Assessment Report<sup>17</sup>, Ireland's tax revenue is dangerously exposed. This is largely because over the last seven years, we have come to rely on just ten paying companies for more than half of our corporate tax receipts. In the first half of 2022, almost a quarter of all tax revenues were from these ten companies. This concentration in revenue represents a severe risk to our national capacity to maintain and indeed increase public spending, and provides a strong rationale for a diversification in the corporate tax base as well as a national strategy that does not rely on attracting large multinationals, whose revenue could be subject to 'reversal'.



## 7. Support the development of skills and talent for decarbonisation, and ensure accessibility for all

Investment in education for all is of vital importance. Education is key to the success of all of our SDGs. This was clearly articulated at the HLPF in New York this year. "Learning how to learn" and investment in educators and education were front and centre of many contributions. This needs to be front and centre of all of our agenda.



<sup>17</sup> <https://www.fiscalcouncil.ie/fiscal-assessment-report-may-2022/>

Accelerating decarbonisation will require a technically capable workforce.

The WP should outline how vocational, technical and further education, particularly in areas relevant to decarbonisation will be given parity of esteem when compared with university education. The former is all too often subordinated to the latter, as evidenced in Ireland’s draft plan for the SDGs<sup>18</sup>. We suggest a national plan for providing decent, secure work in an area relevant to decarbonisation for anyone who

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wants to work in that area. This needs to be inclusive to all<sup>19</sup>, in other words there need to be clear opportunities for those with disabilities, for people unable to read or write, for older people, for migrants and asylum seekers. What’s more, women and other marginalised genders should be actively included in vocational education plans.

Additionally, in order to engender a motivation to be part of national decarbonisation efforts, and to recognise Ireland’s role and historical responsibility in the climate crisis, global citizenship education (GCE) and education for sustainable development (ESD) should be further supported. This type of education is deeply tied to enterprise as it heavily influences what people choose to do for work.

#### 8. Ensure businesses in Ireland are operating in line with principles of Human Rights

Due to the nature of economic globalisation, Ireland’s national enterprise does not operate in a vacuum. It is stated that our national strategy on enterprise should be inclusive, but we ask, inclusive of whom? In order to progress the SDGs “at home and abroad”, our national enterprise policy must not negatively impact communities and ecologies abroad, we must not offshore injustice<sup>20</sup>. For example, the ESB has been importing coal from the Cerrejón mine in Colombia for over two decades despite the human rights abuses documented in the region, particularly in La Guajira<sup>21</sup>. Severe human rights abuses, community degradation and environmental harm have accompanied the extraction of coal from this mine for use in Moneypoint in Co.Clare. All OECD member countries must implement the MNE Guidelines<sup>21</sup>, and so this requirement should be clear in the WP. The Guidelines set certain minimum standards for




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<sup>18</sup> See Coalition 2030’s response here, point 8: <https://www.ireland2030.org/s/Coalition-2030-Submission-to-Consultation-on-the-draft-National-Implementation-Plan-2022-2024-Final.pdf>

<sup>19</sup> See SDG 4, Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

<sup>20</sup> The United Nations Guiding Principles on Business and Human Rights (UNGPs) provide the internationally accepted framework for enhancing standards and practices with regard to business and human rights. <sup>21</sup> <https://www.rte.ie/news/business/2022/0601/1302482-esb-criticised-for-importing-coal-from-mine-in-colombia/>

<sup>21</sup> <http://mneguidelines.oecd.org/mneguidelines/>

multinational enterprises, including respecting internationally recognised human rights, avoiding adverse environmental impacts, and disclosing certain information about business conduct.

What's more, CMC-Coal Marketing Company Limited is the Dublin-based sales arm of coal from the Cerrejón mine<sup>22</sup>. The Irish Coalition for Business and Human Rights advocates for new corporate accountability legislation in Ireland which would mandate companies like the ESB and CMC to scrutinise the supply chains of their products, and so this should be a key element in the enterprise WP. Earlier this year, the European Commission adopted a proposal for a Directive on corporate sustainability due diligence<sup>23</sup> which aims to foster sustainable and responsible corporate behaviour throughout global value

chains, and these rules will apply to many Irish businesses. This turn of affairs needs to be taken into account in the WP, and it should also be clear how Irish enterprises will be supported and encouraged to engage with stakeholders that may be affected by new legislation.

### 9. Mandate Local Authorities (LAs) to support businesses achieving the SDGs

Local government is a central link to all achievable aims as they are naturally and nationally equipped to reach out to local communities. This invaluable resource must be engaged with and supported to assist in implementing all strategic aims regarding



enterprise. Local government is particularly important for successful implementation of the SDGs<sup>24,25</sup> via its interaction with enterprise due to the existence of Corporate Plans. The WP should ensure that the Corporate Plans of all city and county development plans are fully aligned with the SDGs. Further, businesses supported by LAs should be required to ensure that their activities do not hinder the SDGs at home or abroad. For example they should be mandated to scrutinise and report on their supply chains, as in point 8.

### 10. Make sure our FDI policy does not jeopardise our climate targets, in particular when it comes to data centres

Data centres require vast amounts of electricity to function. Grid operator Eirgrid estimates that data centres may account for up to 27% of Ireland's electricity demand by 2028<sup>26,26</sup>. For example, if Amazon's project in Mulhuddart, Dublin 15 is realised, by 2026 it would use c. 4.4% of Ireland's entire energy capacity<sup>28</sup> – the equivalent of Galway City. If data centre expansion continues at its current pace, we will still need additional fossil fuel generation, particularly gas generation, to power data centres, jeopardising our national climate targets. What's more, only 9% of 1211



<sup>22</sup> <https://www.glanlaw.org/cerrejon-coal>

<sup>23</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_1145](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145)

<sup>24</sup> <https://sustainabledevelopment.un.org/index.php?page=view&type=30022&nr=754&menu=3170>

<sup>25</sup> <https://www.eirgridgroup.com/site-files/library/EirGrid/All-Island-Generation-Capacity-Statement-2020-2029.pdf>

<sup>26</sup> <https://www.irishtimes.com/business/technology/net-results-data-centres-need-to-power-down-their-energy-requirements-1.3561745>

respondents in June 2022 stated that Ireland should prioritise LNG terminals as an alternative to Russian gas, whereas 83% preferred a green alternative<sup>27</sup>.

We therefore strongly recommend that the WP scrutinises the national emphasis on data centres and demonstrates a plan for them that is coherent with climate targets and the SDGs more broadly, for example by ensuring that nobody already struggling is disproportionately impacted by the existence of data centres. For example the Commission for Regulation of Utilities (CRU) in Ireland noted a risk of rolling

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electricity blackouts <sup>29</sup> due to the substantial energy consumption of data centres – a risk that is disproportionately borne by the most vulnerable groups in society<sup>30</sup>. FDI that is not attentive to the disproportionate risks on certain cohorts does not demonstrate a sensitivity to the interdependencies of the SDGs.

## Conclusion

The SDGs offer the only universally agreed blueprint for poverty-proofed policy design. What's more, they provide an opportunity at this juncture of multiple crises to become the common policy language and umbrella lens used to address the climate crisis, biodiversity loss, the just transition, rising inequality, cost of living, and international solidarity, to name but a few areas. By using the SDGs to undergird the strategy, the White Paper on enterprise could be a practical and pioneering example of Policy Coherence for Sustainable Development in action.

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<sup>27</sup> [https://www.foe.ie/assets/files/pdf/foe\\_poll\\_june\\_2022\\_headline\\_results.pdf](https://www.foe.ie/assets/files/pdf/foe_poll_june_2022_headline_results.pdf)



## Annex 1: Coalition 2030 Member Organisations (sorted by pillar)

### Domestic Anti-Poverty and Equality

<sup>29</sup> [https://www.cru.ie/wp-content/uploads/2021/06/CRU21060-CRU-consultation-on-Data-Centre-measures.p df](https://www.cru.ie/wp-content/uploads/2021/06/CRU21060-CRU-consultation-on-Data-Centre-measures.pdf)

<sup>30</sup> Saint Vincent de Paul, 'The Cost of Surviving' (2022) [https://issuu.com/svp15/docs/red\\_c\\_2022\\_report\\_final](https://issuu.com/svp15/docs/red_c_2022_report_final)

- |   |                                       |
|---|---------------------------------------|
| 80:20 Educating and Acting for a Better World   | Jesuit Centre for Faith and Justice   |
| Akidwa  | National Adult Literacy Agency (NALA) |
| Alcohol Forum                                   | National Women’s Council of Ireland   |
| AONTAS the National Adult Learning Organisation | National Youth Council of Ireland     |
| All Together in Dignity                         | Pavee Point                           |
| Baby Feeding Law Group of Ireland               | Social Justice Ireland                |
| Christian Aid                                   |                                       |
| Community Work Ireland                          |                                       |
| Development Perspectives                        |                                       |
| Disability Federation Ireland                   |                                       |
| European Anti Poverty Network Ireland           |                                       |
| Global Citizenship School                       |                                       |
| IFPA Irish Family Planning Association          |                                       |
| Irish Rural Link                                |                                       |

The Ladder

**Environment**

The Wheel

Airfield

An Taisce

Carrig Conservation

Cork Environmental Forum

Cultivate

ECO UNESCO

Environmental Pillar

Foodcloud

Friends of the Earth

VPSJ Vincentian Partnership for  
Children's Rights Alliance

Social Justice

Aidlink

CBM Christian Blind Mission

Child Fund Ireland

Comhlámh Concern

Global Action Plan

Good Energies Alliance Ireland

Green Foundation Ireland

**International Action Aid**

Dóchas

Fairtrade Ireland

Global Schoolroom

IDEA Irish Development Education Association

**Trade Union**

ASTI

Fórsa

ICTU Irish Congress of Trade Unions

SIPTU Services Industrial Professional and Technical  
Union

Sightsavers Ireland

Trócaire

UNICEF

World Vision Ireland

Irish Wildlife Trust

Rediscovery Centre

Roscommon Environmental  
Network

Voice

Zero Waste Alliance Ireland

International Presentation  
Association

Irish Forum for Global Education

Irish Global Health Network

Misean Cara

Self Help Africa

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## RESPONSE TO THE GOVERNMENT'S PUBLIC CONSULTATION PROCESS ON THE WHITE PAPER ON ENTERPRISE POLICY TO 2030

<b>Registered Company Name</b>	<b>National Association of Community Enterprise Centres CLG</b>
<b>Company Registration Number</b>	644493
<b>Year of incorporation</b>	2019
<b>Company Business Address</b>	Unit 18 Meath Enterprise Centre, Trim Road, Navan, Co Meath C15 TKX6
<b>Company Web Address (if any)</b>	<a href="http://www.enterprisecentres.ie">www.enterprisecentres.ie</a>
<b>Activity</b>	National membership organisation of 250+ community enterprise centres and enterprise hubs supporting 3,000+ SMEs across the Republic of Ireland
<b>Company Directors</b>	Gary O'Meara (Chair), CEO @ Meath Enterprise Sarah Daly, Executive Director @ Creative Spark Niamh Costello, CEO @ CREW John O' Connor, CEO @ Enniscorthy Enterprise Centre Breannán Casey Education & Outreach Manager @ DKIT Ann Treanor, Retired (formally Enterprising Monaghan)



## Introduction

The National Association of Community Enterprise Centres [NACEC] CLG, trading as the Community Enterprise Association Ireland (CEAI), is the national representative organisation of community enterprise centres and enterprise hubs in Ireland.

Initially established as a voluntary organisation in 2008, NACEC was incorporated as a CLG in 2019; underwent a strategic restructuring exercise in 2021 and adopted the trading name of the Community Enterprise Association Ireland (CEAI) to greater reflect its strategic priority of supporting the growth of enterprise - within enterprise centres and enterprise hubs and across their communities - and economic development across the regions.

The company is overseen by an Executive Board of Directors drawn from across the regions, each currently holding or having previously held senior roles within the community enterprise sector.

CEAI is positioned as representative of Enterprise Ireland's investment in the community enterprise sector – a key sector within the National Hub Network – numbering in excess of 250 locations and representing an investment of more than €255M by Enterprise Ireland since 1998.

CEAI undertakes regular consultations with the community enterprise sector in addition to working in close collaboration with key sectoral stakeholders such as Enterprise Ireland (EI), Department of Enterprise Trade and Employment (DETE), Department of Rural and Community Development (DRCD), Western Development Commission (WDC), Skillnet Ireland, Local Authorities, Local Enterprise Offices (LEOs), National Standards Association of Ireland (NSAI), business representative organisations and third level institutions.

CEAI is funded under the 2019 Regional Enterprise Development Fund to oversee the design, development and rollout of the QHubs Quality and Innovation Management Programme for the National Hub Network. A National Steering Group chaired by Minister Damien English TD has oversight of the Programme's implementation.

## Background

In response to the request of the Department of Enterprise, Trade and Employment to submit a response, on behalf of the community enterprise centre and enterprise hub sector, to the current public consultation process for the upcoming Enterprise Policy White Paper, CEAI conducted a short (six questions) survey across the sector.

The Survey response rate was 14%, which can be considered a strong response given the summer season.

insights gathered from respondents highlighted the following **opportunities**:

- ✓ 47% identified remote working as an opportunity for the sector
- ✓ 43% believe enterprise centres and enterprise hubs have a key role to play when attracting business –indigenous or FDI – into the regions
- ✓ 33% see sectoral opportunities offering growth potential for their enterprise centre or enterprise hub
- ✓ 24% view the growing movement of families from urban to rural locations as offering opportunities for their enterprise centre or enterprise hub
- ✓ 20% see growth opportunities emerging from the Green Agenda

... while the following **challenges** were highlighted:

- ✓ 83% cited financial challenges; rising costs and imminent recession as critical challenges
- ✓ 40% cited access to funding opportunities/streams; difficulty in securing match funding and increased competition among the sector for funding as a challenge
- ✓ 37% view maintaining market demand; increased competition and over supply as challenges
- ✓ 27% consider access to qualified, skilled and suitable staff a challenge.

## Observations

CEAI is calling for greater recognition and a clear prioritisation of enterprise centres and enterprise hubs as key conduits within local and regional enterprise ecosystems. Community enterprise centres and enterprise hubs are differentiators within communities and across regions with the potential to attract regional investment - either from home-grown companies in expansion or inbound FDI.

Community enterprise centres and enterprise hubs have been at heart of Enterprise Ireland's regional enterprise development remit for many years. In a post-Covid economic climate, with the focus on the National Hub Network as a Government of Ireland initiative, community enterprise centres and enterprise hubs offer real potential to deliver on Government's ambition to drive economic and social growth, in a balanced and sustainable manner across all the regions, achieving competitive advantage through regional resilience, innovation, digitalisation and the achievement of sustainability and climate action targets.

The community enterprise centre and enterprise hub sector has delivered within communities, contributing to local jobs growth, income generation and value-add services and supports as social enterprise business models for over twenty years now. However, the potential which exists within the sector remained largely untapped and it is only with the up-ending of the sector due to the Covid Pandemic that the strategic significance of these centres and hubs has been highlighted.

The importance of focused and robust policy efforts to build sustainable regional resilience, in parallel with ensuring that fit-for-purpose supports exist to deliver on an export-led growth strategy has never been more critical as our economy recovers from Covid; manages the impact of international wars and prepares for a much-anticipated severe recession.

We also call on Government to drive joined-up thinking for the sector with the creation of an advisory group for the community enterprise sector – to include cross-government representation, agency engagement and the voice of local and regional groups, networks and associations who support community enterprise development across the regions.

## Recommendations

We (CEAI) believe that by equipping the community enterprise centre and enterprise hub sector with the necessary skills, expertise and thought leadership to improve the overall performance of the sector nationally, the sector will play a key role in the future economic performance of the regions.

Two key initiatives are currently underway for the sector – led by CEAI – and now requiring recognition, commitment and investment by Government to ensure maximum and meaningful impact for the sector:

### ✓ **Best in Class Performance**

CEAI members have repeatedly articulated the need for access to highly skilled resources and specialist expertise, currently not readily available due to the limited resources of individual centres and hubs.

At a leadership level within the sector key challenges include how to streamline functions; how to optimise business models and how to streamline cost bases. Supporting the sustainability of the sector is critical and financial innovation is key, so it is now time to explore and evaluate high impact – low risk financial models so as to provide long-term financially viable funding and revenue solutions for community enterprise centres and enterprise hubs to incorporate into their strategic planning processes.

CEAI has been funded under the 2022 Regional Enterprise Innovation Scoping Scheme (REISS) to undertake an in-depth feasibility study into the development of a Virtual Centre for Delivery Excellence incorporating a Shared Services Centre. The ambition for this Centre is to drive innovation and entrepreneurship through the sector – to underpin and support thought leadership and best practice demonstration in governance, innovation, systems, processes and financial management for enterprise centres and enterprise hubs. Such an initiative will build further capacity and capability within enterprise centres and enterprise hubs to support Enterprise Ireland's ambition of delivering growth across all regions, realising competitive advantage through innovation and digitalisation and achieving climate action targets.

✓ **Capabilities, Capacities and Skillsets**

From Q4 2021 to Q2 2022, Skillnet Ireland supported CEAI in the delivery of the MentorsWork Structured Business Support Programme to 51 enterprise centre and enterprise hub locations across the regions. This represented approximately 20% of community enterprise centre and enterprise hub locations across the National Hub Network, with key personnel completing a customised learning and development journey through coaching, mentoring and upskilling so as to grow sectoral skills capacity and capability. What clearly emerged from the participation of this cohort of participants is that there are distinct differences between managers and boards across the regions in terms of capacity, capabilities, motivations and skillsets.

Diverse challenges and opportunities can be found across the sector, which require targeted supports and knowledge building to achieve optimal performance from each location. It should be noted that at this point in time CEAI has secured a partnership with the M1 Skillnet and the Trainers Learning Skillnet of the Irish Institute of Training and Development (IITD) to conduct a feasibility study which will investigate the development of a structured and planned approach to delivering on the learning, development, and mentoring requirements of staff across the National Hub Network. Outputs will include a training and learning needs analysis and a Competency Framework for Continuous Professional Development or Academic Credits (whichever is deemed most appropriate). This is a critical first step in what will be a long-term process to ensure the capabilities, capacities and skillset requirements of key personnel across the sector are met.

**Conclusions**

To achieve the ambition of Government as articulated in so many policies such as Enterprise 2025, the National Smart Specialisation Strategy, Our Rural Future and the National Planning Framework, the community enterprise centre and enterprise hub sector along with its key personnel must be recognised both for the work delivered across communities and regions since 1998 and now, importantly for the very real potential, opportunity and ambition that lies within the sector to support regional strengths, build on regional opportunities and contribute in an impactful manner to economically and socially resilient and sustainable communities.

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Construction Industry Federation

CIF Response to Public  
Consultation – July 2022  
White Paper on Enterprise  
Policy

July 2022

Submitted by Email to: [enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie)

## 1. Overview

The CIF is the Irish construction industry's representative body. It provides a broad range of services that assist members in navigating the political, business, economic and regulatory environment.

These services cross the full spectrum and include recruitment and training; procurement; tendering and contracting; industrial relations consultation and advice; health and safety; marketing and industrial intelligence reports; engagement with government, statutory and other industry bodies; and regular updates on all issues affecting the construction industry.

The CIF key areas of focus are:

- Developing thriving regions
- Supporting efficient delivery of Public Capital Spending Programmes
- Recruitment and planning for future skills needs
- Public sector procurement contracts, policies and procedures
- Improving access to finance for SME's
- Delivering ongoing training and development
- Leading the sector's innovation and digital transformation
- Resolving payment disputes and facilitating debt recovery
- Enhancing the reputation of the construction sector

Construction is a significant contributor to GDP and economic activity. Based on an assessment of economic impact multipliers for construction by EY, it is estimated, after all direct and indirect and induced economic impacts are considered in the construction supply chain and the wider economy, that in 2021 every 1 million of construction activity:

- Delivers an additional €0.66 in Gross Value Added to GDP
- Creates 8.9 full time equivalent jobs across the economy
- Returns €0.61 in tax revenue to the Exchequer

The construction industry is key if Ireland is to maintain its competitiveness as an open resilient economy capable of meeting the targets set out by government in its Housing for All (HfA) and Climate Action Plan 2021. In order to achieve these ambitious targets, the following considerations should be taken by the Department in its Enterprise Policy 2022 White Paper.

## 2. Considerations

### 2.1 Improving Productivity through Digitalisation

In the Department of Public Expenditure and Reform commissioned report "Economic Analysis of Productivity in the Irish Construction Sector the Irish Construction Industry" (2020), Ireland was deemed to have close to half the level of productivity as our construction counterparts operating in some European markets. For Ireland to reach this high level of productivity, it is paramount that government continues to support the digitalisation of the construction sector.

CIF has been heavily involved in the Construction Sector Group's Digital Adoption and Innovation Sub-Group since its inception and to date milestones have included the establishment of the Build Digital Project as well as the recent launch of the Construction Technology Centre (CTC) and imminent



establishment of a training centre and demonstration park for modern methods of construction (MMC). It is imperative that Government accelerates the work on these projects.

### Further Measures Required

- At a national level, the State must support the advancement of client-side skills to enable truly integrated digitisation of design, procurement and project management
- Supports must be put in place for companies to respond to the call for modernisation through direct financial support for training within companies
- Provide incentives for companies to upgrade IT infrastructure, software and to enlist the additional resources required to develop new digital services
- Include grants for training programmes and the use of consultancy services to deliver audit, transformation and change programmes
- Support the development of existing programmes including the existing apprenticeship programmes to lock-in future skills needs and digitalisation

CIF acknowledges the work that is being undertaken by Enterprise Ireland in their “Built to Innovate” initiative; however, it is necessary that these supports are made available to the entire construction domestic market as opposed to only being made available to companies operating in housing.

## 2.2 Research, Development and Innovation

### Construction Technology Centre

The acceleration and adequate funding of the CTC is core to the research, development and innovation needs of the industry. It is of extreme importance that this service:

- Provides a go-to source of advice, R&D capacity, funding avenues, advanced industry expertise and access to potential collaborative partners for the entire construction industry, its supply chains and stakeholders
- Provides diverse industry membership with access to knowledge in multiple application and technology areas across the value chain
- Leverages investment in existing academic research capabilities and build critical mass for the sector
- Harnesses the collective learnings and ideas of the industry to maximise innovation, minimize wastage of resources across the sector and rise the profile of construction in Ireland

### Modern Methods of Construction

The accelerated establishment of a national Centre of Excellence to support the development of a fully integrated off-site MMC training centre and demonstration park is fundamental to research, development and innovation. This centre must provide for the development of advanced materials, testing and validation of systems, certification and proof of concept.

The development of a healthy industry utilising MMC is not only mandatory to the future of construction in Ireland, it also allows for operations to be completed outside of our main cities allowing for more regional balance in terms of economic activity through off-site prefabrication and modular construction.

### R&D Tax Credits

Tax credits for R&D and innovation within construction enterprises, independent of scale, is a requirement for companies who are actively pursuing MMC through the use of advanced materials





and the development of management processes that encourage maximum efficiency of labour and materials. To encourage adoption, Government support for companies especially small enterprises, will help to speedily transform the sector. Indeed, more R&D tax incentives support is warranted for construction SME's, following OECD research which found that small firms tend to be more responsive than larger firms to the availability of R&D tax credits (OECD, 2020).

### 2.3 Environmental Sustainability / Retrofit

The construction sector has an enabling role to play in supporting the government's objective to transition Ireland to a sustainable and carbon neutral economy and society. The Climate Action Plan 2021 demands action to eliminate greenhouse gas emission in a building's life cycle, addressing both operation and embodied carbon using BIM 6D sustainability modelling. Training and education of the current workforce will be crucial and should be aligned with capital supports and grants for the adaptation of company operations to meet future carbon policy.

#### Retrofit

The Climate Action Plan 2021 is heavily dependent on a comprehensive retrofit programme to support the achievement of the target to reduce residential and commercial emissions in the built environment by between 36% and 50% between 2018 and 2030. In order to achieve these targets, the following should be put in place:

- Support for the development of new technologies to assist in the consumer-supplier engagement process
- Support for the one stop shop approach to retrofit and the development of medium-term frameworks for suppliers
- The incentivisation of the redirection of consumer savings into deep retrofit programmes through grant supports and clear advice on how policy will be developed
- Support for the ongoing CPD and upskilling initiatives to develop human capital

### 2.4 Reskill and Upskill

Figures from government outline that in order to fulfill the labour demand to meet the HfA initiative alone will require a need for 27,500 additional sector workers over five years ([www.gov.ie](http://www.gov.ie), 2022). Significant recruitment is also required to drive digitisation, BIM as well as other related areas such as increased regulation and asset management. To fulfill these needs the following supports should be put in place in addition to the education and training needs outlined previously:

- Continued and additional funding provided to the Construction Professionals Skillnet initiative
- Provision of adequate funding for the recruitment of apprentices and the removal of student fees that act as a barrier
- Reinstatement of the Apprenticeship Incentivisation Scheme to support SME's
- Provision of grants to employers for the provision of Safe Pass and Construction Skills Certification Scheme (CSCS)



## References

Department of Public Expenditure and Report (2020) “Economic Analysis of Productivity in the Irish Construction Sector”

OECD (2020) “STI Policy Note “How Effective are R&D Tax Credits, New Evidence from the OCED microBeRD Project”” <https://www.oecd.org/sti/microberd-rd-tax-incentives-policy-note.pdf> [Accessed 13/07/22]

Gov.ie (2022) Available at: <https://www.gov.ie/en/press-release/a1167-ministers-heather-humphreysand-simon-harris-launch-new-drive-to-recruit-construction-workers/> [Accessed 13/07/2022]



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29th July 2022

Re: Consultation White Paper on Enterprise Policy

To whom it may concern,

Cork Chamber represents 1,200 members together employing 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.

As such, we are determined to ensure that our over 200-year-old Chamber continues to create a positive legacy. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals, five of which have been identified by the Chambers Ireland network.



The Department of Enterprise, Trade and Employment's decision to initiate a wide-ranging review of National Enterprise Policy is timely. The range and pace of challenges for enterprise have changed since Enterprise 2025 was published in 2015 and revised in 2018. Enterprise policy should be fit for the ambitions of today and the realities of tomorrow. We welcome forward thinking to anticipate the enterprise of the future, and to secure conditions favourable for industrial competitiveness whereby entrepreneurs and businesses can take on initiatives with confidence and exploit their ideas and opportunities.

A recent World Economic Forum White Paper<sup>1</sup> focused on mobilising the SME sector to drive widespread sustainability and prosperity outlines that the opportunity for impact is great - different levers for SMEs can drive sustainable growth, societal impact and adaptive capacity.

A new enterprise policy fit for the future is a huge opportunity to deliver on Climate Action and to build resilience in enterprise, sustain export-led growth strategy underpinned by innovation and

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<sup>1</sup> [https://www3.weforum.org/docs/WEF\\_Future\\_Readiness\\_of\\_SMEs\\_2021.pdf](https://www3.weforum.org/docs/WEF_Future_Readiness_of_SMEs_2021.pdf)

talent, while also protecting Decent Work and Economic Growth and supporting Industry, Innovation and Infrastructure.

### **Take Advantage of Zero Carbon Transition**

Enterprise policy needs to be reshaped to take advantage and prepare for zero carbon transition. It is currently not integrated into policy effectively and as a result the opportunity to create a new generation of enterprises that exploit and leverage the transition is being missed.

Ireland became the second country in the world to formally declare a climate emergency in 2019 and if action does not follow that declaration, the damage will not only be environmental but reputational.

### **Incentivise the SME Sector**

SMEs (<250 persons engaged) accounted for 99.7% of the total number of enterprises in 2019 and 66.4% of all persons employed<sup>2</sup>. Ireland currently ranks 19th among the 132 economies featured in the Global Innovation Index 2021<sup>3</sup>. However, a national productivity gap exists between MNCs and SMEs. The real strength of the domestic economy is in SMEs – the area where Irish business productivity is weakest, and declining. An enterprise policy which facilitates closer economic interactions between SMEs and MNCs (via trade linkages, research collaborations and labour mobility) could help raise the productivity levels of SMEs and should be at the core of sectoral and enterprise strategy.

Enterprise policy should aim to counterbalance dependence on multinational investment, overdependence on FDI and include helping domestic exporters, developing new Irish-based technology companies, and increasing domestic entrepreneurialism, for example via the entrepreneurial and commercialisation training.

### **Fund start-ups to scale**

Small Irish companies can start-up and scale-up successfully to become multinationals. Enterprise policy should develop an outward-looking medium business sector that trades internationally. Although many businesses do not seek to be High-Performance-Start-ups or large employers, there is a significant gap in funding to facilitate scaling. From seed funding upwards, Ireland lags behind international competitors in the availability of finance for entrepreneurs. The existing funding environment will continue to be inadequate to keep our most promising start-ups in Ireland, as demonstrated by the many successful start-ups relocating to the US to both scale their operations but also receive investment. The Irish venture capital environment needs to be improved so that start-ups get more significant funding at an earlier stage to improve their chances of global scaling and job creation in Ireland rather than abroad.

### **Cost of doing business**

Bearing this in mind, domestic enterprise growth policy should attend to the greater body of firms which are not typically heavily supported by the state.

Without doubt current rates of inflation are impacting on the domestic economy and considerable extra cost burdens are anticipated by SMEs. Enterprise policy should specifically support (particularly

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<sup>2</sup> <https://www.cso.ie/en/releasesandpublications/ep/p-bii/businessinireland2019/overview/>

<sup>3</sup> [https://www.wipo.int/edocs/pubdocs/en/wipo\\_pub\\_gii\\_2021/ie.pdf](https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021/ie.pdf)

smaller) businesses and assist sectors which are at the frontline of such increases in insurance and legal costs such as the retail and hospitality sectors.

The regulatory environment for SMEs should be simplified – efforts should be made to consolidate employment law, rather than create new bills for relatively micro issues. A ‘one in, one out’ approach, to regulation, strengthens the attention of policymakers to the implications and costs of applying legislation, especially for SMEs. Support measures dedicated to SMEs such as an increased resilience, combating late payments, certainty in tax policy and supporting solvency are all crucial.

### **Sustainable Infrastructure for Enterprises**

The considerable existing infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly depressed and constrained our domestic economy.

Specifically, access to water resources, and waste-water treatment capacity, are increasingly becoming problematic for businesses that are looking to expand in, or into, Ireland. Supply constraints are limited where businesses may operate from and their ability to increase their range of activities on exiting sites. Meanwhile the lack of effective water treatment capacity is often a key reason for the rejection of planning permission.

### **Energy Use**

Large energy users such as the high-value manufacturing sector will be the first to be curtailed if outages occur, disproportionately affecting them by supply and transmission constraints. This will harm our reputation as a reliable location for foreign capital. While the individual number of jobs that are directly foregone in those instances are relatively low, there are a huge number of associated roles within the wider MNC sector that are dependent on having access to large data sources. The inability to guarantee security of supply to those data-centres is likely to result in fewer of the ancillary roles being located in Ireland.

Current difficulties with data centres demonstrate that a lack of planning can have profound impacts on enterprise and FDI if complete and deliverable action plans are not put in place to support environmentally sustainable infrastructure, energy and operating environments. Enterprise policy must be cognisant of and plan for macro supporting infrastructure that is essential to both attracting foreign investment and growing future-fit indigenous enterprises that can compete on the international stage.

### **New and emerging sectors**

A new Enterprise policy should consider the specific needs and characteristics of individual sectors. Businesses are well placed to determine how to become competitive and leaders in their sector and at overcoming their challenges. Where necessary, enterprise policy should support new forms of cooperation between private and public sectors to accelerate the delivery of innovative solutions that would not be achieved otherwise.

Sectors which have typically enjoyed success include pharma, construction, medical devices, food production, digital and financial and professional services. There is scope to mark Ireland out as different by diversifying and reaping benefits from the Circular Economy and Bio Economy and to realise new opportunities for growth in new and emerging sectors including Retrofitting, Creativity and Culture (Animation, Film) or alternatives in areas of strategic dependencies: on raw materials,

batteries, active pharmaceutical ingredients, hydrogen, semiconductors and cloud and cutting-edge technologies.

Specifically, renewable energy, of which offshore plays a crucial role, is the economic opportunity of our generation. Innovative technologies such as floating offshore, hydrogen and battery storage will very rapidly become essential to our energy future. Ireland must be powered by renewable energy and become a net exporter. The ongoing development of MARA and ORESS and all the supportive ongoing regulatory, resourcing and legislative work underway should support the immense potential offered by this sector.

### **EU Single Market - Disrupted and fragmented trading environment**

The pandemic highlighted the essential need to uphold a well-functioning single market and the free movement of persons, goods, services, and capital. Irish enterprise gains resilience from world markets being open and integrated in global value chains, which help to absorb shocks and drive growth. Ireland needs to align with EU industrial policy and like-minded European member states to take a position at the heart of Europe and its single market.

The Irish enterprise ecosystem needs to be ready for the challenges of a more disrupted and fragmented trading environment and global economic environment, post-Covid and with the war in Ukraine. Any new policy framework must be flexible and adaptable enough to cope with rapid changes in our trading environment as a small export orientated economy. This should involve the consideration of a wide range of future scenarios against which the policy should be stress-tested.

### **Post Covid Supply Chain Reshoring**

Post Covid supply chain reshoring creates an opportunity for Ireland to reinstate and capture parts of the supply chain that were lost to third countries during a long phase of international outsourcing. It is not clear that current policy is specifically targeting this enterprise opportunity.

### **Regional Enterprise Development and Clusters**

A concerted shift in focus, effort and investment to grow enterprises in regions outside Dublin is critical to both balanced regional development and building a healthy nationwide enterprise ecosystem. This must focus on developing regional ecosystems that are a real counterweight to Dublin in terms of talent attraction, investment and entrepreneurial opportunities.

Remote working hubs and regional industry clusters have a role in economic development, new job and ecosystem creation. It is critical to boost the attractiveness of regions through investments in place-making - developing places that are attractive for business investment and for people to live and work.

### **Skills and Talent**

Our diversity and the talent of our people as innovators and creators contributes to Enterprise success. The skills and talent pipeline via third level education, apprenticeships and inward migration are a national issue, for firms in the domestic economy and in MNCs. Our chief constraint here is the availability of affordable and secure accommodation.

Enterprise digitisation should offer SMEs the opportunity to utilise talent to best advantage and to transform operations, business models, and processes into digital formats through the adoption of disruptive technologies like big data, artificial intelligence, blockchain, and data analytics.

### **Investor Confidence**

In summary, investor confidence is critical to the success of the Irish enterprise and capital investment. Sound Enterprise Policy should be well integrated into several other policies such as trade, research and innovation, employment, environmental protection and public health and be key in supporting and accelerating the twin transition, digital and green. Ireland's regulation, planning, policies, timeframes, investment and supports should offer best in class business certainty and clarity. Enterprise policy and regulatory conditions should support domestic and foreign direct investment that helps us meet our climate change targets. Without certainty, future enterprise and investment will not be sustained, and may in fact go elsewhere.

Thank you for the opportunity to contribute to this consultation.

Yours sincerely,



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**Conor Healy**  
**CEO**  
**Cork Chamber**



**Department of Enterprise, Trade and Employment  
via website**

Date: 26<sup>th</sup> July 2022

Dear Sir/Madam,

**RE: White Paper on Enterprise- Public Consultation**

## **1.0 INTRODUCTION**

County Kildare Chamber is the business organisation in Kildare, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of 400 businesses and over 38,000 employees across the county, County Kildare Chamber is the largest business organisation in the mid-east region of Ireland.

Given the significant breadth and depth of our membership, and our representation on various bodies at local and national level, County Kildare Chamber constitutes the representative voice for business in Kildare, a particularly important role given the current economic circumstances in the county and the state.

## **2.0 SUBMISSION**

As we look towards the next decade, Ireland and our businesses are facing a multitude of challenges, from decarbonisation, digitalisation, and wider economic and political unrest. County Kildare Chamber is pleased to be able to contribute to this conversation on the strategic direction of Enterprise Policy in Ireland in the years to come.

In March 2020, County Kildare Chamber, Chambers Ireland and International Chamber of Commerce announced that we had signed up to a new charter supporting the UN Sustainability Goals (SDGs). In particular focusing on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), advancements in gender equality (SDG 5), viable industries, innovation, and infrastructure (SDG 9) and progress in climate action (SDG 13).





The last strategic look at our national industrial policy occurred in 2004, so it is timely that we now take a whole of view appraisal of our economic platforms and how they stand in 2022.

In the last eighteen years Ireland has been through a wide-ranging economic recession, a housing crisis, the fallout of Brexit and the current Russian war on Ukraine, which has created an immediate energy shock, driving up short term inflation, whilst also impacting on medium to long term fossil fuel cost viability, with many businesses now looking more immediately at varying their energy sources.

Maximising renewables is the best way to ensure that Kildare businesses will have security of supply and access to the most affordable forms of energy. Capturing our competitive advantage in renewables will be fundamental to decarbonising our society and in making the Irish economy as a whole fit for the 21st century.

Below we set out specific areas within this consultation we wish to highlight:

County Kildare Chamber strongly supports the existing policy for multi-national companies which has created almost 300,000 jobs in Ireland. In areas of High Value Manufacturing Sector such as Pharm/Biotech, AgriFood, ICT, and MedTech our existing industrial policy has served us particularly well in Kildare, with a number of our member businesses coming from the FDI sector such as Intel, Pfizer, American Fruits and Flavors, KDP Ireland to name a few.

Any future policy should build upon the success of these sectors and must ensure that the achievements in those areas can continue, but we also need to consider that many of the competitive advantages that we had in 2004 are either no longer present, or not weighted as heavily by the FDI sector.

### **Skills & Talent**

Skills and Talent are a primary concern for all Kildare businesses, both in the domestic economy and in MNCs. A survey of our businesses in April this year found that 51% said staff retention & recruitment is the biggest challenge facing them currently. ([Chamber Membership Pulse Survey \(Q1 2022\) by countykildarechamber - Issuu](#)). Businesses are grappling with this by introducing a number of measures including flexible working, revised benefits, mental health resources, access to training and development, improved



communication and diversity policies, aided by currently legislation being brought forward by Minister Varadkar and the Department.

Chief constraints around skills and staff retention appear to be centered around the availability of affordable and secure accommodation. Competition between those in employment, between landlords, and between Local Authorities buying “turnkey” homes on the market is adding €50,000 to the baseline cost of homes, according to some accounts. The pressure on housing also filters into the rental sector with the high cost of housing often being cited as a cause of employees emigrating. For those that do not emigrate poor access to housing is often a drain on productivity, either through repeated, prolonged house searches or through extended commutes to and from work.

The cost of housing, both in the ownership and rental sectors, is a leading cause of claims for increased wages, which is putting additional strain on businesses. Kildare, as a key commuter belt county, as well as being one of the key business economies in the country with many multinationals and large SMEs in situ, the survey found that 40% of businesses are worried about the provision for their employees with a further 15% citing public transport as not being adequate enough to serve the population.

### **Infrastructure**

Energy supply is not as secure as it has been in the past, and our energy mix is still very dependent on fossil fuel sources.

The environmental concerns related to how we sourced our energy were not a priority at the creation of our existing industrial policy strategy. Our relatively heavy dependence on Moneypoint to secure our energy will make Ireland a less attractive location for Foreign Direct Investment – particularly as increasing numbers of firms are being obliged to include climate impact metrics in their annual reports by regulatory bodies.

For those that are already present in Ireland, many are already being forced to modify their activities as a result of the difficulties in maintaining supply when the national grid is routinely operating at 95%+ capacity. As large energy users, the high-value manufacturing sector are typically the first to be curtailed when outages occur, leading them be disproportionately affected by supply and transmission constraints. This is harming our reputation as a reliable location for foreign capital.



Access to water resources, and waste-water treatment capacity, are also increasingly becoming problems for businesses that are looking to expand in, or into, Kildare. Supply constraints are limited where businesses may operate from and their ability to increase their range of activities on existing sites. Meanwhile the lack of effective water treatment capacity is often a key reason given for the rejection of planning permission.

Improving the delivery and sustainability of water supply throughout our Island is vital for the continued growth of the mid-east region. We in County Kildare Chamber particularly support the improvement and upgrading of our water treatment plants in Ballymore Eustice and Leixlip through Irish Water's Regional Water Resource Plan, which will guarantee confidence to our business industry in the water supply generation within the region.

Ireland has enormous untapped green energy resources, and we have the potential to benefit from "second mover advantage". While security of supply is a key concern for businesses, we need to become much more ambitious with respect to our offshore energy generation. At a time when Scotland is, by 2033, increasing their offshore energy capacity from 15GW to almost 40GW and including 17GW of floating offshore wind our national objective is 5GW by 2030 (including 0GW of floating offshore wind).

Businesses in Kildare, particularly MNC subsidiaries in the industrial sector, are actively seeking to integrate Green Hydrogen into their gas-powered energy mix, one such company is Green Generation, which uses the biogas produced in the Anaerobic Digestion process containing roughly 60% methane and feeds it directly back into an engine to generate electricity.

However, for every company like Green Generation there are many more unable to source Irish suppliers. Should they continue to be unable to do so, many will have to curtail their objectives of achieving their carbon neutrality targets which will damage the emission goals of their parent firms. This will undermine Kildare and Ireland's attractiveness as a location for Foreign Direct Investment.

Expanding and amplifying the types of renewable energy we harness throughout Ireland is vital for the continued growth of the mid-east region. We in County Kildare Chamber particularly support the use of Hybrid Connections in the shorter term, to guarantee our business sector has confidence in the power generation within the region and to ensure that we meet our 2030 emissions targets.



Given the location of our thermal plants, they are typically well suited for landing offshore renewable energy. They are already on industrial coastal sites and much of the needed infrastructure has already been built. An added benefit of Hybrid projects is that they will facilitate the deepwater floating offshore wind projects that are likely to be available by 2030 but are currently under-considered in this consultation.

Facilitating projects that can make more effective use of existing infrastructure will greatly increase the likelihood that we will meet our national renewable energy targets, and our carbon emission targets. Excluding “Hybrid Connections” from the process will greatly undermine our potential to decarbonise our economy and will leave the business community open to greater security-of-supply risks. Hybrid projects will allow for speedier delivery of large scale offshore renewable energy projects. Be it, at a local level for the provision of sufficient electricity supply in order to zone commercial land, our large indigenous SMEs and our cluster of multinationals, or the demand for data centres, there needs to be a confidence that Kildare can provide a steady supply of power into the future.

### **Brexit & Trade**

Given the greater difficulties that Britain has created for itself when it comes to international trade, the Island of Ireland has an enormous opportunity to position itself as a logistics hub for any business that seeks to trade with both GB and the EU.

Located as we are between the EU and the Rest of the World, we have the potential to position ourselves as a first port of call, particularly for large shipping that may want to avoid the congested ports and waterways on the continent or Britain.

By integrating rail with our ports, we can facilitate smaller vessels that will have access to less strained EU and GB ports to support imports and exports to the US and Asia. Proximity to markets and suppliers is a major plus for businesses looking to set up in the Kildare region with excellent transport infrastructure and connectivity across the mid-east region and Dublin.

As the primary English speaking and common law country in the EU we have a distinct advantage over many of our peer nations, particularly when it comes to international



services. This should help ameliorate the tax related challenges that we will have as we now have other (and higher value) strengths with which to distinguish ourselves.

### **Underutilised domestic capacities**

The considerable existing infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly depressed and constrained our domestic economy.

It is prudent for the Department of Finance to have such a focus on our Debt/GNI\* ratio. However, the attention has typically been on the Debt side rather than the GNI\* level. The relatively low level of infrastructure investment since 20008 has resulted in considerable constraints being put on domestic growth.

Domestic enterprise growth policy should attend to the greater body of firms which are not typically supported by the state. Firstly, the regulatory environment for these businesses should be simplified – efforts should be made to consolidate employment law, rather than create new bills for relatively micro issues.

More fundamentally, it should be recognised that most businesses will never be High-Performance-Startups, and that HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.

We need to develop an outward-looking medium business sector that trades internationally – for as long as our medium sized businesses remain focused on our domestic economy they will be vulnerable to shocks that alter their sector that emerge from abroad.

Another area that has low-to-negative productivity growth is construction. With population numbers in excess of our National Planning Framework figures, Government should be looking to use its share power in the social housing market to kick start modular building as an industry in Ireland. Government have the capacity to buy tens of thousands of modular homes, per annum over the next decade at least, potentially decades to come, it should use that scale to transform the existing construction sector into one that is possible to optimise.



### **3.0 CONCLUSION**

This enterprise consultation takes place at a unique time, in the wake of a pandemic, yet in the midst of continuing optimism around our economic growth and future policy provision, through initiatives such as the NPF, the NDP and a number of regional plans, all focused on promoting and furthering growth within our towns and cities.

Quality of life, housing availability, infrastructure, transport, sustainable practises are all key to the continued success of Ireland and Kildare's economic growth. It is essential for the continued success of Kildare, its communities, and businesses that progress is made in each of these areas.

County Kildare Chamber is one of the largest business organisations outside of our cities. Our membership base is diverse and unique as Kildare is a growing county with a young talented population that is attractive for foreign direct investment and indigenous companies to locate/relocate to. Our proximity to Dublin, its port and airport ensures Kildare continues to welcome investment. This ensures that the Chamber along with all key stakeholders in the region continue to work and collaborate together to ensure business has every opportunity to thrive and success in Kildare.

County Kildare Chamber looks forward to working with the Department of Enterprise, Trade and Employment to deliver a successful outcome for Kildare and the country, and we are available at all times for consultation, discussion and support.

Yours faithfully,

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**County Wexford**  
**Chamber**  
Advancing business together

**Submission on behalf of County Wexford Chamber to  
the Department of Enterprise, Trade and Employment  
regarding the Public Consultation for the White Paper  
on Enterprise Policy**

July 2022

County Wexford Chamber, the voice of business in County Wexford who seek to promote thriving local economies that can support sustainable communities.

The Department's decision to initiate a wide-ranging review of our national enterprise policy is timely. County Wexford Chamber strongly support the existing policy for multi-national companies and future policy should build on the success of the high value manufacturing sectors, however, there have been significant changes to the global, and Irish, economies since the current Industrial Policy "Ahead of the Curve" was developed in 2004. We need to compensate for the areas where we have become weaker and take advantage of the areas where we are strong and areas where we have unique selling propositions.

The areas where we are weaker than we were in 2004 are largely related to the fallout from the great financial crisis. Our overleveraged position led us to forgo a decade of investment in national and regional infrastructure. Having returned to growth, after spending the period to 2013 underinvesting in the economy we are now experiencing capacity constraints throughout the economy.

Considerable investment will be needed to develop our infrastructure to meet the needs and challenges of a modern economy. We can however use the Green Transition as a mechanism for channelling finances towards investment in areas such as Energy/Water/Transport networks in ways that can help our towns and cities become sustainable centres of economic growth.

## **High-level Negative trends since the implementation of "Ahead of the Curve"**

### **Skills & Talent**

- Many of our younger graduates emigrate for experience. Ireland has a long history of immigration, the government should be looking at incentives to ensure there is circular migration in the short term.



- We welcome the establishment of universities in Ireland especially the SETU in Wexford. There needs to be a well thought out plan to ensure the programmes delivered, match the short fall in industries.

### Housing & Migration

- Lack of quality and affordable housing options make Ireland a less attractive destination for migrant workers.
- Ireland does not have the same capacity to import skills from other European jurisdictions, as we did in the early 2000's particularly when there is more competition from other countries.

### Energy

- Our energy mix is overly dependent on fossil fuel sources and not as secure as in the past.
- Electricity supply difficulties are resulting in reputational damage as a destination for foreign capital, and more recently the a de facto ban on new data-centres.

### Water

- Access to water resources and waste-water treatment capacity are problems for businesses looking to expand in/into, Ireland.
- A lack of effective water treatment capacity is frequently a key reason for rejecting planning permissions.

### Taxation

- Ireland's interests are better served by embracing the international taxation reforms than by retaining the 12.5% rate of corporation tax and damaging our reputation but Ireland must change it's narrative to encourage investment here without having to rely on being a low tax regime.

While there are challenges ahead for us, the outlook for Ireland over the next decade is far from negative. We are possibly the best placed of the European economies to take advantage of the opportunities that are before us. Particularly in the area of renewables, but also because of other long-term trends that we will be able to take advantage of over this decade.

## **Potential sources of growth over the next decade**

### **Untapped Green Energy Resources**

- Government needs to ensure that MARA needs to be set up in such a way that they facilitate green energy projects in the Irish marine territory.
- More ambitious offshore energy policy is required to mirror the growth of peer states (e.g Scotland).
- We should utilise Repower EU, to fast track grid upgrades and make our electricity networks more resilient and effective.
- Hundreds of billions of euros of infrastructure is required to harness the energy of the Atlantic. At the same time for a modest investment in Rosslare Europort it could become an offshore hub not only in the Irish sea but neighbouring countries. This will translate into regional development, and highly-paid jobs in a regionally balanced way.
- Large energy users could be incentivised to transition and reduce our dependence on imported fossil fuels while also catalysing a Green Hydrogen industry.
- We must use our underutilized harbours to export Compressed Green Hydrogen, and Green Ammonia to continental Europe.
- Ammonia created using Green Hydrogen can be used in jet turbine and diesel engines as fuel, to help decarbonise the international transport sector and can also be used as a alternative to fossil fuels to create nitrate fertilisers for farming.
- Using biomass, biowaste, farming and food waste to produce methane can maximise the lifespan of existing natural gas investments, while reducing the impact that naturally released methane would have on the atmosphere.

### Brexit & Trade

- The Island of Ireland should position itself as a logistics hub for businesses seeking to trade with both GB and the EU.
- We need to integrate rail with our ports, to facilitate smaller vessels that will have access to less strained EU and GB ports, and to support imports and exports to the US and Asia.
- Being the primary English speaking and common law country in the EU will help compensate for no longer being able to distinguish ourselves from other EU countries on the basis of taxation.

### Deglobalisation

- Friend-shoring and near-shoring production will lead to higher costs, shorter supply lines, and reduced inventory.
- Ireland should focus on high-value advanced engineering processes involving additive manufacturing.
- Ireland needs a large, excess electricity capacity to become a home for energy-hungry manufacturing, where products are destined for the EU market.

### Cybersecurity

- Ireland's weak cybersecurity is a serious business concern, especially for MNCs contributing substantial Corporate Income Tax.
- Ireland requires a cross-departmental public sector agency to pre-empt such threats.
- The strategy should involve a civilian cybersecurity agency which collaborates with Justice officials, the DPC, industry, security experts and our third level sector to actively combat cybersecurity threats.
- The national cybersecurity agency needs have an educative mission, be put on a legislative footing and mandated to conduct penetration testing on state bodies.

### Creative Industries

- Given such a large global footprint in the creative industries and the fact that English is the primary international language in the global entertainment industry, our growth in exports for this sector has been relatively weak.
- We need to scale our cultural exports in a similar way the Republic of Korea has done, with a systemic focus on entertainment (broadly defined) as an export industry, to facilitate a strong domestic, indigenous sector. This would increase our tourism income and develop our soft-power internationally.

### Underutilised domestic capacities

- The considerable infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly constrained our domestic economy.
- The Department of Finance must reduce our Debt/GNI\* ratio. It can do this by either reducing the absolute levels of Debt which the state owes, or growing the denominator.
- The regulatory environment for businesses not typically supported by the state should be simplified - we need to consolidate employment law, rather than create new bills for micro issues.
- Most businesses will never be High-Performance-Startups, and HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.
- We need to develop an outward-looking medium business sector that trades internationally. For as long as our medium sized businesses remain focused on our domestic economy, they will be vulnerable to shocks to their specific sectors that may emanate outside of Ireland.
- Government should optimise the construction industry by taking advantage in terms of sustainable and technological advances in the construction of tens of

thousands of domestic homes including modular homes per annum, over the next decade, or potentially decades to come.

There are multiple challenges facing Ireland and in particular County Wexford. In summary from a County Wexford perspective these are the focuses and keys asks over the next number of years:

- Infrastructure
- Education
- Housing

From a Green Energy and Brexit perspective the commitment to Invest in Rosslare Europort is critical. With Rosslare being so well placed with direct connections to the UK, Spain, France and Belgium we have so many European connections coming into Rosslare the development of a major distribution infrastructure at Rosslare should be prioritised.

In relation to Mara, we need to see the establishment of the office in Wexford as soon as possible.

The completion of the M11/N25 motorway connection to Rosslare Europort and the investment in the third level campus in Wexford need to be prioritised. While the previous commitment has been made to invest and very welcome, it is vital to see these projects delivered in the shortest possible timeframe.

We need an accelerated Investment in housing in County Wexford, this has become a real issue for employers in a tight labour market as even when they do attract candidates to fill the positions ultimately it falls at the final hurdle as the candidates could find no place to live.

In relation to the matters outlined above we think its vitally important that all matters should be taken into consideration by the Department of Enterprise, Trade and Employment while drafting their new white paper and will inform Government Policy going forward.

Public consultation on the preparation of the [White Paper on Enterprise](#)

### **Background**

The government has approved the development of a White Paper on Enterprise in 2022, to be led by the Department of Enterprise, Trade and Employment (DETE).

### **Purpose of the White Paper on Enterprise**

As Ireland looks towards 2030, the country is facing a variety of mutually reinforcing challenges – from digitalisation to decarbonisation as well as geopolitical and global economic changes. Arguably, Ireland now faces a ‘hinge moment’, a pivotal turning point that could profoundly shape our future economy and society.

The White Paper on Enterprise will ultimately serve as a cornerstone in protecting the core elements which make Ireland’s economy attractive for enterprise to flourish, ensuring a competitive environment that promotes micro, small and medium enterprises’ establishment and growth in the locally traded and international economies, whilst remaining attractive to international Foreign Direct Investment. The White Paper will explore several high-level policy questions under the thematic areas of strategic direction for the enterprise sector, enterprise objectives and challenges, as well as levers or policy instruments at our disposal.

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(MAX 1500 words)

### **About CREW (Comhoibriú CLG)**

CREW is a strategic initiative to accelerate economic development and job creation in the digital creative industries located in the Atlantic Innovation Region (AIRe). Led by the Western Development Commission, Atlantic Technological University (ATU) and Ardán (formally Galway Film Centre), CREW is a non-profit CLG (Comhoibriú) trading as Creative Enterprise West. Our focus is on the Digital Creative Sector through the development of a Centre of Excellence providing co-working space, incubation and accelerator programmes, training, and outreach services to increase enterprise development and job growth in the West of Ireland contributing to sustainable regional economic and social development.

### **About the Creative Economy:**

Creative Industries include: Film - TV - Animation – Games – Immersive - Broadcasting - Publishing – Marketing & Advertising - Digital Arts - Graphics – Content - Fashion - Product Design - Interiors - Furniture - Architecture - Fine Art – Craft - Performance – Music.

The creative industries are recognised as being the fastest growing global economic sector with an average yearly growth of between 7.5 and 8% according to UNESCO figures. <sup>1</sup> In the UK, creative industries have seen a year-on-year growth of 7.4%, and a yearly contribution of £111.7 billion to the economy; 5.8% of the overall economy<sup>1</sup>. In Northern Ireland, the

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<sup>1</sup> <https://www.thecreativeindustries.co.uk/facts-figures/industries-arts-culture-arts-culture-facts-and-figures-the-economic-contribution-of-the-arts>

creative industries contribute £1.4 billion per year to the economy, employ 29,000 people and manifest a growth rate of 7.2% p.a<sup>2</sup>.

Figures for the island of Ireland are not easily accessed but it is still clear from the figures available that as early as 2016 the creative industries were worth at least €792 to the Western region alone<sup>3</sup>.

Such growth is impressive, but the importance of the creative industries sector is manifested in the fact that it brings two areas of added value. The first is the application of creative industry practices and methodologies into other parts of the economy. For example, Virtual Reality (VR) is being used to build simulations for heavy plant engineering firms allowing for sales at global trade fairs where previously impact would have been limited by the difficulty of bringing heavy plant to overseas audiences.

In the field of medicine and medical devices (an area that the west of Ireland has strengths in), the possibilities of VR and 3D printing are being exploited for transplant operations and advancing understanding of back pain.

Finally, the use of Augmented Reality in the heritage and museum industries has created an entirely new platform for the engagement of the public with their localities and environment. The success of the Future Screens NI UK Industrial Challenge Fund Creative Industry cluster in NI testifies to this potential.

Secondly, the creative industries have the potential to deliver social and cultural dividends. Examples include the use of VR in educational services for young learners with autism, the application of technology to traditional craft settings to widen the market and increase public impact, the application of creative industry methodologies in rural settings to increase community involvement and the use of genres such as animation to explain complicated policy initiatives (for example in education) to a general audience. Again, these types of initiatives can be seen in the work of Future Screens NI<sup>4</sup>.

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### **The Key asks of CREW are:**

#### **To develop a sustainable creative industry that supports the vibrancy of our region.**

- Promote the West of Ireland / Atlantic Corridor as a Creative Industries Region as recognised by the EU Smart Specialisation Platform<sup>5</sup>
- Sustain & increase the WRAP fund.
- Provide 3 year funding for sector specific entrepreneurship programmes in the creative industries for example a games and interactive incubation programme,

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<sup>2</sup> <https://www.communities-ni.gov.uk/publications/creative-industries-economic-estimates-northern-ireland-2021>

<sup>3</sup> <https://westerndevelopment.ie/wp-content/uploads/2021/07/21.07.12-Longform-REINFORCING-the-CREATIVE-WEST.pdf>

<sup>4</sup> <https://www.futurescreens.org/project-spotlight>

<sup>5</sup> [https://ec.europa.eu/regional\\_policy/en/information/publications/factsheets/2017/smart-specialisation-strengthening-innovation-in-ireland](https://ec.europa.eu/regional_policy/en/information/publications/factsheets/2017/smart-specialisation-strengthening-innovation-in-ireland)

models such as Pixel Mill in Northern Ireland have proven success in growing an indigenous gaming industry<sup>6</sup>

- Support the development of a Creative & Cultural Industries Faculty in the Atlantic Technological University (ATU).
- Ecosystem development – collaboration and sustainability are key, continue to bring key stakeholders together, create a vision for the sector, target key actions. A coordinated approach is needed.
- Work with sub-sectors to establish informal meetups and networking events – more interaction is needed to highlight opportunities.
- Development of an 'Atlantic Innovation Corridor' for the Creative Economy.
- The creation of a fund for 'Development' as the support currently available for development in creative industries is not adequate as the creative sector is largely ineligible for RD&I support/grant aid.
- Increased production in the Western Region via the Regional Development Fund.

#### **To nurture the digital creative human capital in the region.**

- Continue to support regional talent development, through additional training, education & industry collaboration.
- Enhance the CREW actions on entrepreneurship and Network of Practice development, with programme participant supports.
- More grant support for project-based employment as existing grant support currently available from the various development agencies is very much focused on the creation of 'fulltime employment' – this KPI is not appropriate for the creative sector as employment in this sector is largely project based.

#### **Understand the unmet needs from the digital creative ecosystem**

- Carry out a baseline survey of the creative industries sector in the region that will provide data and highlight opportunities. This survey will build up a model of the ecosystem and highlight the interdependencies and opportunities.

#### **Promote and celebrate the region's digital creative entrepreneurs**

- Highlight the Creative Industries sector in the region – shine a spotlight – target a key international industry conference to be held in the region.
- Create a coordinated regional messaging brand/online portal to share education & industry information, improve communications and promote our unique creative assets Develop and implement a 'Creative Pathways' careers programme for schools similar to 'Smart Futures' in STEM (SFI).

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<sup>6</sup> <https://www.northernirelandscreen.co.uk/skills/the-pixel-mill/>





## **Whitepaper on Enterprise – Reponse to Invitation to contribute Dublin City University Business School**

Dear Sir/Madam,

Sincere thanks for the opportunity to input on your important whitepaper initiative.


While we understand the breadth required of a holistic inclusive fully comprehensive whitepaper on Enterprise, we are restricting our insights and feedback here to some recent evidence we have gathered with specific reference to fostering enterprise in Irish SMEs. As DCU positions itself as Ireland's 'University of Enterprise', much of our resources are specifically dedicated to delivering our strategic emphasis on this important mission.

### **Irish SME Enterprise and Development – Context**

Ireland's recent record on enterprise start-ups is a vindication of the macro and micro level strategies and supports that emanated from the Enterprise 2025 whitepaper. However, the 20,000 Irish enterprises, employing between 1 and 250 staff, lag significantly behind comparable OECD countries (Papa et al., 2018). This gap is an open opportunity to accrue value and with associated growth and productivity dividends without having to adopt macrolevel policy or paradigm shifts.

Consistent evidence over the last two decades indicates that a key faultline explaining Irish SMEs under-performance, is the lack of enterprise management and leadership capability of the leaders and leadership team steering the firm (World Management Survey, - Scur et al., 2021) a point emphasised when comparing Irish SMEs with non-Irish firms, where direct superior management capabilities and processes were deemed as more developed (OECD, 2019).

However, It is not a matter of educational level of Irish SME managers as the frequency of Irish SME managers holding degree level education is higher than many comparable countries (e.g. Germany, Sweden, France, GB, Italy, New Zealand,..) yet our SME productivity is significantly lower than those countries. The missing element appears to be customised management development experiences for Irish SME managers that elevates their collective management/leadership capabilities and raises the awareness of the importance of professional development within the SME ecosystem.



Having worked for over a decade delivering EI funded SME top team management/leadership development programmes, we at DCU have isolated a number of factors that tie directly to the >10% firm growth outcomes associated with these programmes. Indeed, in recent research, currently under international blind peer review, we identified clear evidence of the development of cohesive top team culture predicted firm ability to weather the COVID-19 crisis with firms emerging from the pandemic flourishing and with superior employee welfare. The positive outcomes of the EI sponsored, DCU led programmes (Management for Growth, Platform for Growth, and latterly, Go Global for Growth) have also been validated as a successful prototype by the 2013 OECD report on state supported firm growth programmes.

Our research on the success factors of the programme have identified a number of key characteristics that link programme focus specifically with subsequent firm productivity and scaling.

1. Top Team Programme not Individual participant

A significant contributor to the success of programmes is the fact that they are built around a team development (typically 3/4 senior managers), with participants experiencing the programme and the associated growth journey collectively. Programmes that take one manager/leader face the well documented limitation of this lone manager having to become the advocate for change/development across the firm. This rarely embeds – however a coalition of change advocates does impact mood for change within firms.

2. Networked

The programmes are designed to take up to 20 firms at a time from a wide variety of sectors. This creates a fertile learning ecosystem where larger firms still learn from adaptable agile smaller firms and smaller firms in traditional sectors learn and mimic from older more established firms with wider experience. Building on the expertise within the programme (i.e. 20 firms, 6080 senior managers), the collective experience and intelligence are leveraged to face contemporary challenges. This experience convinces participant of the value of creating long term peer networks from which to draw insight and inspiration post programme.



### 3. Coach supported Implementation

The DCU programmes involve participants attending 6 days of applied workshops on Strategy, Sales, Operational Excellence, etc., across a 12 month period which introduce the managers to tools and techniques to assist professionalisation and growth. While managers work on these within the workshops the key to change is the implementation sessions where qualified coaches visit the firms to meet the teams and work directly on their identified challenges. Thus the programme is a continuous process of change implementation within the firm across the 12 months of the programme.

### 4. International Focus

A core objective of the programme is to assist these underperforming firms (or firms with unmet potential) stretch beyond servicing the Irish market and embracing international positioning. This involved a new quantum of planning and management for the firms which necessarily involve firm growth and managerial sophistication. While it is a risk that inhibits some firms, the support of programme experts, experienced coaches and peer firms who embrace the challenge, motivates most firms to embrace and international strategy.

The DCU led programmes have been very successful and have reached over 425 firms since initial involvement in 2011. However, this is a tiny proportion of the estimated 20,000 firms in this category and a model to scale engagement is required. We suggest that a institutionally networked model, similar to that adopted in the UK Government supported HelptoGrow programme (Help to Grow, 2022 <https://helptogrow.campaign.gov.uk/>), might be considered. This would involve the creation of a regionally representative network of educational institutions, to deliver the programme (standardized consistent programme in all locations) in collaboration with regional network partner institutions.

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Date: 26/07/2022

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Prof. Buckley has designed and led SME leadership teams development programmes including, Management for Growth and Go Global for Growth, since 2011. Over 200 Irish SMEs have participated in these programmes which deliver consistent firm growth outcomes.

**Professor Maura McAdam, DCU**

<https://business.dcu.ie/staff/professor-maura-mcadam/>

**Please find below my comments**

**With regards to the ambition of an Inclusive Enterprise Model**

- The importance of recognising gender dimension in enterprise policy. I have written extensively in this area. I have accumulated a strong data base including geographical contexts such as Norway, Israel and Sweden, as a result of my EU funded project (<https://gender-net-plus.eu/joint-call/funded-projects/genre/>).
- Policy support for women entrepreneurs is critical to helping more women engage in entrepreneurial activity. However, current entrepreneurship policy instruments in most countries have been shown to be biased toward male models of entrepreneurship and do not take into consideration the different challenges women face in their entrepreneurial endeavours and the different contexts in which they operate.
- A recent report by the OECD in conjunction with the Global Women's Entrepreneurship Policy Research Network (GWEP) found that many countries lack a formal overarching entrepreneurship policy; have no dedicated women's entrepreneurship policy; offer few or no programmes that operationalise their policy; or have no evaluative measures in place to determine which initiatives are working and which are not (OECD-GWEP, 2021).
- It not uncommon (in these types of documents) for women to be used as a proxy for gender. Therefore, a broader conceptualization of gender that acknowledges the multiplicity of gender is necessary and one that includes masculinities and LGBTQ+ is necessary to reflect the diversity of Ireland's economic landscape.
- An Inclusive Enterprise model with regard to disability, age, gender and racial or ethnic origin, sexual orientation or religious belief.

**With regards to the promoting the productivity of indigenous enterprises**

- The important of the family business sector in the Irish context needs to be underscored.
- There are 167,000 family business in Ireland
- 64% of all business in Ireland can be classified as family business
- Irish family business employs nearly 1 million people

**With regards to the pandemic and its acceleration of pre-existing trends and shifts**

- The increased significance of artificial intelligence, digital technologies and new media
- AI and the perpetuation of gender inequalities
- Gender and social, economic and cultural empowerment- this is alignment with the theme of the recent 2022 Diana Conference and Impact Day which was held at DCU June 2022 which received support from Minister Troy - <https://www.dcu.ie/commsteam/news/2022/jun/womens-experience-digital-entrepreneurship-explored-diana-conference-dcu>
- The White Paper should focus on Digital Transformation as a lever of enterprise policy.

- Engagement with digital technologies (e.g., remote working, entrepreneurship etc.) is a resource-based activity, requiring capital investment, technical knowledge, access to online marketplaces and supporting hardware and software.
- Therefore, more investigation into the digital divide and the “gender digital divide”, wherein some women entrepreneurs due to lack of digital literacy, skills, access, and resources are excluded from the opportunities and benefits offered by digital technologies is necessary.

**With regards to post pandemic environment**

- A health crisis like coronavirus emphasises and exacerbates inequalities of all kinds. There are disparities in the risks and outcomes associated with COVID19 (i.e., age, gender, Black, Asian and Minority Ethnic (BAME) groups). Women are more vulnerable to economic shocks wrought by crises such as the coronavirus pandemic, thus it is important to focus on the impact that the economic crisis triggered by the pandemic will have on women and men in the labour market.

I have researched and written extensively on all of the above comments and I am more than happy to discuss any of them in further detail.

**Case for Support:**

**Bridging Borders - Recognising the Contribution of Family Firms to the All-Island Economy**

Ireland's economy and its position within the wider global economy remains resilient. In 2021, the Irish economy grew by 13.5 percent and is forecast to grow by 5.3 percent in 2022. As a small advanced economy on the periphery of Europe, Ireland has tended to out-perform other larger economies, with its enterprise policy being central to its economic strategy. There are, however, some key risks associated with Ireland's current economic strategy. Corporate tax receipts account for 1 euro in every 4 euro collected in exchequer tax revenue, a figure that is well in excess of both historical and international norms. In July 2022, the Irish Fiscal Advisory Council warned that strong corporation tax receipts "should not be relied on to fund permanent spending increases." Of these corporation tax receipts, 82 per cent were from foreign multinationals in 2020, according to the Department of Finance. Moreover, half of these were sourced from just 10 large firms. We, the DCU National Centre for Family Business, argue that Ireland's economy needs to move away from its reliance on a small group of large foreign multinationals, towards the recognition and promotion of the economic and social significance of indigenous enterprises on the island of Ireland, specifically family-owned firms.

Family firms—enterprises owned and managed by members of the same family—form the economic and social bedrock across the island of Ireland (Republic of Ireland and Northern Ireland). In the Republic of Ireland, family firms account for more than 64 percent of all firms and employ 938,000 people, equating to 37 percent of total persons employed in Ireland. In Northern Ireland, family firms account for over 70 percent of all firms, employing 284,000 people. Family firms have been shown to outperform their non-family counterparts across a variety of key performance metrics, including, turnover, innovation, and international development. These firms typically have a lower net debt to EBITDA ratio, providing them with a better degree of financial security during financial downturns and periods of crises.

As Ireland looks towards 2030 and beyond, we must address challenges like transitioning to a low-carbon economy, digital transformation and external shocks such as Brexit, Covid-19 and Russia's invasion of Ukraine. We contend that thriving family firms, who make smart investments and are internationally competitive, are vital to create strong local economies and sustainable communities across the island of Ireland. These vibrant communities, where people can live and work, will not only reduce commuting pressures and our carbon footprint, but will also create a better quality of life for our citizens. In addition to their economic contributions, Ireland's enterprise policy should take account of the contributions family firms make to civic wealth creation in communities across the island, where they are central supporters of regional development, particularly in rural areas. We believe Ireland's enterprise policy can draw insights from international best practice such as the model of economic success driven by Germany's Mittelstand companies, a small group of primarily family-owned firms which generate more than one third of Germany's total turnover. These firms generate tax revenue that allows the provision of comprehensive public services, and are promoters of education, arts and sports, with strong ties with their local communities.

In October 2020, the Government's Shared Island initiative was launched. This initiative aims to harness the full potential of the Good Friday Agreement to enhance cooperation, connection and mutual understanding on the island and engage with all communities and traditions to build consensus around a shared future. We propose building upon the Shared Island initiative by fully considering the economic and social significance of family firms to the all-island economy, which are the dominant form of organisation in Ireland. We call for the development of coordinated policies and supports to enhance the competitiveness, growth and sustainability of family firms north and south post-Brexit. This will require collaboration with the Northern Ireland Executive and the British Government and sensitivity to the Northern Ireland Protocol debate. Such initiatives will uncover a greater understanding of the all-island economy, its beneficial points of economic cooperation and increase awareness of the challenges facing family firms (e.g. succession planning), thus



enhancing cross-border enterprise development on the island. These calls are also in line with the views of industry bodies across the island (e.g. Family Business Network Ireland; Federation for Small Businesses NI) who have called for research-based insights surrounding the management and sustainability of family firms on the island of Ireland.

In conclusion, we believe Ireland's enterprise policy needs to protect the elements that make our economy resilient. In reviewing the complex landscape for enterprise, Ireland's overreliance on multinational corporations must be considered and the economic and social significance of family firms north and south of the border recognised. The new enterprise policy must create the necessary conditions that will enable businesses across all sectors of the economy to prosper, respond to new drivers of growth and seize new opportunities. We believe family firms can deliver significant impact for Ireland's medium- to long-term enterprise strategy. By recognising and promoting the productivity of indigenous enterprises, specifically family-owned firms, Ireland will be better positioned to tackle fundamental enterprise challenges over the coming decade and beyond.

**Key 'asks' to policy-makers for Ireland's new enterprise policy:**

1. Recognise the economic and social significance of family firms;
2. Think 'all-island' in developing Ireland's medium- to long-term enterprise policy;
3. Draw insights from international best practice, such as Germany, on the model of economic success driven by Germany's Mittelstand companies.

***DCU National Centre for Family Business***

***Dublin City University***

***[www.dcu.ie/national-centre-for-family-business](http://www.dcu.ie/national-centre-for-family-business)***

***████████████████████ Centre Director, National Centre for Family Business, DCU Business School, Dublin City University***

Peter Robbins, PhD. Dublin City University

I would like to focus on two issues in this submission. Both refer to the human side of innovation. Possibly *the* critical factor for successful innovation is people; the people who use their creativity to imagine and create new products and services and the people who bring them to life and, ultimately, to market.

First, is the issue of market insight. Successful innovation, which drives economic growth and employment, happens when some new technology or opportunity is adopted by a market segment. But, it often seems that our policy is intended to promote the technology only and it does less to help entrepreneurs sense the appetite or receptiveness of the market for new ideas, products, services and experiences. Design Thinking is an approach now used by most of the world's leading innovation companies and at its core is a ruthless obsession with the user or consumer. It helps imagine a better and different approach by using visualisation and prototyping and testing - it seeks higher ground, rather than common ground. Data analytics, on the other hand, finds the common ground. So, in essence, I would recommend that additional support is put behind design-led innovation and insight-led innovation. In terms of operationalising this- it means the provision of more and better supports for market insight, market-research and the provision of widespread training in design thinking for Ireland's entrepreneurs and SMEs. There are pockets of this happening in the Universities but in each case, the services seem disconnected with the rest of the university (Tangent and Innovation Academy)- but it needs to be more strategic and systematic. Ireland's single-minded focus on science and technology is helpful but it neglects the diffusion or market development side of the equation.

Secondly, the university sector is a powerful driver of economic development in regional and national contexts. Universities are trying to navigate their 'third mission' - that of entrepreneurship without any real framework or guidelines for how to do it. It's clear that universities punch above their weight in terms of the discovery phase of many industries - notably bio-tech and fin-tech. Their contribution is significant but it could be far more impactful. However, the incentives for university academics are primitive and their north star and primary motivation is to get published in quality journals. Despite its obvious shortcomings, this system has prevailed for decades. Not that this is incompatible with high quality work - but it is different. It means, without a purposeful strategy to develop the third mission of each university, further investment in the sector might simply produce more papers and not more useful innovations to drive economic growth. A valuable project would be to develop a strategy which helped appropriately align university incentives with economic growth.

If either of these issues resonate with you in crafting the new policy, I have researched and written on both topics and would be most happy to share the insights I've derived. Overall, your department and its agencies has great people who are highly motivated and equally highly effective on our behalf.

Regards

Peter Robbins



**Deloitte Submission Future Enterprise Policy**

July 2022

## Market Context

Ireland has been very successful in building a thriving economy driven by FDI investment and a strong Small and Medium Enterprise (SME) sector. Despite significant macro challenges, including COVID-19, Brexit, the war in Ukraine and cost of living pressures, our economy has continued to grow. However, the landscape has changed fundamentally, headwinds are significant, the international competition for investment continues to increase, hybrid working is here to stay, talent is in short demand, and the climate crisis is escalating daily.

In a global context, Ireland has been a major beneficiary of globalisation and despite these challenges, Ireland today has the lowest unemployment rate in Europe, international trade is strong and income levels are at an all-time high. This has been driven by a combination of factors, including our corporate tax regime, our focus on providing taxpayers and investors with clarity and certainty, continued political stability and our presence as an English-speaking country within the EU. The hard work of the IDA, Enterprise Ireland and others has been instrumental in making Ireland an attractive location for investment.

To maintain this position as a location of choice for inward investment and support the Irish SME sector and high growth technology companies, the significant challenges need to be addressed. There is a direct link between social infrastructure and our ability to drive economic growth and attract talent. We are currently facing a number of challenges with regards to housing, energy, digital infrastructure, and our infrastructure to support growth more widely. Addressing these must be a priority for government from a policy perspective as a matter of urgency. There is a requirement to balance the need to collect taxes to fund the necessary investments with the need to encourage entrepreneurship in our economy.

## Domestic Enterprise Landscape

SMEs dominate the Irish economic landscape. It is imperative that Ireland provides an attractive entrepreneurial landscape and key areas of suggested focus include:

- **Infrastructure:** Separately outlined but addressing our infrastructure challenges to enable Irish and international businesses to scale here and attract talent must be a strategic imperative for government.
- **Financing:** Debt funding is often difficult to access for early-stage businesses. A special government backed loan finance arrangement, subject to certain growth and business plan parameters, could help alleviate this challenge. This could be linked to specific KPIs or initiatives – such as the green or digital agenda. Funding to support digital transformation and sustainability should also be considered and some suggestions are separately addressed.
- **Capital Gains Tax & Entrepreneur Taxation:** The Irish CGT rate (33%) is high by international standards and may act as a disincentive to divesting or reinvesting business interests. Tapering relief to reduce the rate for entrepreneurs who have stayed in businesses with a view to scaling their operations would be welcome. Rollover relief for persons who exit the business earlier but ultimately reinvest a portion of the proceeds would be a welcome medium-term action from our perspective. In addition, a 20 per cent rate of tax on certain dividends paid to entrepreneurs would encourage growth in businesses and encourage entrepreneurs to retain ownership and scale their business.

## Skills & Talent

*Changes in our education system should align with Sustainable Development Goals* to promote sustained, inclusive, and sustainable economic growth and reduce inequalities.

As outlined in Ireland’s National Skills Strategy 2025, technology is one of the key drivers of change and *improved digital skills will be vital* for a sustainable future, both in higher-end dedicated ICT jobs and, more widely, as a basic core competence. Other core skills like languages and entrepreneurship are also highlighted to underpin Ireland’s use of its talent offering as a global differentiator. We welcome the introduction of Climate Action as a Leaving Cert subject.

While there is positive progress in education, current hiring policies do not necessarily match the community we have. For example, the under participation of women and people with disabilities<sup>1</sup> in the workforce.

To increase participation in the labour market we recommend the government:

- Review personal tax rates to bring them more in line with international markets. This is a key challenge in attracting executives into the Irish market and needs to be addressed.
- Implement the Comprehensive Employment Strategy for People with Disabilities (D/Justice)
- Review policies and seek to improve “quality of life” issues in Ireland to ensure we can continue to attract high-skilled workers to locate here and to encourage participation in the labour market. For example, access to affordable housing, along with reforming the cost of childcare must be priority areas. Implement DSP Pathways to Work 2016 – 2020.

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<sup>1</sup>The National Disability Authority indicates that on average, people with disabilities have lower skills and qualifications than the population generally and are only half as likely to be in employment as others of working age.

## Infrastructure

Improving “quality of life” issues is integral to attracting high-skilled workers and infrastructure and access to affordable housing are some of the biggest challenges for Irish enterprise. Recommendations on how to tackle this include:

- Ireland could benefit from an Infrastructure Commission which operates outside of the Electoral timelines with a longer-term focus to deliver the target for climate neutrality by 2050 – short term focus of successive governments is not in-line with the long-term perspective required for climate change
- Streamlining and reducing complexity of planning legislation and guidelines
- Judicial Review (JR) reform is urgently required to deal with the spike in judicial review and cases (PII notes that 50% of all large-scale housing planning permission issued were subject to a JR in 2021). The new division of the High Court due to be established in 2023 should be fast tracked and operational this year.
- The planning process also provides a major constraint to renewables industry development. Projects can take up to 24 months to achieve planning and then an indefinite time managing JR. A firm timeline to the delivery of a decision from the Planning Authority is required and an Environmental and Planning Court should be established to ensure that JRs meets certain criteria before progressing.
- Effective resourcing of An Bord Pleanála and local authorities to deal with expanding workload arising from the complexity of planning processes and legislation, including offshore and infrastructure is fundamental given the critical importance of this to our market
- Rectification of the NTP Targeted Population Growth to align with latest Census numbers, which indicated faster population growth than currently planned for
- Financial Viability tests prior to implementation to ensure units can be delivered particularly when increased density is envisaged
- Incorporate a Design for Manufacturing & Assemble in all building projects and target modern methods of construction such as standardised panel systems

## Twin Green and Digital Transitions

We believe that Ireland has a unique opportunity to become a global leader in sustainability. To incentivise sustainable enterprises and position Ireland as a centre of excellence for clean tech, funding for technology innovation must be made available.

With Ireland's strong tech credentials, the opportunities in Twin Green and Digital Transitions are ripe and specific actions include:

- **Position Ireland as a centre of clean technology**, similar to R&D incentives approach, encourage investment in clean tech centres of excellence, potentially through partnerships with technology companies and educational institutions; incentivise indigenous clean tech/ESG-focused businesses to scale
- **Accelerate funding and supports for decarbonisation technology** to make sustainable tech innovation more attractive by widening the scope of R&D tax credits to include AI, blockchain, data analytics and carbon neutrality
- **Simplify and promote available Irish and EU grants and funding** to support businesses navigate and realise the opportunities
- **Unlocking value from data sharing and pooling** through:
  - tax supports for SMEs to update legacy technology and use 'smarter' devices that consume less energy
  - incentivise the use of renewable energy sources for data consumption
  - invest in development of 'privacy preserving' techniques for sharing data
  - explore fees for accessing shared data pools that drives energy efficient practices or offsetting footprints
- **Capitalising on existing Irish innovative and start-up ecosystems** through:
  - A newly created fund focused on investment in sustainable / green businesses, potentially backed by ISIF
  - Legislate for tax efficient special purpose vehicles/ funds to help reduce the overall cost of bringing new renewable energy projects to market and to provide investor confidence and certainty
  - Increasing access to funding through domestic state-backed Venture Capital and non-traditional VCs such as corporates, pension funds and private investors
  - Tax incentives for driving sustainable change through digitisation
  - Investment in upskilling the workforce to embrace digitisation and sustainability
  - Further evaluate how large tech firms should contribute to the sustainability agenda
- Introduce a **climate/ESG oversight board/institution** to act in a supervisory capacity for non-financial companies who are required to disclose information under the Corporate Sustainability Reporting Directives
- **Incentivise businesses to become a 'system' in itself** – generating its own energy, and transferring excess back to the grid, contributing to the cost of retrofitting its employees' homes and/or the cost of transitioning to electric vehicles, implementing charging points for public use, allowing the local community avail of its innovative waste management systems to generate recycled products that go back for use in the community

Further to the above, we welcome **the National Digital Strategy (NDS)**, published in February 2022. However, we believe the scale could be elevated and that it requires an enhanced "green lens". It's imperative that businesses adapt digital, and through the provision of financial support, particularly with "green" initiatives in mind, Ireland can be a fast mover. The €85 million Digital Transition Fund 2022 to 2026 included in the NDS is encouraging, but €10 million a year is significantly below the scale of the challenge – given the complexity and cost of these digital transformation projects.



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## White Paper on Enterprise

### Submission Document

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#### Executive summary

Design & Crafts Council Ireland (DCCI, the Council) welcomes the proposed development of a White Paper on Enterprise and believes this review is timely. In 2021, the Council undertook detailed research on its sectors in a new Economic Impact Report<sup>1</sup>. This research found that the design and craft sectors combined contain circa 18,000 enterprises, and, if considered a single detailed sector, would represent the 8<sup>th</sup> largest in Ireland, with construction the largest at 57,626 and accommodation and food the nearest comparable sector at 19,172 (based on the most recently available 2018 data from the CSO).

DCCI believe the Enterprise White Paper is an opportunity to identify why the design and craft sectors matter to the Irish economy and deserve greater support and recognition as explicit sectors within the Enterprise support cohort. We feel it is appropriate for us to call for a higher level of engagement and support at government for these sectors in Irish enterprise policy thinking and require more sector specific actions. DCCI recognise that support that has been given to date has been extremely helpful. However, in light of the strategic importance of the sectors as highlighted in the Economic Impact report, believe that this needs to be further increased. We recommend a detailed mapping exercise is undertaken as part of this policy response based on the data in the report. DCCI would undertake this work, if it was felt it would be of value to the policy development process.

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<sup>1</sup> [https://issuu.com/craftscouncilofireland/docs/dcci\\_eia\\_report\\_august\\_2021](https://issuu.com/craftscouncilofireland/docs/dcci_eia_report_august_2021)

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## Why supporting the Design and Craft sector matters to Enterprise Policy?

- It matters from a north south perspective as its one community of makers and designers across the island
- It matters from a sustainability perspective, we believe “made local is made to last”
- It matters from an female entrepreneurship perspective
- It matters from a regional economic perspective
- It matters because it is part of our national identity
- It matters because design will be critically important to the Irish economy post COVID

DCCI believes existing enterprise development policies are driving a fragmented approach leading to less economies of scale and expertise in two sectors which thrive at a professional level from shared networks and clustering. We would welcome an opportunity to host sessions with craft and design professionals to allow the Department of Enterprise, Trade & Employment to hear at first hand from these communities.

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## Potential Policy Actions

We consulted our clients and board in recent weeks on critical matters they would like to see supported in Enterprise policy. Below are some suggestions we would ask the Department of Enterprise, Trade & Employment to consider during the White Paper process:

- Many companies in both sectors are struggling with financing their businesses. There is a wish to see the extension of existing micro funding models and equity financing opportunities for design and craft micro-businesses such as crowd-investment pitch forums at events such as Showcase Ireland
- Design and craft skills have a positive economic impact as many workers run small craft or design businesses to supplement other roles. Hybrid working allows more opportunity to have a creative or design practise alongside another earning role. There is a wish to see government encourage this, thus creating greater resilience in the Irish economy particularly in the regions. There is scope for tax incentives for part-time Makers, in line with the Artists Tax Exemption Scheme, or allowances Could there be tax allowances or exemptions for part time makers, in line with the Artists Exemption for writers, composers, visual artists and sculptors.
- There is a clear wish for more shared work spaces and facilities. Suggestions include textiles centres of excellence with access to equipment to allow digital printing of textiles, shared use of new 3 printing machines and more shared spaces for makers to use at times of high demand in renewed urban centres.
- According to DCCI’s internal statistics, Female makers and micro business owners make up 58% of the client enterprise gender ration. Many are reporting that the situation with regard to childcare has become a significant barrier. Particular measures to address this, such as childcare in the vicinity of shared maker studios or office space, needs consideration to support micros where childcare is an issue.
- Both the design and craft communities would like to see more joined up government policies, for example ensuring incentives provided to the Retail sector promote and incentivise the use of local craft and design in retail promotions.

- There is an ask for government to commit to purchasing and showcasing Irish craft and design in all government owned and managed spaces including international embassies. A further request is to introduce the equivalent of a *Percent for Craft Scheme* that specifies a role for Irish made furniture and or craft furnishing in new government buildings
- Additionally, we would wish for more enterprise policy supports to be delivered in a networked way. The pandemic has taught us that the resilience of supporting individual businesses lies in broader networks where clever ideas around packaging and technology can be quickly shared and adapted. Peer to peer leadership and support is critical, and while this can pose challenges as it's a different engagement model and requires a different management approach to what might be evident in the LEO and Enterprise Ireland models but it's equally valid. In a wish to drive regional supports, sectors which have particular needs can get lost.
- Measures to help address raw materials costs are also becoming important as companies struggle with import costs and we are also seeing early signs of significant impact from consumer uncertainty. Could more be done to streamline our global supply lines for example investment in different shipping and supply routes?
- Evidence is emerging that the larger companies selling online are the making more profit. DCCI would like to research further and discuss. Key actions to protect the making community include supports to bring more micro businesses online faster and ensure that we begin to face efforts more into USA 24/7.
- The design community is being impacted by a large amount of new product development requiring design support, but no linkage for funding for design supports to companies. There is also a critical need to join policy instruments together. For example, any supports given to retailers should tie in with *Made Local* or similar campaigns which drive work to the design community to support growth in product ranges, rather than drive retailers to further source suppliers abroad.
- Additionally, there is greater emphasis on sharing best practise within networks rather than necessarily relying on mentors, businesses greater value peer to peer learning and more are keen to host events workshops classes. Consideration is required to understand how can this be best facilitated.
- Finally, over the last 10 years there has been a seismic shift and decline in the number of subject specific skills based programmes in Ireland and the UK. DCCI believes that internships and apprenticeships for the craft & design sector are required, to further develop the appropriate knowledge and skills of Irish craft makers through a range of targeted education initiatives will help in the continued growth of quality design and craftsmanship. In particular, skills based internships with established designers and makers that are accredited and in conjunction with the Further Education & Training (ETBI) would prevent the decline and loss of craft based culture and heritage.

We greatly appreciate the opportunity to participate in this process.



## Digital First Communities

Submission to the public consultation on the preparation of the White Paper on Enterprise

By Eoin Costello, project director, DigitalHQ clg

- Member of the Enterprise Digital Advisory Forum
- Chair Dun Laoghaire Town Team
- Digital Champion at [Digital Ireland Network](#)

We believe that the 'Digital First Communities' framework we have evolved in Dun Laoghaire town can help facilitate the twin green and digital transitions which all enterprises must address as well as enhancing regional development.

### Digital HQ's - The hub of a locality in the 21st century

Sustained social change at scale has always required a physical presence at the grassroots level. As part of rural electrification the ESB had retail outlets operating in many rural towns. Until the 2000s the [ESB operated 100 shops](#) across Ireland bringing the promotion of the practical use of electricity to localities across the country.



Perhaps one of the most significant catalysts of social change, and a long standing institution in many rural localities, is the Carnegie Library. Between 1886 and 1919, Andrew Carnegie donated today's equivalent of \$1.2 billion to fund the construction of more than 1,500 public libraries across the United States, 80 were funded in

Ireland. Carnegie libraries were a new source of scientific, technical, and practical knowledge accessible by all citizens regardless of income or social status. Research has proven that in communities where a Carnegie library was located there was a tangible increase in innovation activity (as [measured by patents](#)) not just through the access to information but also the community-building mechanisms of the library.

To have a portal to the enablers of the 21st century, every high street in rural Ireland needs a digital hq, a hub for all things digital where locals and new arrivals can coalesce around the benefits of all that being a 'Digital First Community' offers.

Eoin Costello, DigitalHQ

As the national broadband plan connects more and more rural areas to high quality broadband a catalyst on the ground is essential to enabling localities to get the most from the 'electricity' of the 21st century and empower local businesses to get the most from digitalisation.

The prime candidate for this job is the local hub. As a result of the pandemic the concept of a coworking hub exploded into public consciousness. However for the traditional coworking hub the common experience is that it is difficult to make a typical co-working space financially sustainable due to the expectations of landlords, upward-only rent reviews and the covenants expected by property owners.

Since its creation ConnectedHubs.ie, the flagship initiative 'Our Rural Future', is making rapid progress in creating a shared infrastructure for hubs that will deliver real benefits across the country. Building on this success there is now the opportunity to reframe what a hub is about, a hub should provide office space but also be what its name suggests, a focal point around which a locality's vibrant 'Digital First Community' can thrive in the 21st century.



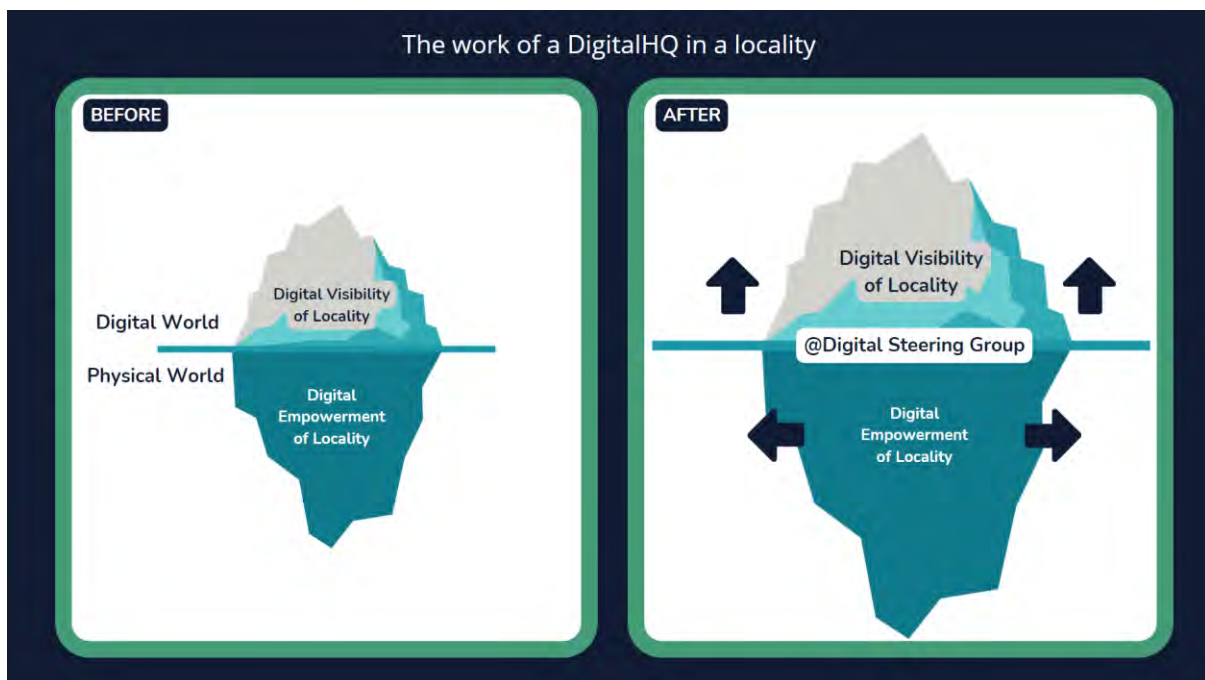
The team from Fingal County Council's #SmartBalbriggan initiative on a fact finding visit Ireland's first DigitalHQ when they met the Chair of our academy steering group and the Chair of our Living Lab steering group.

By embedding a digital hq within their hub, localities can mobilise around their economic development at scale in a sustained way with the hub being at the heart of this. The primary job of a digital hq is job creation and increasing job resilience. Achieving this requires three key functions:

1. Acting as the focal point - Coordinating and mobilising stakeholders through a @Digital <Locality> steering group, increasing resilience by monitoring the mix of job creators (between B2C, B2B, Innovation Driven Enterprises and Social Enterprises) in the locality and seeking to fill vacant buildings with new remote worker friendly coworking spaces. At DigitalHQ we believe that by

2030 coworking will be the second highest use of formerly vacant space in our towns.

2. Digital Visibility of the Locality - Just as digital marketing is a key function in any company or organisation to attract new customers and staff, the collective digital marketing of localities to attract investment, remote workers, home buyers, shoppers and visitors will become an essential role for a hub in the 21st century. The digital visibility of a locality will become increasingly important and includes factors such as its appearance in Google search, visibility of the locality's hashtag in Twitter and Instagram, its presence in Wikipedia and Tripadvisor etc.
3. Digital Empowerment - Digital visibility is directly linked to the level of digital skills and the effective use of digital tools that is taking place in the locality. When people in a locality are 'thinking digital first' they act in a way that maximises the digital benefit of the things they do each day. Upskilling the different job creators (B2B, B2C, Innovation Driven Enterprises and Social Enterprises) in the locality, persuading and helping "old economy" SMEs across the country to adopt digital technologies and creating osmosis between the different cohorts is a key job for a digital hq.



For more information about our 'Digital First Communities' framework please see <https://www.digital-ireland.ie/digital-first-communities/>

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## Draft Submission Response for Department of Enterprise, Trade and Employment Public consultation on the preparation of the White Paper on Enterprise

Digital Realty supports the data centre, colocation and interconnection strategies of more than 2,300 firms across its secure, network-rich portfolio of data centres located throughout North America, Europe, Asia, Africa and Australia. It is the largest global provider of multi-tenant data centre capacity, with nine data centres in Dublin. Digital Realty's clients include domestic and international companies of all sizes, ranging from financial services, cloud and information technology services, to manufacturing, energy, gaming, life sciences and consumer products.

Digital Realty welcomes the opportunity to provide a response to the Department of Enterprise, Trade and Employment Public consultation on the preparation of the White Paper on Enterprise.

### Overview

As recognised in the consultation document, "Ireland" now faces a 'hinge moment', a pivotal turning point that could profoundly shape our future economy and society. Decisions taken now will profoundly impact Ireland's ability to successfully adapt to the dual challenges posed by the need for climate action and digital transformation.

Ireland's cloud infrastructure enables much of the Irish and global digital economy worth billions and is responsible for tens of thousands of jobs. A thriving cloud infrastructure is vital to Ireland's economic success as a growing number of businesses locate in regions with well-developed cloud infrastructure. Almost two thirds (65%) of global GDP is digitised<sup>1</sup>, which means that most of it goes through at least one data centre somewhere around the world.

In this context, to remain competitive, Irish organisations must digitally transform their services to meet the needs of consumers that now use more online services across every facet of their lives from working, shopping, banking, studying, accessing government services and medical care to streaming, social media, and gaming. To do all those things, data needs to be produced, shared, processed, aggregated and stored, which is all facilitated by data centres. But the real work that data centres do is supporting our economies, whether that's facilitating global business transactions, hosting government services and portals, powering academic research, or supporting logistics.

Therefore, as outlined in our consultation submission below, it is critical for Ireland to continue to attract and retain foreign direct investment, to successfully navigate the challenge and opportunities posed by digital transformation, and to support the development of our indigenous technology sector, that the critical, enabling role of data centres is recognised and supported by the Government.

### Data Centres' Impact on Commerce and Energy

Data centres underpin all our digital activity and are the 'central nervous system' of the digital economy. The technology sector cannot expand to meet current and future needs without data centre capacity. Limiting this in turn limits growth of the Irish economy. Digital Realty serves both major international tech companies and homegrown Irish success stories. Ensuring that these businesses

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<sup>1</sup> <https://www.idc.com/getdoc.jsp?containerId=prUS46967420>



grow in Ireland rather than elsewhere in the world means more revenue to the exchequer and a thriving technological ecosystem and digital economy in Ireland.

Dublin has emerged as a major European and Global tech hub following significant investment in digital infrastructure over recent decades. Dublin's vibrant industry ecosystem is critical to Ireland's digital offering. However, to maintain this status and to continue to drive economic growth and job creation, investment in Dublin's digital infrastructure, particularly data centres, needs to continue. This is necessary to facilitate the emergence of new domestic companies, the fostering of a vibrant start-up ecosystem and continue to attract significant inward foreign investment.

The climate crisis remains one of the critical issues facing society today. Business as usual won't get society to net zero – getting there requires more ambitious thinking and radical action from governments, businesses and consumers. Rapid digital transformation underpins massive improvements in energy efficiency across society. For example, moving on-premises workloads to large-scale cloud data centres can lower the workload carbon footprint by 88%.<sup>2</sup> And while the move to purpose-built data centres has been noticeable in many global markets, the overall energy use of data centres has barely budged. Between 2010 and 2018, the compute capacity of data centres increased sixfold, internet traffic grew 10-fold, and storage capacity rose by a factor of 25, but data centre energy use grew just 6 percent.<sup>3</sup>

Along the way, the data centre industry has pioneered and continues to lead global corporate demand for renewable energy, allowing the industry's carbon footprint to be decoupled from the growth in data centres. In Ireland, Digital Realty has purchased, through a PPA, more Irish wind energy than we will use over the next 5 years from the grid, to run our data centres. In 2021, four of the top nine buyers of renewable energy were data centre operators and their PPA (Power Purchase Agreements) signings accounted for 50% of global renewable energy PPA contracts.<sup>4</sup>

### Power Grid Constraints

While demand for electricity has been growing for the past decade, new deployments of dispatchable large scale generation have been limited and existing generation units have been closed to meet the important goals of climate policy, albeit contributing to resource adequacy challenges. Grid planning and new interconnections have been delayed, and key generation units are now unexpectedly offline. In a recently published report, ENTSO-E identified the source of the short-term security of supply issues as related to uncommon risks "driven by long-term forced outages of two large CCGT generation units". These circumstances have contributed to the current security of supply crisis. It is also important to note that demand from data centres began arriving on the system more than a decade ago. EirGrid's annual Generation Capacity Statement, released in 2015 (covering 2015-2024), noted that, "In the near future, more growth is expected to come from the expanding data centre sector...". Upon review, data centre growth is included in every Generation and Capacity Statement published by EirGrid from 2015 onwards.

While Digital Realty recognises that demand from data centres has increased, this growth has been well known by the System Operators for more than half a decade. In effect, the sector which predicted this growth is now in turn being criticised for delivering upon its predictions.

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<sup>2</sup> <https://energypost.eu/the-nexus-between-data-centres-efficiency-and-renewables-a-role-model-for-the-energy-transition/>

<sup>3</sup> <https://www.wired.com/story/data-centers-not-devouring-planet-electricity-yet/>

<sup>4</sup> <https://datacenterfrontier.com/cloud-titans-were-the-largest-buyers-of-renewable-energy-in-2021/>

For clarity, the majority of this growth (approx. 70%) has been from “hyperscale” data centres driven by the successful growth of cloud services. There has also been growth in the Enterprise and emerging cloud services such as SaaS providers, who do not build their own data centre facilities and depend on global colocation providers, such as Digital Realty. There has also been, unfortunately, the emergence of speculative developers applying for permits and grid connections in the hope of contracting with the hyperscale cloud service providers. This has artificially increased the perceived grid requirements beyond the true demand.

There has been a lot of erroneous media reporting about the sector that fundamentally misses the point. Our rapidly evolving society and digitisation of goods and services for the public is driving the need for more data centres to cope with the rapidly exploding data needed for this transformation. The sector appreciates and is focused on sustainability, and this response will outline Digital Realty’s detailed approach both in Ireland and globally to address key sustainability priorities.

### How Digital Realty addresses sustainability

- As a global business, we’re committed to minimising our impact on the environment, while simultaneously meeting the needs of our customers, investors, employees, and the communities where we operate.
- We’re proud of this work but know we need to go further, push the boundaries, and accelerate our efforts to get to net-zero.
- That’s why in 2020, we set aggressive carbon emissions targets with the Science-Based Target Initiative (SBTi), becoming the first global data centre organisation of our size and scale to do so.
  - We have committed to reducing our Scope 1 and 2 emissions (direct and indirect company emissions) by 68% and Scope 3 emissions (indirect emissions in our value chain) by 24% by 2030.
- To get there, we have looked across the breadth of our business to see how and where we have the biggest impact and we’ve identified three clear areas of focus:

#### **Designing and constructing more sustainable data centres.**

We are developing green buildings that minimise the impact on the communities where we operate. All of our data centres currently being built in Europe are aligned to the infrastructure criteria (specifically the use of refrigerant gases) set out in the EU Taxonomy, a classification system, specifically designed to guide environmentally sustainable economic activities. Our new data centres are also designed and built to receive certification in accordance with recognised global green building certification standards such as BREEAM and LEED™.

#### **Finding new ways to power them.**

We are supporting the development of new renewable energy supplies and exploring every avenue to help reduce our reliance on fossil fuels. Digital Realty is a leading purchaser of renewable energy and we’re working hard to make the switch to renewable power across our entire portfolio. We currently have 100% renewable energy powering our European (including our Irish sites) and US colocation businesses.

### **Driving continuous improvement in how we operate them.**

We are investing in new technologies and best practice operating standards to continually improve our performance and reduce our overall environmental impact, whether that's through harnessing natural resources or participating in the circular economy. This includes pioneering dock and river water cooling schemes in Marseille, France and London, UK, which extract water from existing sources to naturally cool our sites. This approach returns all the water we extract back to the source and reduces our cooling system's energy consumption, dramatically reducing our electricity use and emissions.

In Sweden we have been an active partner of the Stockholm Exergi Open District Heating™ initiative since 2015, a project that enables waste energy to be used to heat surrounding homes and businesses. We also have plans to contribute to similar district heating networks in Switzerland and France.

By focusing our efforts and drive innovation in these critical areas, we can significantly reduce our global carbon emissions and meet our targets.

### **Data Centres as catalysts for energy transformation**

The alternative to data centres is on-premises server rooms which are usually found inside private offices. They don't consolidate IT functions into purpose-built facilities. They are usually much less efficient than purpose-built and professionally managed data centres, which achieve significant economies of scale and efficiency.

Within the data centre industry, we provide 'colocation' data centres. In short, it's a type of data centre where equipment, space and bandwidth are available for rental to retail and enterprise customers.

Many customers rent space in each of our colocation data centres around the world benefit from 100% clean energy usage, as well as market-specific initiatives, such as donating waste heat to open district heating networks to power local homes and businesses.

Leasing colocation space with a data centre provider like us and getting rid of private server rooms is a more sustainable, secure, and scalable solution.

Our customers in turn benefit from improved energy efficiency and renewable energy to reduce their power consumption and carbon footprint, protect critical services and systems and address their sustainability targets by using our colocation data centres to carry their workloads.

We are committed to playing our part in the journey to a low carbon economy. While we have already set extensive targets, we know there is more to do and will continue to re-evaluate and challenge ourselves to set increasingly ambitious targets going forward.

As a global industry leader, we have a duty to do right by our customers and the environment, which is why our approach to sustainability is truly global.

We are striving to lead the global data centre industry in sustainable environmental performance and will stop at nothing to reach our global sustainability goals.

## Conclusion

The development of Ireland's technology sector is a phenomenal success story with Ireland home to 16 of the top 20 global tech companies and the top 3 enterprise software providers. According to IDA Ireland, the industry employs over 37,000 people and generates over €35 billion in annual exports.<sup>5</sup> This success has been underpinned by the Ireland's fostering of a positive business environment within which the industry can thrive. For Ireland's technology to continue to thrive and to continue to unlock the opportunities presented by the ongoing digital transformation of the global economy, it is critical that Ireland continues to develop its cloud infrastructure. The continued development of data centres is critical to Ireland's strong proposition as it continued to attract and grow major leaders in the international technology industry.

Digital Realty believes that the upcoming White Paper on Enterprise should, therefore, reflect the important role that data centres play in facilitating Ireland's thriving technology sector to continue to grow and deliver significant inward investment and create skilled, well-paying jobs.

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<sup>5</sup> [Ireland's Technology Sector | IDA Ireland](#)

## Feedback on Enterprise Policy White Paper

Provided by Professor Colette Henry (DkIT & Global WEP)

The development of a dedicated *Enterprise Policy White Paper* is welcome and responds to recent calls for governments to adopt a less fragmented and more coherent approach to national enterprise policy development (OECD, 2022). Such a document will not only help clarify and consolidate available policy and related supports within Ireland's entrepreneurial ecosystem, but it will also identify and articulate gaps and/or hidden biases in policy design and delivery.

Furthermore, the Enterprise White Paper should be underpinned by an equality, diversity and inclusion (EDI) strategy that ensures an 'enterprise for all' approach (Young, 2014), across all sectors, regions and sections of the population.

For the purposes of this document, I have provided my comments under the general heading of: Enhancing the Enterprise Ecosystem, where I focus on: Disconnects, Evaluation, EDI and Opportunities.

### Enhancing the Enterprise Ecosystem

Policy is a key component of the enterprise ecosystem, but it is only one component (Mazzorol, 2011). Research has demonstrated that a number of **disconnects** exist between policy and other components of the enterprise ecosystem. For example, a recent report by the OECD and Global WEP (OECD-GWEP, 2021) revealed several areas of disconnect in current enterprise policy provision internationally. In the 27-country study, the authors found evidence of countries where there were:

- **Policies without support programmes:** this can be viewed as 'policy wastage' as a policy without an operationalised suite of programmes will be of no value to the entrepreneurial community. Policies must be anchored to programmes on the ground if they are to be operationalised.
- **Support programmes without policies:** these can be viewed as 'fragile programmes', because without being anchored to a national policy with a set mandate and budget, there is no guarantee that such programmes will be sustained.
- **Policies/programmes that work well, whether in part or in full:** it is critical to know which enterprise policies/programmes work well – even if there are only parts of them that work well - so that the successful elements can be identified and retained and the weaker elements can be strengthened. This will enable good policies/programmes to be continued, replicated nationally or shared with other countries. This is important from a sustainability perspective.
- **Policies/programmes that do not work well:** again, this can be viewed as 'policy wastage' because ineffective policies/programmes fail their target audience and are, potentially, using up valuable budgets. In-built evaluation frameworks that gather feedback from the target audience are, therefore, critical, so that deficits can be identified, corrected or the policy/programme be discontinued and replaced with a more effective offering.
- **Policies/programmes that are ineffective because they should be (but are not) linked to other components of the enterprise ecosystem:** policies and programmes that are disconnected from the broader ecosystem run the risk of being less effective and efficient. For example, a policy may propose training on access to finance but without actual financial instruments in place, it will be of little value. Similarly, enterprise programmes for women that do not account for caring responsibilities can be problematic.

- **Policies that do not engage with their intended target audiences:** failure to engage directly with the target audience results in the needs of those audiences not actually being addressed. Members of the target audience need to be included at the policy design, delivery and implementation stage, and right through to evaluation.
- **Policies/programmes with no in-built evaluation protocols:** this was a common finding in the OECD-GWEP report; this leads to a lack of data and knowledge about what is working and what is not. As mentioned above, lack of feedback and evaluation prevents good policies and programmes from being sustained, replicated or shared. Data need to be disaggregated by sector, region and section of the population (target audiences), and must include a strong **EDI evaluation strategy** to ensure underrepresented groups and gender considerations are accounted for.
- **Lack of a policy/programme-embedded EDI strategy:** linked to the above point, I would argue for an EDI strategy to be embedded in the *Enterprise Policy White Paper*. This is important if new enterprise opportunities are to be identified and fully exploited for Ireland. There was considerable evidence of a lack of EDI focus – particularly with regard to women entrepreneurs – in the OECD-GWEP report. **An enterprise policy/programme-embedded EDI strategy could be used as a vehicle to identify and exploit new enterprise opportunities amongst those sectors, regions and sections of the population which to date may have been overlooked or neglected in terms of entrepreneurial potential** (Henry et al., 2019). Indeed, there is much criticism in the academic literature currently of the over-investment/over-reliance on high-tech/high growth, gazelle-like enterprise projects that will never yield the level of revenues, employment and spill-over generated by the broader SME sector. It is my view that the *Enterprise Policy White Paper* should systematically look for new opportunities amongst the following:

Sectors: domestic/non-export/non-high-tech sectors, including **digital** sectors servicing the local/national market; **food**; **sectors affected due to Brexit** and where, as a result of reduced imports, regional/national **manufacturing** is a viable option.

Regions: border regions; rural areas; outer city.

Sections of the Population: women (Rose Report, 2019); disabled; ethnic minority; youth; experienced academics and public sector workers who could be facilitated to develop co-created intrapreneurial businesses – in partnership with their employers – in sectors that address the UN Sustainable Development Goals (SDGs).

With specific regard to women’s entrepreneurship, the Global WEP group recently concluded the following:

**There is no “one size fits all” solution for women’s entrepreneurship policy. Policy frameworks to support women entrepreneurs must be context-specific and adapted to country or regional environments.** Recent research also demonstrates that access to financial capital continues to be a major challenge for women entrepreneurs, reinforcing the view that **policies in relation to women’s entrepreneurship need to include strategies to bolster access to financial capital** (Coleman, Henry, Orser & Welter, 2019; Foss, Henry, Ahl & Mikalsen, 2018; Strawser, Hechavarría & Passerini, 2021; OECD, 2017; OECD-EU, 2021; OECD-GWEP, 2021). **For these reasons, we view access to financial capital as a particular priority within women’s entrepreneurship policy agendas.**

I argue that the *Enterprise Policy White Paper* needs to take account for and mitigate against the above disconnects, ensure evaluation protocols are built in, integrate a solid EDI strategy and exploit the above mentioned opportunities. I hope these suggestions are useful.

Thank you.

Colette Henry

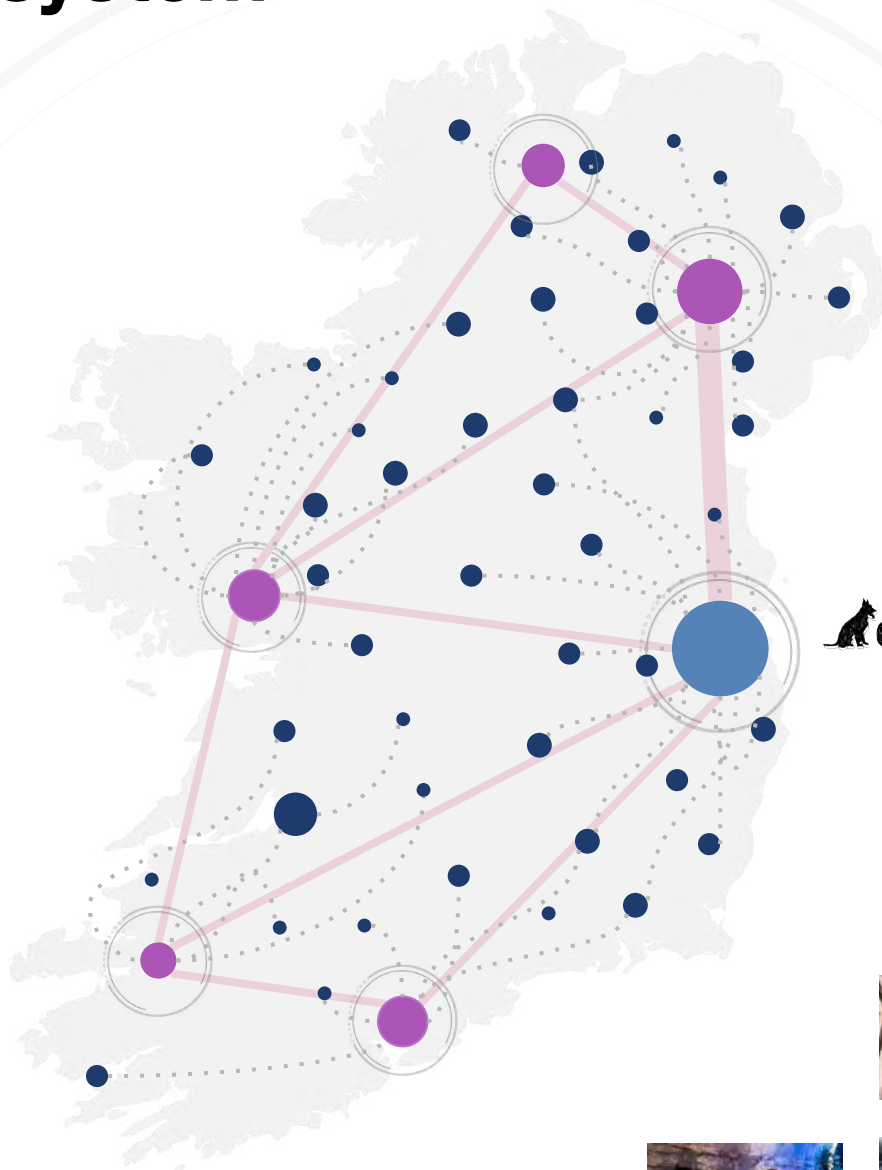
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# Ireland's Startup & Innovation Ecosystem

A Submission on Enterprise Policy to  
the Department of Enterprise, Trade  
and Employment



Submission Document

Prepared for: Department of Enterprise, Trade and Employment

Prepared by: Dogpatch Labs

Date submitted: 29th July 2022



# Overview

Dogpatch Labs' mission is to accelerate the development of Ireland's entrepreneurial ecosystem. Combined with the Irish Tech Hub Network we represent a significant cross section of the Irish startup ecosystem and we have a **unique vantage point to understand the gaps and the needs of our** evolving startup & innovation ecosystem.

It is concerning that Ireland's innovation performance has deteriorated in recent years, especially in the context of an tax harmonisation, an unbalanced economy with high concentration risk, radical global change, automation on the horizon. On the global innovation index, Ireland has fallen back to 19th position in 2021, from 15th in 2020. Ireland has also fallen on **EU Innovation Scoreboard** for 2021.

If Estonia was the size of Ireland we would have closer to 30 unicorns rather than 7. Ireland now lags behind the efforts of other European neighbours such as Estonia, Portugal and France. With conscious effort and targeted policy, these countries have dramatically impacted the economic impact of their innovation ecosystems.

We believe Ireland can be in the top ten entrepreneurial nations worldwide by the end of the decade. Innovation ecosystems are not 'biggest wins' scenarios and we believe that through a holistic understanding of our ecosystems, strong leadership and correct policy making.

## Summary Recommendations: Ireland should have...

1. **A National Connector Hub:** Ireland needs a 'Station F' which will serve to support the states significant investment in regional hubs. This facility will also serve as an internationally visible statement of innovation at a critical time in our economic history. The government's current hub strategy is a 'one size fits all' approach and should be reviewed with appropriate grant and debt supports.
2. **An Innovation Hub Network:** Ireland should have a world class innovation hub network comprising a select number of top innovation hubs. See Scotland's new £42M 'Scalerator Hub' Network announced in June 2022.
3. **New Startups Programmes delivered via the hub network:** Ireland should leverage its new hub network to deliver startup programmes, rather than the traditional approach of university-led or state agency-led delivery.
4. **Improved Startup Policies:** Ireland needs to overhaul its policies with a specific focus on talent (Share Options, Non-EU VISA), early stage investing (Investor Relief) and incentivising entrepreneurs (CGT).



*Patrick Walsh*

**CEO, Dogpatch Labs**

# 1. Ireland Needs A National Connector Hub

## A Need Already Identified in Multiple White Papers

The Report of the Grand Canal Innovation District Advisory Group, chaired by Martin Fraser Secretary General of the Department of the Taoiseach has already identified the need for the **“establishment of a large start-up hub”**.

This was echoed by the findings of the privately commissioned ‘Project I’ report by Domhnal Slattery of Avolon which called for a **“new facility, similar to Station F in France”**.

€150M was earmarked as part of Project 2040, however, Trinity College have stated publicly they are no longer able to deliver on the vision.

A project such as this represents a critical missing element in Ireland’s ability to unlock the value of its innovation hub network, as well as providing an international statement on Ireland’s commitment to the innovation economy.



## Case Study - Station F, Paris. *World's Largest Startup Hub.*

### A Key Part of Macron’s Strategy to unlock France’s Innovation Economy



- 1. An International Symbol**  
A privately-led, government supported initiative which serves as a symbol of France’s new innovation economy.
- 2. A Home For Startups**  
Home to over 1,000 entrepreneurs and 30 startup accelerator programmes.
- 3. An Outpost for Gov**  
Over 30 government departments have year-round residency.
- 4. A Beacon for FDI**  
1/3 of the residents are international FDI tech companies.

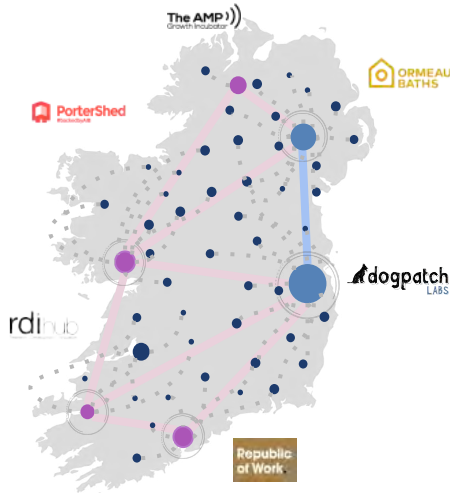
#### Recommendations

- **Develop a plan for a National Connector Hub:** Ireland needs a ‘Station F’ which will serve to connect and level-up the investment made in regional hubs and also act as internationally visible statement of innovation.
- **Enable new strategic financing options for operators to respond to a public procurement call:** The state current hub strategy is a ‘one size fits all’ approach with grant limits at €5M and no strategic debt financing options.
  - **Adjust caps on Grant Financing:** Current funding supports, such as Enterprise Ireland’s Regional Enterprise Development Fund were currently not designed to support this scale of project.
  - **Provide Strategic Debt Financing:** Alternatively the government could facilitate **Strategic Debt Financing** for public-private led partnerships to help enable the private funding of this critical infrastructure to be developed.

## 2. An All Ireland Innovation Hub Network

### Comprising top innovation hubs with a 'hub & spoke' strategy linking to smaller hubs

A hub and spoke approach to ecosystem building sees these hubs sharing learnings, connections and resources with other organisations in their region.



- 1. Maximising Efficiency of Ireland's Limited Resources**  
Connect the existing hubs sharing resources, talent, and knowledge, and maximising efficiency.
- 2. Build on existing infrastructure**  
Enhance the existing hubs compounding the return on investment.
- 3. Bringing Rural Areas into the Fold**  
Bringing the resources & success of Dublin, Cork, Galway and Belfast to every county.
- 4. Creating an International Symbol**  
"The world's most connected network" setting the global standard for innovation hubs and networks.

## Case Study: Scotland's new £42M contract for a innovation hub network

### Scotland Commits to Build Seven Innovation Hubs.

Scotland recognizes that entrepreneurship is vital to economic growth, and is proving their commitment through this new initiative.



The contract will help further the Scottish Govn'ts plan to build Scotland into an Entrepreneurial Nation

#### Joint effort from every economic level

Led by Codebase, and supported by all three levels of industry, Gov't, private sector, and MNCs..

#### Becoming an entrepreneurial nation

Driven by the Scottish Gov'ts desire to be globally recognized as a nation of entrepreneurship

#### Building a global network

Delivered in partnership with Barclays Eagle Labs, Silicon Valleys Reforge, and Google for Startups.



CODEBASE



Google for Startups

REFORGE



## Recommendations

- Leverage an Interconnected Network of Innovation:** Connectedness is key to innovation. Leverage the existing infrastructure and connect the existing hubs, maximising the resources and multiplying the economic output
- A three tiered hub and spoke model:** Two national centers in each capital city, 6 regional hubs, and local hubs in every county.
  - Transform National Hubs:** Transform the two primary hubs in the capital cities (Belfast & Dublin) creating a corridor of innovation, connecting the north and south, IE to UK, and the island to the rest of the world
  - Enhance Regional Hubs:** Enhance the existing regional hubs to handle increased capacities and act as central hubs for each region.
  - Establish Local Hubs:** Establish a local hub in every country acting as the first point of contact for entrepreneurs from every corner of the island.

### 3. Startup Programmes delivered via the Hub Network.

#### Ireland should leverage innovation hubs to deliver new startup programmes

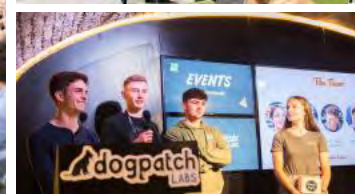
The government has heavily invested in the hub infrastructure across the country in recent years. Now it is time to connect the network of hubs through startup programmes and actualize economic returns on infrastructure investments

##### Unlocking Potential

Building the next generation of founders to solve the world's problems and create more Irish indigenous companies

##### Increasing number of successful startups

Programmes designed to support entrepreneurs at various stages of the startup lifecycle through mentoring, funding and other resources will enable more startups to succeed



### Example: Ireland should have a 'Talent Accelerator' run across the hubs

#### A Critical Building Block for the Irish Startup Ecosystem needs

A Talent Accelerator is a pre-idea, pre-team programme that gathers exceptional talent and funnels them into entrepreneurship to ideate, meet co-founders and create new tech companies with global impact

##### 1. A Globally Proven Accelerator

Over 800 companies have been created that otherwise may not have existed. Entrepreneur First invested in 500+ companies. Antler has invested in 300+ companies



##### 2. Improving the Pipeline of Startups in Ireland

Extending the pipeline of entrepreneurship upstream unlocks more entrepreneurs, creates more indigenous startups and enriches the pipeline of startups



##### 3. Ireland needs to close the gap. The UK, US and Singapore all run successful talent accelerator programmes

Entrepreneur First (London) and Antler (Singapore) are collectively in 17 major cities spanning 3 continents. OnDeck is available US wide and launched in Europe in 2021.

#### Recommendations

- **Leverage Hub Network:** Ireland should leverage its hub network to deliver more startup programmes that are accessible nationwide.
- **State Programmes:** State agencies should use the network of hubs to run existing programmes
- **Launch New Programmes:** A **Talent Accelerator** would be a fundamental programme to fill a key ecosystem gap. A **sustainability programme** and **youth accelerator** would also be welcome additions to the ecosystem.

## 4. Improved Startup Policies

### Talent, Early Stage Investment & Incentivising Entrepreneurs

To truly unlock the value of Ireland's Innovation economy, Government must support the physical entrepreneurial infrastructure by ensuring that public policy acts as a driver of innovation and not an inhibitor.

#### Learning from our Neighbours

- **Enabling Private Investment:**  
The UK launched the SEIS and other schemes which have dramatically increased private investment.
- **Rewarding Success:**  
The US has multiple equity schemes helping employees incentives employees, reward hard work, and attract talent.
- **Attracting Global Talent:**  
Estonia is 1/5th the size of Ireland and has created 10 Unicorns thanks to their entrepreneurship visas for non-EU citizens which has attracted talent from around the globe



### Recommendations

#### TALENT

- **Reform Stock Option Policies:** Reform of the timing of taxation on stock options to incentivise more employees to invest in the company's that they are helping to build.
- **Create a Pathway to Citizenship Through Entrepreneurship:** Ireland already has the STEP visa, but it is seldom used or publicised. By making STEP more accessible, top talent from all over the world gravitate to Ireland bridging new ideas, new businesses, and new jobs to Ireland.

#### EARLY STAGE INVESTMENT

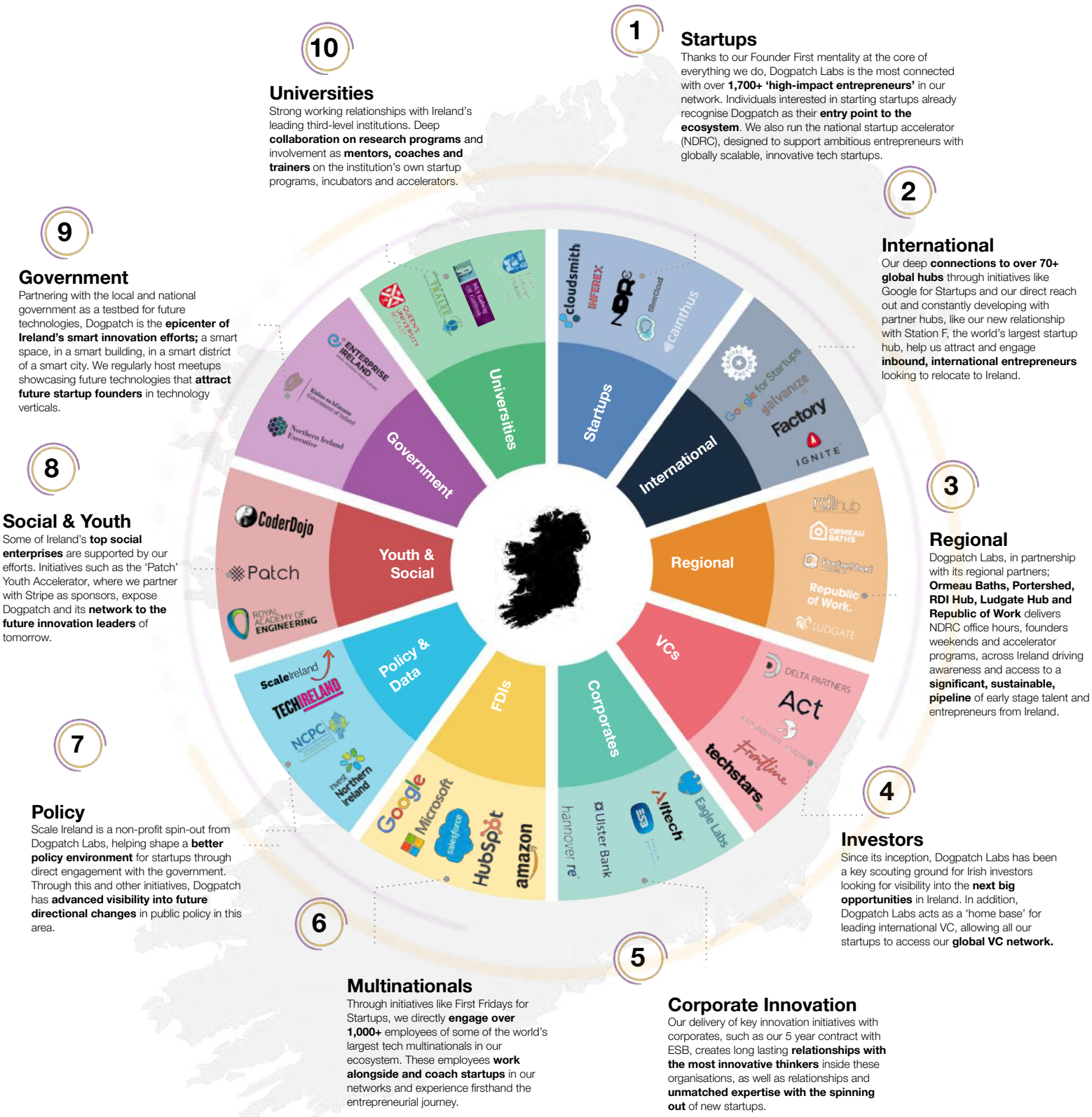
- **Enhanced Investment Subsidy Schemes:** Greater alignment with the UK's SEIS scheme; incentivising private individuals to invest in early stage ventures by de-risking investments with additional tax reliefs in the case of venture failures.

#### INCENTIVISING ENTREPRENEURS

- **Reduce capital gains on successful disposals:** The creation of a "Reinvestment Relief" to incentivise investors to reinvest capital gains into others startups and drive the **circular investment cycle** as utilised in Silicon Valley.

## A Holistic Understanding of our Innovation Ecosystem Is Critical to Success

Since its founding, Dogpatch Labs has been singularly focused on accelerating Ireland's Startup Ecosystem by leveling the individual constituents that make up a **successful and sustainable ecosystem** based on global best practices.





# Accelerating Ireland's Entrepreneurial Ecosystem



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Dublin, Ireland

[www.dogpatchlabs.com](http://www.dogpatchlabs.com)

M. Dowling

Dear DoE,

I'd like to suggest that ride sharing apps like Uber for private drivers are legalised in Ireland. The taxi drivers have a monopoly and there aren't enough of them. Cheaper ride sharing will also reduce the amount of return journeys so will reduce car emissions.

Thank you,

████████████████████



S. Doyle

To Whom It May Concern,

While I don't have a proposal of my own I would like to bring attention to an interview I heard with Pat Kenny on June 29/2022 with Pearse Flynn, green entrepreneur,.

He spoke about the 'poverty of ambition' Ireland has around Green Energy and specifically wind energy off the coast. While projects are underway they are slow and small scale.

As Ireland has the second best wind regime in the world behind Vietnam we need to think big here and maximise what can be done and do it quickly.

One suggestion was to set up 'a separate planning for offshore, get our best people on it and give them powers to move fast'.

Ireland would be capable of producing 75g of wind and at best we would need 9g for our own use and the rest then to export.

I'd like to propose that we speak with and work with individuals who have knowledge, experience and will to get things done for the good of the country not for the next election.

Think what this could do for the opportunities in Ireland, firstly in terms of security, jobs, quality of life for citizens then on the wider world it could help poorer countries get to a place where they can help themselves more, peace stability as other big countries would not hold the world to ransom. The possibilities are endless.

Please be advised that I am writing this submission without having been prompted or solicited in any way to do so.

Regards,





## Submission to the White Paper on Enterprise

### Ibec Vision for Enterprise Policy

Society and economies are facing a period of unprecedented disruption. Accelerating technology trends coupled with uncertain geopolitical developments and the magnitude of the global climate challenge, means that Irish enterprise will experience a decade of great change. In this context, enterprise policy will need to be agile and adaptive to the many challenges and opportunities which will emerge over the coming years.

Ibec believes that the overall purpose of our national enterprise policy is to embed prosperity and fairness in our society, by creating the conditions for value creation which optimise the country's full pool of talent and enterprise potential through a business model of sustainable substance. Social goals should be at the core of enterprise policy while recognising that prosperity and societal well-being can only be achieved through the fruits of a successful enterprise sector. Talent as much as corporations will determine the future location of the highest value creating economic activity and Ireland must successfully frame a whole of Government approach to be the best place to attract, retain and develop top talent. Ireland becoming a leading innovation performer must be central to this vision and this will require a significant step-change from the current trajectory. Ireland's success is underpinned by openness to trade and investment, for both SMEs and larger firms, and it will be important for enterprise policy to support this position at EU and international level as we face the challenges ahead.

### Introduction

Drinks Ireland is the representative voice of Ireland's drinks industry, including the substantial brewing and distilling sectors and associated sectors and services.

Drinks Ireland comprises several category associations including Drinks Ireland|Beer, Drinks Ireland|Cider, Drinks Ireland|Spirits, Drinks Ireland|Wine and the Irish Whiskey Association.

Drinks exports from Ireland were worth over €1.52 billion in 2021. Irish drinks exports have benefitted from the increasing global demand for premium drinks production which aligns with the growing consumer trend of '*drinking less but drinking better*'. While the volume of Irish drinks exports will continue to grow, it is expected that more growth will be achieved in value as Ireland grows its place

as a world-leader in the production and export of high-quality, value-added drink products including Irish Whiskey, Irish Cream liqueur, gin, beer and cider.

Irish Whiskey, Irish Cream and Poitín are protected EU geographical indications meaning they can only be produced on the island of Ireland, providing a unique competitive advantage to Ireland.

In 2020, there were 196 licensed manufacturers of alcohol products in Ireland. The substantial rise in the number of breweries and distilleries in Ireland in recent years has contributed greatly to job creation and local economic development, in both rural and urban communities.

The Irish drink's industry is a provider of high-quality jobs. For example, an economic assessment conducted by Ibec found that the Irish Whiskey industry contributed a gross value added (GVA) of €412,756 GVA per employee in 2019, which was six times higher than the average GVA per employee across the remainder of the Irish food and drink's industry.

The Irish drinks industry is a substantial purchaser of Irish agricultural produce. According to Teagasc: "Each year, the Irish drinks industry is supported with grain production from more than 2,000 farmers producing approximately 300,000 tonnes of grain from approximately 45,000 hectares." In addition, Irish Cream liqueur producers purchase approximately 335 million litres of Irish milk annually.

## **Ireland's future enterprise policy**

Drinks Ireland welcomes this public consultation on the preparation of the White Paper on Enterprise.

**Drinks Ireland proposes that future enterprise policy should align with Food Vision 2030 in supporting Irish food and drink producers to meet the challenges of financing and sustainability, while protecting and deepening international trade in support of both our supply chains and to grow value-added exports from Ireland.**

In commenting on our priorities with respect to Ireland's future enterprise policy, this submission seeks to respond to the consultation's questions on both 'Strategic Direction' and 'Objectives and Challenges', particularly those referring to sectoral industrial policy, global supply chains, the decarbonisation imperative and Sustainable Development Goals. This submission addresses seven topics, set out below.

### **(i) Finance**

Both start-up and existing SME drinks producers have reported substantial challenges in accessing finance for the purposes of funding plant development and expansion, retrofitting to enhance sustainability, and growing their export strategy. In specific terms, common complaints from SME drinks producers relate to:

- the reticence of Irish banks to lend anything less than €10 million to SMEs
- a lack of understanding of (or a desire to understand) the sector, its needs or what it can achieve which results in the inability to provide the full-service solutions that SME drinks producers need to build /grow their business

- an EIS scheme that purports to be open to every business regardless of sector however the reality demonstrates that it is structured primarily to benefit pharma /high tech companies and does not address the specific circumstances and needs of other sectors including drinks producers
- the uncompetitive lending options available from government-promoted business loan schemes via the SBCI

**Drinks Ireland propose a full review of the continuum of financial supports and solutions available to Irish SMEs across the financial sector, tax system and state agencies, including the supports available for specific industry sectors with reference to the circumstances and needs of each relevant sector.**

## **(ii) Sustainability**

Irish breweries, distilleries and bottling plants are among some of the most sustainable in world, with many companies adopting ambitious plans to achieve net-zero and to deliver on a wide range of other sustainability targets, including in energy efficiency, water efficiency and waste elimination.

The Irish drinks industry is fully committed to the decarbonisation imperative set-out in the Climate Action Plan, to supporting the Sustainable Development Goals, and to meeting national carbon reduction targets. However, to support the ambition of business, there is a need for Government to ensure that businesses are in a position to implement sustainability enhancements.

**Drinks Ireland proposes:**

- **Expansion of financial supports and solutions available to businesses to fund sustainability enhancements**
- **Development of a new model for sectoral partnership between state agencies and business (incl. trade associations) to facilitate the development and implementation of sector-specific solutions on sustainability, including through knowledge transfer**

## **(iii) Exports**

The Irish drinks industry has a substantial export focus, and the Irish drinks industry has substantial potential to grow value-added exports.

While categories such as Irish Whiskey, Irish Cream and Irish Gin have shown strong export growth in recent years, our industry is not exempt from the broader impacts of the changing international trade environment. For example,

- Irish Cream liqueur exports to the United States were subject to tariffs during Trump-era transatlantic trade disputes;
- Russia had been Irish Whiskey's second-largest export market and Ukraine had been one of our fastest growing markets in Europe. In 2021, sales in Russia and Ukraine accounted for nearly 7% of all Irish Whiskey sales globally. Exports to both markets have now effectively ceased.

**Drinks Ireland proposes that Ireland take a leading position within the EU in support of deepening our trading links with other supportive partners, including a proactive FTA agenda. This should include, *inter alia*:**

- **New FTAs with key markets in Africa, Asia and Latin America**
- **Full and effective application and enforcement of existing FTAs**
- **Protection of future tariff-free trade with the United States**

This ask would support the objective of the Government's Trade and Investment Strategy 2022-2026 to maximising Ireland's return from EU free trade agreements.

**Drinks Ireland further proposes that the Government fully support the role of Drinks Ireland and the Irish Whiskey Association in delivering industry-funded programmes to protect Ireland's three EU geographical indications of Irish whiskey, Irish Cream and Poitín.** In recent years, The Irish Whiskey Association has expended more than €1 million to protect the Irish Whiskey category from fake Irish Whiskeys in global markets.

#### **(iv) Supply chains**

In addition to protecting and deepening international trade in terms of exports, Ireland's future enterprise policy must also protect international trade as it applies to supply chains. In common with many other Irish manufacturing sectors, the Irish drinks industry relies on certain, complex international supply chains.

At present, supply chain costs and disruptions are seriously undermining the profitability and viability of many Irish enterprises. Longer term policy must facilitate and protect these international supply chains, while also seeking to support domestic alternatives – where available - to future-proof the resilience of Irish enterprise and support greater sustainability.

**In the case of the drinks industry, Drinks Ireland proposes greater support for the:**

- **Expansion and diversity of malting capacity in Ireland**
- **Expansion of bottling and canning capacity in Ireland**
- **Development of sustainable domestic glass bottle and sustainable packaging production in Ireland**

#### **(v) All-island economy**

The Irish drinks industry operates as a highly integrated all-island industry, with extensive cross-border supply chains.

**Drinks Ireland proposes that Ireland's future enterprise policy should seek to support the all-Ireland economy with a particular focus on supporting and promoting sectors in manufacturing and tourism which operate on integrated all-island sectors and supply chains.**

#### **(vi) State agencies**

Drinks Ireland welcomes the Programme for Government commitment to *'Review the role, structures and strategic focus of state agencies in the food sector'*.

**Drinks Ireland proposes this review should take place to ensure that there is seamless, efficient, and accessible continuum of supports available to Irish drinks producers.**

Drinks Ireland welcomes the objective of the Government's Trade and Investment Strategy 2022-2026 for a 'Team Ireland' Trade Mission Week.

**Drinks Ireland proposes a broader revised approach involving greater integration of all Bord Bia and Enterprise Ireland trade missions under a single 'Government of Ireland' banner, so that drinks categories could be involved in all trade missions to markets relevant to our sector.**

### **(vii) Food and drink tourism**

Irish breweries and distilleries attracted over three million paying visitors in 2019. In addition to providing a valuable revenue stream and supporting Ireland's broader tourism industry, Irish brewery and distillery tourism also help promote Irish drinks brands through highlighting the provenance, authenticity, and sustainability of our production.

**Drinks Ireland proposes that Ireland adopt a new food and drink tourism strategy for Ireland, which supports and is supported by enterprise policy.**

### **(viii) Addressing barriers to growth**

Finally, Drinks Ireland would encourage future enterprise policy to address specific potential barriers to the future economic viability and performance of the Irish drink industry.

**Drinks Ireland proposes:**

- **Reducing Ireland's excessive rate of excise on alcohol products and ending the lack of equality for craft spirits producers to excise relief currently available to craft beer and cider producers**
- **Avoiding regressive public health legislation which is not evidence-based, and which potentially introduces unfair barriers to trade while not effectively achieving its stated objectives**



## **Submission on the Enterprise Policy White Paper, July 2022**

Dublin Chamber is the representative body for businesses in the Greater Dublin Area. Its diverse membership base spans the spectrum from start-ups and microbusinesses to large multinationals, giving the Chamber a keen insight into the needs of companies and their employees at this challenging time. Dublin Chamber members are united by the vision that the Dublin region will be globally renowned for its economic competitiveness, sustainability, and quality of life.

Dublin is the gateway to Ireland, and it is important to maintain Dublin as an attractive location to set up or expand a business. For SMEs, Dublin is best placed to help them grow and scale. Dublin firms account for two thirds of all corporation tax receipts and half of all income tax receipts. Recently, however, Dublin's competitiveness has been eroded by labour shortages and rising labour costs, greatly exacerbated by an inadequate supply of accommodation, supply chain disruption and rapidly increasing input costs. Future growth has also been impeded by greater international uncertainty and risks to global demand arising from the war in Ukraine and greater domestic uncertainty as consumer sentiment declines and businesses struggle to adjust to a new world of predominantly hybrid working.

### **Poor Infrastructure a Constraint on Enterprise Growth**

Dublin Chamber has consistently stressed the importance of adequate investment in childcare, housing, and public transport. Our members have indicated that these considerations *are at the heart of their decisions to invest or expand in Dublin*. With the economy close to full employment, the lack of adequate water, waste water, energy, and transport infrastructure together with the lack of affordable housing is acting as a severe constraint to attracting new staff to the Dublin region. Our surveys show that over half of all businesses regarded staff retention and recruitment as the biggest challenge facing them in 2022, and over two thirds experienced an increase in staff turnover in the past six months. Many businesses in Dublin are finding it particularly difficult to fill roles, and as a result, they are unable to increase sales because they simply cannot meet the demand for their product or service.

Without tackling these supply side constraints to the growth of Dublin, any new enterprise policy is doomed to fail. We urge Government to ensure that progress in tackling these supply constraints is at the heart of any new Enterprise Strategy.

## **Productivity**

Dublin Chamber members consistently refer to the administrative burden in accessing various tax reliefs, such as the R&D tax credit, EIIS, and KEEP, and have raised similar issues in accessing education supports and apprenticeship schemes. Government found the means to simplify the process surrounding many schemes during Covid and many at the time noted that this process of simplification should not be lost as the economy recovers. Unfortunately, this does not appear to be the case.

We note that the R&D Tax Credit in the UK provides funds upfront compared to up to a three-year delay here. With EIIS, firms are concerned about the stiff penalties that apply if a firm makes an error in its application. We believe that the Revenue Commissioners should issue a certificate of eligibility where a company has provided correct and complete information, as happens in the UK. The UK remains a significant competitor to smaller firms looking to scale and grow. Our Budget Submission 2023 highlights many other key tax disadvantages that Irish entrepreneurs face compared to the UK.

Upskilling, micro certification, and continuous professional development are crucial to employee productivity. While the State does provide certain aspects of this (such as the excellent collaboration between the private sector and Skillnet), many businesses find that training is more readily and easily accessible from the private sector.

## **Enterprise Development**

We support the sectoral focus in Ireland's FDI strategy and Government's move to take part in the OECD's BEPS2 scheme. We support the findings of the SME Growth task force, and in particular the recommendations to introduce an SME test to reduce the administrative burden. However, we strongly suggest that, before expanding the State's role in many areas of enterprise support, the relative effectiveness and efficiency of existing service providers should be considered. The question of "crowding out" of private sector activity should also be assessed in areas such as procurement, sustainability, and digital training. In addition, many private sector firms work well with Government bodies in achieving the goals of enterprise policy. In this regard, it is important to note the key role that Dublin Chamber plays, within the partnership with Enterprise Ireland and the LEOs, in providing export development services to SMEs through the Enterprise Europe Network. Despite being the EU's primary export support service for SMEs, there is often very little mention of this service by Government agencies.



## **The Twin Green and Digital Transitions which all Enterprises must Address**

Many firms are working to make their businesses more sustainable. However, many SMEs find the transition daunting and prohibitively expensive. Lack of knowledge can be an issue and finding the correct information with all that is provided can be difficult.

A “one stop shop” could address this. For its part, Dublin Chamber works to address this with its Sustainability Academy training. Others, such as those in shared or serviced office space, have no control or sight of the energy rating of their premises.

Among SMEs, digital literacy is low. There is an opportunity for Skillnet to fund the development of wider digital training to improve digital skills among small business owners.

## **Skills and Talent Availability to Support Enterprise Development**

It is a very competitive job market at present, entry level staff are well served by current skills development programmes but there are no comparable levels of upskilling or training for specialist staff or more senior staff. This needs to be addressed by the Department, integrating a holistic whole of Government approach. Digital literacy is very low among SMEs. While the apprenticeship programmes are well run and the outputs are good, many members have stated to us that the application process is highly administratively intensive which puts companies off, turning to more agile graduate programs when recruiting entry level staff. The Department needs to provide incremental learning opportunities for enterprises to keep the skills relevant and agile.

Unlocking people who are currently not in the job market will be key for future productivity. Many want to get back into work but in many cases the expense of childcare is prohibitive. There is a need to develop a Returning to Work credit for second earners taking up employment, coordinated with the Home Carer Credit, to encourage this.

Finally, the majority of firms are looking to support work life balance with more flexible forms of working, including hybrid working. Full remote working is generally not favoured by firms. Any new legislation in this area needs to be carefully considered in order to ensure that it is workable for businesses and suited to the needs of the firm.



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**By Email: [enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie)**

**2 August 2022**

Dear Sir/Madam,

**Re: Submission to White Paper on Enterprise Strategy**

EirGrid Group welcomes the opportunity to make a submission to the public consultation on the future direction of Enterprise Policy and requests that this submission is taken into consideration in the development of the updated White Paper. There is a critical interplay between the electricity system and the development of a strong, vibrant and decarbonised economy and it is therefore an important consideration in the development of enterprise policy.

### **EirGrid's Function**

EirGrid is responsible for the safe, secure and reliable transmission of electricity – now and in the future. EirGrid develops, manages and operates the electricity transmission grid. This brings power from where it is generated to where it is needed throughout Ireland. The grid also supplies power to industry and businesses that use large amounts of electricity and powers the distribution network. The distribution network in turn supplies electricity to homes, businesses, schools, hospitals, and farms.

Due to our unique position, EirGrid plays a central and leading role in facilitating the decarbonisation of the electricity sector as outlined in the primary goal of our Strategy 2020-2025 – To Lead the Island's Electricity Sector on Sustainability and Decarbonisation.

Through the Climate Action and Low Carbon Development (Amendment) Act 2021, the Government has set a clear target of pursuing the transition to a climate resilient, biodiversity rich and climate neutral economy by no later than the end of the year 2050. The trajectory to this has now also been determined through the economy wide carbon budgets and recently agreed sectoral emissions ceilings, setting budgets for each sector of the economy.

Building a sustainable, low-carbon, economy is imperative, not only from a social and environmental

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perspective, but also from a market competitive and financial one. Business models which are sustainable and focused on decarbonisation are crucial to long-term resilience.

A decarbonised electricity system will support all parties across the economy to decarbonise. In 2021, EirGrid published its 'Shaping Our Electricity Future Roadmap'<sup>1</sup> following extensive consultation and engagement across the economy and society. This roadmap provides an outline of the key developments from an electricity networks, public engagement, electricity system operations and electricity markets perspective that are needed to support a secure transition to a low carbon system.

Inherent in this is a secure transition to 2030 whereby we continue to operate, develop and maintain a safe, secure, reliable, economical and efficient electricity transmission system with a view to ensuring that all reasonable demands for electricity are met.

This secure transition to 2030 and indeed beyond towards a climate neutral economy, has a number of key interplays with enterprise policy, including:

- Enterprise policy should support the decoupling of economic growth from emissions. This will enable us to continue to grow our economy whilst achieving the climate objectives of the State. Decarbonising our electricity supply and the electrification of heat, transport and industrial processes is a critical factor in this
- The decarbonisation of our electricity system can be achieved more efficiently by locating new demand outside of congested areas and in close proximity to renewable generation, reducing infrastructure needs and network congestion. This will also support regional development.
- In addition, ensuring that the demand profile from our industry is flexible enables it to both support the operation of the electricity system and match the supply and demand profile, in particular with times when we have an abundance of low carbon electricity
- Significant investment will be required within the State by a variety of public and private actors in order to achieve the low carbon power system that we require by 2030. This (and indeed the decarbonisation of our broader economy) offers a key opportunity for a new landscape in which businesses can develop and grow.
- A significant component of this investment will be in offshore wind which will make a considerable contribution to our climate targets, however it also will require onshore wind, solar and other technologies, such as storage solutions including batteries and also demand side technologies, that will support the operation of the power system. This will also require significant investment in supporting infrastructure including our ports.
- There is a significant employment potential in the development of each of these solutions and particularly in the offshore wind sector given its stage of development as outlined in the 'Skills for Zero Carbon' report compiled by the Expert Group on Future Skills Needs.
- In order to maximise this potential employment benefit, it will require development of the necessary skills and talent. We have already built a significant capacity and expertise within

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<sup>1</sup> [https://www.eirgridgroup.com/site-files/library/EirGrid/Shaping\\_Our\\_Electricity\\_Future\\_Roadmap.pdf](https://www.eirgridgroup.com/site-files/library/EirGrid/Shaping_Our_Electricity_Future_Roadmap.pdf)



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the State particularly on onshore wind and our enterprise policy should seek to grow this capacity.

In short, a decarbonised power system has and will continue to make a critical contribution to the decoupling of the growth of our economy from emissions. The power system will undergo a transformation in the decades ahead to support the movement to our 2030 targets and beyond that to a climate neutral economy by 2050. In development of this new White Paper, consideration should be given to how enterprise policy and the development of our economy can support this transition. In addition, the pathway to a decarbonised economy will require a range of activities and investment that will create enterprise opportunities for the State. The White Paper should seek to support the necessary activities required to maximise this benefit including by ensuring the necessary skills and talent are available and facilitate investment in critical supporting infrastructure.

We are currently updating our Shaping Our Electricity Future roadmap to take account of the increased target of up to 80% of our electricity to come from renewable resources by 2030. We would be happy to share our perspectives on the transformation of the power system, how this can be supported and facilitated through enterprise policy and the opportunities we propose this transformation will generate for enterprise policy.

Should you have any comments in regard of this submission please contact the undersigned. EirGrid once more welcomes the opportunity to participate in the consultation and looks forward to further engagement as the White Paper develops.

**Yours faithfully,**

**Errol Close**

**Head of Strategy and Sustainability**

(Submitted electronically)

**Enterprise Strategy Unit,**  
**Department of Enterprise, Trade and Employment,**  
**29<sup>th</sup> July 2022**

**Engineering Industries Ireland Submission to the Consultation on a White Paper on Enterprise Policy**

**Dear Sir / Madam,**

Engineering Industries Ireland, Ibec's newest Trade Association was established in November 2021 with 150 member companies. The engineering sector they represent has exports at €8.8 billion or 3.6% of national exports, 10,800 enterprises, employing 50,751 people and 65% are indigenous companies. The companies span a broad range of markets, including, industrial automation, precision engineering, agriculture machinery, material handling, packaging, energy and environment, process engineering, automotive, metal fabrication & processing, renewables and engineering services.

The vision is for Ireland to be a global engineering centre of excellence, where multinationals and home-grown companies collaborate strategically to help companies become more sustainable, innovate, prosper and drive economic growth. To realise the vision, in February 2022, the Association launched its strategy *Engineering a better future 2022 – 2025* which sets out the key objectives under four pillars **Innovation, Sustainability, People and Regulation**.

The Strategy highlights key goals to support the development of an innovation ecosystems for engineering industries and encourage companies to play a leading role in the development of new technologies and sustainable products and services. It also commits to support engineering companies to play a leading role in climate change to achieve Ireland's 2030 emissions targets of 51% (from 2018 levels) and in the development of new sustainable products and processes. In the skilled labour market, an overheating of the market can be observed; the lack of specialised or niche skills is holding back the upswing of the engineering industries in Ireland. The strategy sets out key objectives to develop and attract a diverse talent to the sector and to foster engagement and promote lifelong learning.

The sector is delivering innovative technologies to support renewable energies and supporting greener global supply chains through sustainable local manufacturing and engineering services. However, our continued success will depend more than ever on our ability to adapt in a disruptive world.

Sanctions on Russia are wreaking havoc on global trade, with potentially devastating consequences for energy and grain importers while also generating ripple effects across a world still struggling with pandemic-induced supply chain disruptions. Russia is a leading exporter of grains and a major supplier of crude oil, metals, wood and plastics — all used worldwide in a range of products and by a multitude of engineering industries from steelmakers to car manufacturers.

## Engineering Industries Ireland approach to future economic policy

Engineering Industries Ireland believe that the strategic direction of Enterprise Policy must be to **protect the core elements of the Ireland's economy for engineering businesses to flourish, ensuring a competitive environment that promotes the establishment and growth of micro, small and medium enterprises in the locally traded and international economies, whilst remaining attractive to international Foreign Direct Investment.**

Ireland's GDP growth continues to be driven by strong exports of multinational enterprises in a few key sectors, therefore, **Ireland should broaden the corporation tax base and support the growth of small medium enterprises to reduce reliance on the tax receipts from the highly concentrated multinational sector.** We are also acutely aware of the role the SME's play in job creation and the need for Ireland to remain competitive and remain an attractive place for SME's and entrepreneurs to establish and grow their own businesses.

The **Economic Recovery Plan (ERP)** provides a vision of the post pandemic economy which is **export-oriented, digital, and green.** An economy where people can expect better jobs with better pay, protections, pensions, and flexibility. The ERP is about creating the conditions to create such job opportunities for people and to increase the numbers in employment to levels greater than we had before the pandemic. However, economic growth must complement the Government's attempts to improve living standards for all. The National Competitiveness Council's vision is for a more sustainable and inclusive Ireland, where improvements in productivity and competitiveness deliver for all of society.

The overall objective of Ireland's National Recovery and Resilience Plan is to build back better and prioritise the sustainable investments that underpin a global green recovery and the transition to low-carbon economies. We need to support competitiveness and help to sustain and grow businesses by supporting them while trading in the international markets.

Key enablers:

- 1. To support competitiveness and help to sustain and grow engineering businesses, Ireland needs to put in place a State backed export credit insurance scheme and an Export Credit Agency to ensure Irish businesses can compete on a level playing field in the international markets**

It is universally agreed by governments, economists and businesses in other countries that there is a market failure in the private market for export finance/export credit, even during the most stable years for the global economy. This market failure particularly affects SMEs (expensive to serve) and engineering companies (where the contract periods are longer). In smaller countries, like Ireland, SMEs need to export at an earlier stage of their growth path, so the market failure is even greater than it is in larger countries like Germany or France. All of our competitor countries address this market failure via their Export Credit Agencies. Over the past twenty years the role of these Export Credit Agencies in competitor countries has grown. In recent years their mandates have grown to help accelerate the transition to 'net zero'. Smaller countries tend to require a more active Export

Credit Agency than larger countries. With international trade facing many new barriers and previously stable economies looking increasingly risky, the lack of an export credit agency is becoming even more of a serious problem for Irish exporters. US and EU countries such as Denmark, Germany, France, UK, Belgium have state backed schemes. As the only material EU country that does not have a state-backed export credit insurance or agency, Ireland is putting itself at a competitive disadvantage and are at risk of losing, long established engineering multinationals with a base here. We are also making it more difficult to diversify our economy; more difficult to develop a thriving home-grown green engineering sector, and more difficult to have a thriving sector of exporting SMEs.

Many engineering companies manufacture the technologies needed for decarbonisation and environmental sustainability across society, including in industry itself. However, for Ireland to be global leaders in the rapidly growing green tech sectors and engineering technologies, we need to use best international practice and modern financing techniques (i.e. export finance) to unlock the financing needed for these companies to grow on the international stage.

We would also encourage flexibility in this area with consideration given to other forms of Credit guarantee such as the availability of Government backed Advance Payment and Performance Guarantees which would serve as credit support to banks which provide Bank Guarantees. These are a common feature of contracts for high value capital equipment export orders for Engineering technology whereby the foreign purchasing company is willing to make an Advance Payment provided they receive an Advance Payment Guarantee and Performance Guarantee. Currently these Guarantees are only available from the exporting company's Bank and the process of getting them approved is very onerous and time consuming. In particular, they are treated by banks as equivalent to an overdraft and rapidly use up an exporter's credit facility headroom. In other countries the Export Credit Agencies have increased the amount of such support for exporters in response to more stringent capital requirements at the banks.

Therefore, as part of Ireland's strategic approach to future Enterprise Policy and Irish trade promotion strategies and a commitment to stimulate the growth of Irish business, Government must put aside their long-held opposition to such a scheme.

## **2. To accelerate the transformation of the energy sector to renewables energy generation and support Irish businesses transition to low carbon sources.**

Access to secure, clean and affordable energy is essential for business and the future development of the Irish economy. We are ideally placed to become a major player in the areas of wind-generated electricity and hydrogen and have the natural resources needed to be a major exporter of green energy as well as generating 100% of our own energy requirements. The reliable provision of energy is increasingly seen as a key factor in economic growth and attracting foreign direct investment. Therefore, we need to accelerate the deployment of renewables on and offshore and the delivery of vital national energy infrastructure, transparent and fair regulation and a cost competitive power supply. Energy security and affordability is a major challenge for business particularly looking ahead to winter 2022/'23. A State aid scheme needs to be developed and delivered in a timely manner to support energy intensive businesses.

## **3. To support a "talent centric "economy, Ireland needs to focus on education, skills and migration policies**

In the skilled labour market, an overheating of the market can be observed; the lack of specialised or niche skills is holding back the upswing of the engineering industries in Ireland. This means

competing more intensely for creating and embedding internationally mobile talent, knowledge and capital in the economy. In this context a horizontal focus should be on individuals and communities as much as companies or sectors. This means an intense focus on key policy areas such as education, skills and migration policy. However, a 'talent' centric policy goes further and focuses on other areas such as making Ireland a desirable place to live. This requires more ambitious investment not just in 'hard' infrastructure like transport, public amenities, broadband, housing and the public realm, but also 'soft' infrastructure like community amenities, childcare and long-term care, openness, the Experience Economy, and the environment. We need to support multiple pathways to education.

**4. To support the development of an innovation ecosystems for engineering industries and encourage companies to play a leading role in the development of new technologies and sustainable products, processes, and services.**

Innovation led growth for engineering business is one of the four pillars of the Engineering Industries Ireland strategy. This will be realised by supporting the development of an innovation ecosystem for engineering industries and encouraging companies to play a leading role in the development of new technologies and sustainable products, processes, and services. The future health of our national economy rests on our ability to innovate to respond to change. Innovation and pioneering R&D will help us to take the radical actions required to build a sustainable planet and move towards a digital society. Ireland is making enterprise and innovation gains, but we must make sure we realise the potential for innovation-led growth in every part of the country and sector of the economy. In line with the National Smart Specialisation Strategy, the government need to articulate the steps required to make Ireland a Global Innovation Leader, while ensuring research, development and innovation activities are aligned with public policy goal.

I would be happy to provide further detail on the foregoing comments if required.

Yours sincerely

Pauline O'Flanagan,



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Director,

Engineering Industries Ireland

Ibec



# Engineers Ireland response to “Public Consultation—July 2022 White Paper on Enterprise.”

For the attention of the [Department of Enterprise, Trade and Employment](#) 29

July 2022

## 1. Introduction

Ireland will face many challenges as we move towards 2030, amidst a global recovery from the pandemic and rising inflation. To meet these challenges Ireland needs to emphasise the importance of engineering to address these challenges, particularly in digitalisation and decarbonisation. The ‘EU 2022 Country Report for Ireland’<sup>1</sup> shows that Ireland had performed well before and during the COVID-19 crisis and was the only EU country to avoid a recession, thanks mainly to the strong multinational investment and the resulting boost to corporate tax revenues. The enterprise sector has been and remains highly resilient to these global challenges but must not become complacent. An economic recession in our key markets could result in a lack of demand from our export-dependent economy and cause a domestic economic impact.

Ireland has an advanced economy, but future progress is constrained by investment in research and development with skills shortages in engineering and science. These limitations create challenges for businesses, from SMEs to Multi-National organisations. Through policy, we must identify routes to ensure future strength and prosperity for Ireland.

### Key solutions:

- Increase active involvement with international engineering research projects to inspire and attract innovation in Ireland
- Policy support for the planning approval process of electrical infrastructure projects is needed to accelerate the construction of new energy infrastructure
- Continued investment in infrastructure such as National Broadband Plan and energy grid is vital to Ireland’s continued success
- Ensure that our visa and work permit processing operations are flexible and efficient, allowing for a quick turnaround of applications to facilitate the necessary arrival of overseas talent
- The Special Assignee Relief Programme (SARP) should be extended indefinitely and expanded to support hybrid working from abroad
- The housing crisis is now a brake on Ireland’s ability to attract and retain investment. The voice of industry must be heard at the ‘Housing for All Industry Capability Working Group’ hosted by the Department of An Taoiseach

<sup>1</sup> [2022-european-semester-country-report-ireland\\_en.pdf \(europa.eu\)](#)

## **2. The global context in which enterprises in Ireland are operating**

Ireland has positioned itself well on the international stage as an active member in EU and UN policy work, bridging between the EU, USA, and the UK. Thanks to this international investment, which has resulted in us housing the European HQs of major multinationals, Ireland is currently ranked the fifth most advanced digital economy in the EU on the Digital Economy and Society Index<sup>1</sup>. This has resulted in significant development in Ireland, for example, the construction of data centres. These data centres require considerable energy to operate and also increase the importance of our digital security. Ireland must take note of the 2020 HSE ransomware attack; and protect our digital infrastructure. Ireland has a reputational risk as we hold over 30% of Europe's data, which we must keep safe. Equally, there is an opportunity for Ireland to become a world leader in the field of digital security.

Ireland performs well in most of the UN's Sustainability Development Goals, being ahead of the EU average. However, it is below the EU average in innovation policy (SDG 9), with lower expenditure on R&D and a low share of R&D personnel. Ireland needs to invest in R&D in Engineering, particularly in digital technologies and green energy production. This could be done by increased involvement in international engineering projects, generating domestic investment in technology in Ireland and spinouts, and inspiring students to pursue qualifications in engineering and science.

Increased investment in innovation now can appear challenging with the indirect effects of the conflict in Ukraine, causing rising inflation levels with a projected inflation rate for 2022 of 6.1%. Ireland must be forward-thinking and develop policies to support innovation.

## **3. The domestic enterprise landscape in which businesses seek to grow in Ireland**

Ireland has enormous potential for businesses to grow. Infrastructure must be developed to capitalise on innovation opportunities to support this growth. Ireland's population is focused around its major urban areas, but many live in low-population rural areas. This creates infrastructure challenges and car-dependent models.

EirGrid<sup>2</sup> predicts that by 2029 data centres will account for 27% of all demand for electricity in Ireland. Ireland must immediately upgrade its electrical infrastructure to manage

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<sup>1</sup> [DESI 2021 Ireland\\_eng\\_l0WcZRCR0XJcJngLKQWsoTrA9jc\\_80489.pdf](#)

<sup>2</sup> [All-Island-Generation-Capacity-Statement-2020-2029.pdf \(eirgridgroup.com\)](#)

increasing demand and renewable production. Previous electrical infrastructure projects have been hindered by delayed planning proposals and political issues, resulting in an

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average of 14 years to complete.<sup>3</sup> As this is a political and not a technical issue, policy development and determined implementation are needed to support this.

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#### **4. The twin green and digital transitions which all enterprises must address**

A Green New Deal for Ireland has the potential to reduce greenhouse gases, supporting the statutory net zero target for 2050 and funded through the European Green Deal. Communities must be at the heart of this transition to enhance regional development.

A National Programme for Digital Transformation should envision an equitable, secure and sustainable transition to a digital society fuelled by data. High-speed broadband access must be accessible to all, as well as a strong and stable electricity infrastructure. The broadband roll-out is underway as part of the National Broadband Plan and must be completed as soon as possible.

#### **5. Ensuring enterprise growth policies are inclusive and further enhance regional development**

Post-pandemic, Ireland's labour force is more dispersed over the island due to people leaving urban areas and an uptake in remote working. State of Ireland 2020<sup>4</sup> describes how the creation of small digital hubs will help create local areas for innovation to enhance regional development. The planning of these hubs could evolve to delivering communities that are more amenable to increased home working; improving local economies; reducing greenhouse gasses; enhancing smaller communities through re-engineering our towns and cities by focusing on walking, cycling and public transport through 'hard' and 'soft' measures; and through progressing major projects such as BusConnects, Metrolink, light rail systems and the DART Interconnector.

#### **6. Skills and talent available to support enterprise development**

The skills and talent of trained workers are needed to combat the labour shortage. Education will be pivotal to the green and digital future. Reskilling calls for a culture of lifelong learning,

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<sup>3</sup> [The Future of Electricity Transmission in Ireland – iae](#)

<sup>4</sup> [State of Ireland 2020](#)

which professional bodies like Engineers Ireland can lead and support through Continuing Professional Development programmes.

Investment in engineering education and alternative routes to engineering such as apprenticeships and level 6 courses will be vital in increasing the engineering talent pool and attracting world-class engineers to work for Irish companies.

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Ireland must ensure that our visa and work permit processing operations are flexible and efficient, allowing for a quick turnaround of applications to facilitate the necessary arrival of overseas talent.

In the post-COVID era, hybrid working can create many opportunities for international workers, especially for cross-border workers. Currently, they are forced by their tax status to either work remotely or in-office on a full-time basis with no option for hybrid working. This impacts workers on both sides of the border and a focus on joint work with HMRC to facilitate a flexible hybrid model is needed.

The Special Assignee Relief Programme (SARP), due to end in 2022, provides income tax relief for people assigned to work in Ireland from abroad. This scheme should be extended

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indefinitely and improved to support hybrid working models to encourage start-ups and SME workers to work in Ireland's industry through tax incentives.

## **7. Enterprise productivity levels**

No enterprise policy can be productive without accounting for broader societal and infrastructure issues. The housing crisis is now a brake on Ireland's ability to attract and retain investment. Industry's voice must be heard at the 'Housing for All Industry Capability Working Group' hosted by the Department of An Taoiseach. The housing infrastructure must be developed around smaller hubs ensuring housing is built correctly. Combining a mix of commercial and residential builds encourages people to walk or cycle, avoiding car-dependent models.

## **8. Enterprise policy to support the Sustainable Development Goals**

Ireland has high ambitions for renewable electricity, with a target of 80% by 2030. Investment in national electrical infrastructure is essential for this ambition. Ireland has a high potential for innovation in: energy use, floating offshore wind generation, and green hydrogen production. We have the potential to be a leader in green energy in Europe and become a net exporter of green energy to support the REPowerEU Plan<sup>4</sup>.

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<sup>4</sup> [REPowerEU: affordable, secure and sustainable energy for Europe | European Commission \(europa.eu\)](https://ec.europa.eu/euro-observatory/en/energy-repower-eu)

Interconnectors and increased connectivity allow for more export of renewable energy and provide greater network inertia. This infrastructure enables the potential for innovative smart energy models with an energy excess to be created in Ireland.

### **9. The levers and mechanisms to deliver on enterprise policy objectives**

Engineering is a key lever in delivering enterprise objectives. Engineering is a core aspect of an economy as it is involved in every aspect of our production and services industries. Engineers Ireland represents all engineering disciplines with over 25,000 members, and we would appreciate the opportunity to provide further expertise on behalf of the engineering profession to the Tánaiste and his Department through involvement in future discussions.  
ENDS

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**Environmental  
Pillar**

ENVIRONMENTAL PILLAR (2022) PUBLIC CON-  
SULTATION RESPONSE TO THE PREPARATION OF  
THE WHITE PAPER ON ENTERPRISE

July 2022



# Environmental Pillar

Working for a sustainable future

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29 July 2022

## Re: Environmental Pillar (2022) public consultation response to the preparation of the White Paper on Enterprise

A chara,

This is a submission on behalf of the Environmental Pillar in response to the public consultation on the preparation of the White Paper on Enterprise. The Environmental Pillar is an organisation that works to represent the views of 32 of Ireland's leading environmental NGOs.

The Environmental Pillar believes Enterprise Policy should address the issues which we list below under 8 separate headings.

### 1. A New Economic Model

We agree with economists such as Professor Herman Daly and Kate Raworth who have demonstrated<sup>[1]</sup> that our current pursuit of GDP growth as an end in itself is causing great ecological harm and incurring more costs than gains. GDP growth is uneconomic because it does not recognise the physical limitations of our planet, nor does it ensure that societal needs are being met.

**• Department policy should support the move towards a 'post-growth' wellbeing economy<sup>[2]</sup> by establishing a Business Purpose Commission<sup>[3]</sup> and providing explicit support for social enterprise as a source of economic dynamism and employment that aims to deliver human and ecological well-being, rather than maximising corporate profits for shareholders.**

Environmental Pillar Members: An Taisce. Bat Conservation Ireland. BirdWatch Ireland. CELT - Centre for Ecological Living and Training. Coastwatch. Coomhola Salmon Trust. Cultivate. Eco-Advocacy. ECO-UNESCO. Feasta. Forest Friends. Friends of the Earth. Global Action Plan. Gluaiseacht. Good Energies Alliance Ireland. Green Economy Foundation. Green Foundation Ireland. Hedge Laying Association of Ireland. Irish Peatland Conservation Council. Irish Seed Savers Association. Irish Whale and Dolphin Group. Irish Wildlife Trust. Leave No Trace Ireland. Native Woodland Trust. The Organic Centre. The Rediscovery Centre Ireland. Sonairte. Sustainable Projects Ireland, Vincent Wildlife Trust. VOICE. Wildlife Rehabilitation Ireland. Zero Waste Alliance Ireland.



## 2. Environmental regulations to level the playing field

To avert the danger that enterprises which make an honest effort to meet environmental goals will be undercut by competitors who engage in 'greenwashing', environmental regulations need to be rigorously applied both within the State and between the State and its trading partners.

The State should advocate at EU and global level for a phase-out or phase-down of the extraction and import of problematic resources<sup>[4]</sup>. This advocacy should include a focus on expanding the membership and broadening the scope of the new Beyond Oil and Gas Alliance<sup>[5]</sup>.

The State should ensure that existing biodiversity protection laws are rigorously enforced. Where necessary, it should also introduce strengthened biodiversity protection regulations, along with circular economy measures to ensure that all resources will be used optimally. 'Planned obsolescence' in product design must be eliminated<sup>[6]</sup>, and the State should withdraw from international treaties such as the Energy Charter Treaty which undermine environmental protection.

- **The Department should work with colleagues in the EU Competitiveness Council and the international trade organisations to promote the implementation of strong, clear, consistent and enforceable environmental regulations that include strengthened circular economy measures, the rigorous application of existing biodiversity protection laws along with further protective measures, and hard limits or phase-outs of the use of certain resources.**

## 3. New Community Banks

At present, the banking sector in Ireland is dangerously concentrated and consists almost entirely of profit-oriented commercial banks. It is vital for the development of the post-growth wellbeing economy that Irish enterprises have dependable access to finance from not-for-profit public and/or mutual banks that deliver essential services for the public<sup>[7]</sup>.

- **The Department should work closely with the Department of Finance to develop a thriving community banking sector throughout Ireland.**





#### 4. Supply Chains

Energy, food, industry and housing inputs should be re-shored to the greatest extent possible in order to minimise ecological damage and reduce vulnerability to energy shortages and other supply shocks.

The Department should undertake extensive research on Community Wealth Building (CWB)<sup>[8]</sup> practices in the US and UK, including public procurement policy, so as to determine how CWB could best be adapted to the Irish context. CWB helps to ensure that money will circulate around local economies rather than immediately 'leaking' elsewhere or accumulating in one area or business to the detriment of others. CWB can significantly boost employment - supporting the Just Transition - and it encourages the development of a diverse range of robust small to medium-sized enterprises.

- **The Department should provide extensive support for environmentally and socially regenerative actions by Irish enterprises and build business resilience by introducing measures such as Community Wealth Building to shorten supply chains and stimulate local economies.**

#### 5. Food Policy and Agriculture

We need enterprises and strategies that will:

- Encourage regenerative agriculture based on biodiversity conservation
- Teach Irish farmers the practices and skills necessary to produce the sort of food that Irish households purchase instead of focussing on beef and dairy products for export
- Foster secure, well paid employment in the food sector, as part of the Just Transition in agriculture
- Address health disparities and obesity
- Improve school food
- Encourage a diversified and distributed enterprise base in rural areas. If we are to achieve a balanced and sustainable society and economy, the interdependence of rural and urban

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economies needs to be recognised, and the unique strengths of rural economies should be capitalised upon.

- **The Department should support diversification and localisation in agriculture, help to increase farmers' share of the value chain, and work towards a healthier balance of urban and rural economic activity.**

## **6. Energy security and clean energy independence for Ireland**

- **The Department should encourage the development of community-owned renewable energy systems<sup>[9]</sup>, and should help to eliminate dependency on imported fossil fuels and foreign energy sources by working to shorten supply chains and supporting enterprises that boost energy security through retrofitting, ecological construction methods and low-impact transportation.**

## **7. Taxation**

The Department should work with the Departments of Finance and Social Expenditure and Reform to implement reforms to taxation that shift the tax burden away from labour - including both employee and self-employment taxation - and towards environmental taxation and taxes on land value and speculative financial transactions.

Ireland's corporate taxation policy needs considerable rethinking<sup>[10]</sup>. It should not be forgotten that (a) Ireland is, at present, a relatively wealthy country in aggregate terms and (b) the recently-agreed 15% international minimum corporate tax rate is still quite low compared to the current global average. In 2018, African countries - which were badly in need of funds - raised 19 percent of their overall revenue from corporate tax, compared to just 10 percent for OECD nations<sup>[11]</sup>.

There are strong concerns in Global South countries that the 15% corporate taxation rate will undermine their own tax takes; indeed, a UN panel recently called for a 25-30% tax on corporate profits<sup>[12]</sup>. Ireland's corporate taxation policy therefore jeopardises the finances of many Global South countries and is extremely ill-timed, as many of these countries are already facing highly adverse impacts from climate disruption and biodiversity loss and are badly in need of financial support. A more constructive approach to international taxation is urgently required.

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- **The Department should promote taxation policies that encourage ‘good’ economic behaviour and discourage ‘bad’ behaviour. This should include support for a balanced and transparent negotiating process on international taxation, based on a vision of a flourishing and fair world economy.**

## 8. Social services

Strengthened social services, including the introduction of a Universal Basic Income, would be a valuable support to new Irish entrepreneurs, encouraging innovation<sup>[13]</sup>, and would also contribute to the long-term capacity and resilience of existing enterprises by enabling an improved work-life balance for employees and introducing greater flexibility with regard to taking time off work to provide support for family members, or for education and training<sup>[14]</sup>.

- **The White Paper should support the introduction of a Universal Basic Income (UBI) along with increased State investment in healthcare, housing provision and other vital social supports.**

*This submission was developed using the Environmental Pillar processes but is not necessarily the policy of each member group in the Pillar.*

## Citations

[1] See for example *For the Common Good* by Herman Daly, Beacon Press, 2018, and *Doughnut Economics* by Kate Raworth, Penguin, 2018.

[2] <http://www.weall.org>

[3] This has been done in Scotland: <https://www.scdi.org.uk/business-purpose-commission-for-scotland-about/> For a constructive critique of the Business Purpose Commission for Scotland’s work, see <https://weall.org/business-purpose-commission-for-scotland-weall-scotland-responds>

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[4] <https://priceofoil.org/2020/05/20/deep-dive-5-reasons-governments-must-act-now-phase-out-oil-gas-production/>

[5] <https://beyondoilandgasalliance.com>

[6] <https://academic.oup.com/ojls/article/41/3/719/6130120>

[7] <https://www.feasta.org/2021/03/31/banking-on-the-community-investing-locally-for-resilience-webinar-on-april-14/> <https://www.feasta.org/2021/04/30/towards-a-recession-hardy-irish-banking-system/>

[8] <https://democracycollaborative.org/>. <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/> See also economist Mariana Mazzucato's recommendations on the Entrepreneurial State: <https://www.econstor.eu/bitstream/10419/109993/1/815376626.pdf>

[9] <https://projects2014-2020.interregeurope.eu/agrores/news/news-article/12496/community-owned-renewable-energy-in-local-economy/>

[10] <https://missingprofits.world>

[11] <https://www.oecd.org/tax/tax-policy/corporate-tax-statistics-third-edition.pdf>

[12] <https://www.oxfam.org/en/press-releases/oecd-tax-deal-mockery-fairness-oxfam>

[13] <https://basicincome.ie/entrepreneurs/>.  
<https://www.tandfonline.com/doi/full/10.1080/14494035.2019.1641380>

[14] <https://blogs.bath.ac.uk/iprblog/2022/01/12/universal-basic-income-experiments-the-state-of-play/>

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**Submission to the Department of Enterprise, Trade and Employment  
Public Consultation on the Preparation of the White Paper on Enterprise**

**Martina Lawless, Conor O'Toole, Barra Roantree, Iulia Siedschlag**

**July 2022**

ESRI Submissions are accepted for publication by the Institute, which does not itself take institutional policy positions. Submissions are peer reviewed prior to publication. The authors are solely responsible for the content and the views expressed.

## Introduction

1. This submission from the Economic and Social Research Institute (ESRI) contributes evidence-based views for consideration by the Department of Enterprise, Trade and Employment for the development of the future strategic direction of Enterprise Policy in response to challenges, opportunities and new drivers for growth faced by Ireland's enterprise sector. The submission draws on previous ESRI research across the relevant consultation questions.

2. The challenges faced by the Irish economy and Ireland's enterprises in the context of long-term global trends and international policy developments require **a coherent strategic direction and strengthened policy co-ordination** across government departments and agencies. International and Irish evidence suggest that the policy mix to address these challenges should combine **horizontal (untargeted) policies shaping the business environment** (such as competition and trade policies) and **targeted policies** at the intersection of incentives for business investment, the transition to the green economy, digital transformation, financial incentives for R&D and innovation, supply chain linkages between small and medium-sized enterprises (SMEs) and multinational enterprises (MNEs), skills upgrading programmes, entrepreneurship, and regional development (Cantillon et al. 2022; Criscuolo et al. 2022; Kakoulidou and Roantree 2021; Lawless 2014; Siedschlag and Yan 2021; Siedschlag et al. 2022). The policy mix should be evaluated for effectiveness on a regular basis (Criscuolo et al. 2022; Ruane and Siedschlag 2013).

## Enhancing the Productivity of Indigenous Firms and the Challenge of Digitalisation

3. **Enhancing productivity** is the driver of long-term economic growth and development. While on an aggregate basis, Irish productivity indicators (in particular labour productivity) have bucked the international trend of declining productivity, there is a growing recognition that these features of the Irish economy are driven by a small number of large, highly productive multinational firms (National Competitiveness and Productivity Council, 2021; Papa, 2019) and that many Irish domestic firms have considerably lower productivity levels. Indeed, the OECD (2020) notes that Ireland has a long tail of low productivity SMEs and this is driven in part by the continued usage of low-productivity techniques, management practises which require improvement and investment gaps in the area of digitalisation.

4. This evidence suggests that **a critical driver of productivity growth for SMEs, in particular laggard SMEs, will be investing in new and better technologies and bridging the digital divide**. Recent research has shown that typically about two-in-every-three SMEs invest each year (when focusing on a broad investment category of machinery, equipment, vehicles, intangibles, staff and buildings) with a large share of firms noting they are happy with their existing capacity (Cantillon et al., 2022). Furthermore, Cantillon et al. (2022) also show that only one-in-three enterprises invested in digital

activities. Ensuring such SMEs have the scope and ambition to capitalise on opportunities and invest in new technologies is going to be critical to address the productivity gap. Numerous studies have indicated that both financial and non-financial factors matter for SME investment (Lawless et al., 2021; Gargan et al., 2018). **Therefore the policy platform to spur investment will likely need to facilitate lending supports** (such as long term, low cost loan facilities) **as well as other enablers such as management training to attempt to bridge the investment gap.**

### **Enabling and Fostering Firm Dynamism and Business Investment**

5. **The establishment and growth of new businesses are key ingredients for economic growth** and young firms are disproportionate creators of new jobs (Lawless, 2014). The rate of business entry and exit dynamism is particularly low in Ireland. OECD evidence shows that Ireland has one of the lowest shares of start-ups in the business economy and also a low share of employment relative to other developed countries (OECD, 2018). **Encouraging and supporting a continuing flow of new enterprise start-ups should therefore be a central plank of enterprise policy.** From a policy perspective, it is important to recognise that the appropriate strategies may be quite different for the establishment and first employment stages of a firm's development relative to those suitable for more established firms, with a stronger case for enterprise policies aimed at encouraging investment in and by new businesses.

6. While some aspects of enterprise policy are well targeted at encouraging investment in and by new businesses (e.g. the Employment Incentive and Investment Scheme), many others are not. Kakoulidou and Roantree (2021) highlight Capital Gains Tax Retirement Relief and Entrepreneur Relief as two examples of poorly targeted tax expenditures with a questionable underlying economic rationale, pointing to international research that shows similar reliefs are more likely to generate efforts to minimise tax on retirement than their stated purpose of spurring entrepreneurship or investment.

7. Rather, if the policy objective is to encourage investment in and by new businesses, there is a good case for **refocusing the array of existing tax expenditures away from reduced rates of Capital Gains Tax on the disposal of certain business assets and towards tax relief on investments into new firms.** For example, Adam and Miller (2021) propose eliminating reduced rates of Capital Gains Tax alongside the introduction of a new investment vehicle offering up-front income tax relief on investments made to purchase new equity issued by companies, with tax instead paid when funds are withdrawn: akin to the treatment of pensions saving. Such an approach would support business owners making new investments in proportion to the amount they invest and at the point of investment, instead of – as under the current system – to those whose investments pay off most when they dispose of eligible assets.

## Challenges and Opportunities Arising from the Transition to a Low-Carbon Economy

8. International evidence suggests that **the transition to a climate-neutral economy and a more sustainable long-term economic growth require enterprises to accelerate their investments in low-carbon technologies** (Acemoglu et al. 2012; Costantini et al. 2013; Voigt et al. 2014; Ghisetti and Quatraro 2017). Recent research finds that the proportion of firms with green investments in Ireland is low (Siedschlag and Yan 2021). This research also shows that larger enterprises are more likely to invest in equipment for environmental protection and cleaner technologies. To the extent that incentivising more firms to invest in environmental protection could contribute to a faster transition to a more sustainable long-term growth, this research suggests that **targeted policy measures to enable small and medium-sized firms to invest in environmental protection would be beneficial to achieving that goal.**

9. Skills gaps have been identified as a major obstacle in emerging sectors closely linked to the transition to a low-carbon economy (CEDEFOP 2018, OECD 2017). Recent ESRI research (Siedschlag et al. 2022) finds that **developing new skills within the enterprise workforce is the top challenge** from the implementation of Ireland's Climate Action Plan enterprises face in the medium-term. The results of this research suggest **that tailored training programmes to each sector and enterprise group and at different stages in the transition to a low-carbon economy** would help businesses to better act and manage the transition to a low-carbon economy.

10. International evidence indicates that **access to digital skills is a key factor for enabling and maximising enterprises' capacity to innovate and to support their transition to a low-carbon economy in all sectors** (EIB 2021). Recent evidence from Ireland and other European countries shows that the demand for digital skills in the enterprise sector is not sufficiently met (Eurostat, 2021).

11. **Managers' awareness of issues relating to environmental quality and leadership skills to enable green transformations** have been identified as being among the most important skills to facilitate an enterprise transition to a low-carbon economy (Singh et al. 2020).

## Enhancing Supply Chain Linkages between SMEs and MNEs

12. International evidence indicates that **supply chain linkages between domestic and foreign-owned firms could be an important source of technology transfer** (Javorcik 2004; Havranek and Irsova 2011; Jude 2016). Having strong supply chain linkages between domestic and foreign affiliates also contributes to embedding multinationals into the domestic economy and reducing the likelihood that they leave (OECD 2013).



13. Evidence from Ireland shows that the **productivity of domestic firms in upstream industries is positively linked to supplies to foreign-owned firms** (Barrios et al. 2011; Di Ubaldo et al. 2018). Further evidence indicates that **supply chain linkages with foreign affiliates of multinational enterprises, help local firms to diversify their exports and imports** (Di Ubaldo and Siedschlag 2022).

14. **The absorptive capacity of domestic firms is key to benefiting from such spillovers from MNEs.** R&D activity appears to be of particular relevance for absorbing knowledge from foreign affiliates upstream of local firms and for using it to diversify trade activities (Di Ubaldo and Siedschlag 2022). **Targeted policies at the intersection of cluster policies, skills upgrading programmes, financial incentives for R&D and innovation could enhance the absorptive capacity of SMEs and maximise their benefits from supply chain linkages with MNEs.**

15. Recent international evidence indicates that foreign affiliates in Ireland source less inputs from domestic firms relative to the average for the OECD (OECD 2021). **Developing and updating local suppliers databases** could help foreign affiliates to identify local suppliers targeting traditional SMEs as well as young innovative start-ups.

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David Hegarty  
Assistant Secretary  
Department of Enterprise, Trade and Employment  
23 Kildare Street,  
Dublin 2 D02 TD30

Dublin, 15 July 2022

Dear Mr Hegarty,

On behalf of Ivailo Kalfin, Executive Director of Eurofound, I would like to thank you for your letter of 7 July, offering to Eurofound the possibility to participate in consultation process of the development of the White Paper on Enterprise Policy in 2022.

We believe the key finding of the European Company Survey (ECS) overview report (<https://www.eurofound.europa.eu/publications/flagship-report/2020/european-company-survey-2019-workplace-practices-unlocking-employee-potential>) – which is that businesses that incorporate a people-centred management approach are better able to unlock the potential of their employees, making them more innovative and responsive in terms of digitalisation, and, ultimately, perform better, while at the same time benefiting the wellbeing of those employees – bears relevance to the White Paper.

The forthcoming Skills Report (<https://www.eurofound.europa.eu/publications/report/2022/skills-use-and-skills-strategies-in-european-establishments>) - which set to be available in December, further supports this – showing in more detail that businesses with a people-centred management culture, are more likely to implement practices that foster the Ability, Motivation and Opportunity of employees to make effective use of their skills, and consequently benefit business performance.

A key policy recommendation following these findings is that the curricula for managers should recognise the importance of a people-centred approach and thereby raise awareness of the associated practices managers can put in place that benefits business performance, such as good job design, clear opportunities for learning, training and career development, and harnessing structures for direct and indirect employee participation.

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Should the Department be interested in exploring these themes more, for instance by looking at the particular situation of Ireland, our colleagues would be more than happy to enable you to carry out further analysis.

Yours sincerely,

Maria Jepsen  
Deputy Director

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Ireland

Your Vision,  
Our Future

**Family Business Network Ireland: Submission to the Public  
consultation on the preparation of the White Paper on  
Enterprise**



Family Business Network

Ireland

July 2022

## **Introduction and Context:**

The Family Business Network (FBN) welcomes the opportunity to respond to the public consultation on the preparation of the 'White Paper on Enterprise', led by the Department of Enterprise, Trade and Employment (DETE). FBN represents Irish families in businesses nationwide across the food, hospitality, manufacturing, and services industries. FBN can speak authoritatively on the need to develop an ambitious and comprehensive national enterprise strategy, as family-owned businesses employ about a million people in over 170,000 firms across every constituency in the country.

Ireland's economic model is at a crossroads; over the past decade, businesses, citizens and successive governments have had to address four 'once in a generation' adversities; the Financial Crisis, Brexit, the Pandemic and now the onset of a cost of living/doing business crisis. On each occasion, Irish family and indigenous businesses have shown the resilience necessary to get the economy through these turbulent times, resulting in the country now enjoying full employment with one of the strongest economic growth rates in the European Union, notwithstanding the challenges that we all face.

As Ireland looks towards 2030, it requires a national economic strategy that matches the hope and ambition of its people and its indigenous businesses. To achieve this, we only need to look to our own visionaries of the past, such as TK Whitaker, for inspiration. Whitaker's most enduring legacy was his determination to change the economic thinking in Ireland in the 1950s. His input to the Government's White Paper '*Programme for Economic Expansion*' was transformative for Ireland. A key pillar was the impressively strategic focus on Foreign Direct Investment (FDI); the IDA was tasked with attracting multinationals to Ireland, with enhanced marketing and a grant and low tax programme as critical levers. In addition, the Programme also supported export orientated businesses resulting in a 35% increase in Irish exports at that time. This visionary approach continues to bear fruit today, but Ireland now needs at least the same strength of strategic national commitment to the development of our homegrown indigenous employers.

FBN believes that Ireland's new updated 'Enterprise Strategy' should be the catalyst for this ambition. Acknowledging the goals of Enterprise Ireland's Strategy, 'Leading in a Changing World', the SME Taskforce's 'SME and Entrepreneurship Growth Plan', Ireland's Innovation Strategy, 'Impact 2030', Ireland's Apprenticeship Action Plan and Ireland's Digital Framework, FBN is of the view that this Enterprise Strategy should act as an aggregating, and efficiently unifying force for these separate but symbiotic plans, with a robust ambition that by 2030 Ireland will have achieved the following strategic and measurable goals:

**GOAL 1:** To be the best small country in the world in which to establish, scale up and pass a successful employment-sustaining business onwards to the next generation of Ireland's job creators.

**GOAL 2:** To be one of the most Productive Economies in the World.

**GOAL 3:** To be a widely acclaimed leader in innovation for sustainable community wellbeing.

**GOAL 1: To be the best small country in the world in which to establish, scale up and pass a successful employment-sustaining business onwards to the next generation of Ireland's job creators.**

**Strategic Action 1 - Rebalance the Economy.** Ireland is rightly lauded as being one of the greatest countries in the world for attracting FDI; successive Governments and the IDA deserve immense credit for this enviable achievement. This approach originating from the 1958 Government White Paper on the '*Programme for Economic Expansion*' today supports 250,000 jobs and €15bn in annual Corporation Tax receipts. However, one of the central tenets of that strategy has been Ireland's Corporate Tax Rate of 12.5% which will expire in 2023 as Ireland adopts the OECD's anti-Base Erosion Profit Sharing (BEPS) Framework. When enacted, Ireland will have to apply a minimum Corporate Tax rate of 15% on all corporates with revenue in excess of €750 million, thus adding to concerns about Ireland's relative attractiveness to FDI. FBN has repeatedly stressed that both the exchequer and the wider economy are now overly dependent on FDI. FBN believes that Ireland should always be a hospitable place for FDI, but these changing circumstances now require us also to strengthen our domestic economy, within which family-run businesses make up the vast majority of firms.

Ireland's focus on a low Corporation Tax Rate (one of the lowest in the OECD) is skewed towards supporting FDI to the detriment of Indigenous and family-run businesses. These firms, in fact, support four times as many jobs but Ireland's Capital Gains Tax Rate (now the third highest in the OECD) acts as a disincentive to investment by our homegrown employers.



The Institute for Management Development (IMD) World Competitiveness Yearbook benchmarks the performance of economies based on more than 330 criteria measuring different facets of competitiveness. It ranks Ireland:

- 2<sup>nd</sup> for attracting investment with Investment Incentives,
- 3<sup>rd</sup> for Foreign Investors,
- 4<sup>th</sup> for Corporate Tax Rate on profit and,
- 5<sup>th</sup> for lack of protectionism.

However, Ireland's greatest weaknesses are centred around domestic tax issues ranking Ireland:

- Only 53<sup>rd</sup> for Consumption Tax Rate (VAT),
- Only 38<sup>th</sup> for Real Personal Taxes.

These rankings place Ireland in the bottom half of countries assessed. Furthermore, the sustainability of Irish family businesses is threatened by punitive taxes on transition to the next generation.

**Strategic Action 2** - Ireland's new Enterprise Strategy must **ensure that Ireland has a pro-employment environment for indigenous businesses** that incentivises **re-investment, rewards risk-taking** and stimulates **innovation**.

## **GOAL 2: To be one of the most Productive Economies** **in the World.**

A prominent feature of the Irish economy is its dual nature between the multinational sector and the even more job-intensive indigenous sector. Indeed, it is important to note that numerous indigenous Irish employers are themselves multi-nationals, such as our major agri-foods and manufacturing firms. However, it has been well publicised that Ireland has a significant productivity gap between the indigenous and international sectors. While family businesses tend, through their personal commitment, to be more productive than their non-family-owned peers in the indigenous sector, the intertwined relationship between the two means that it is equally important for both that overall indigenous productivity increases so as to ensure sustainable economic growth for the whole sector. The key factors that will increase productivity include **greater investment in skills**, in **digitisation**, in their **ability to export** and in **innovation**.

### **Strategic Action 3 - Support Indigenous Businesses to Upskill their Management and Workforce**

*“Assigning workers to tasks based on their comparative advantages i.e., optimally matching workers to job tasks, is one of the key channels through which (good) management drives productivity”*

OECD 2021

There is clear evidence that upskilling both managers and their workforce is key to unlocking productivity growth in an economy. For managers, this can be through learning new skills in people management or financial management to optimise the resources available to them. This is also true for workers, where adult learning leads to increased productivity.

### **Strategic Action 4 - Develop a tax credit or accessible grant scheme to support indigenous businesses**

to train and upskill their managers to ensure that their management techniques are at the cutting edge of global developments.

**Strategic Action 5 - Stimulate a business-to-business support culture**, recognising that most large firms are willing to impart skills and mentoring to less developed firms.

**Strategic Action 6 – Support Mature Apprenticeships**. FBN welcomed the Government’s Action Plan for Apprenticeships 2021 as a step change for developing the skills for emerging areas of the economy. However, it is our view that the model, as currently prescribed, is skewed towards school leavers. Additional resources are needed to encourage mature participants from within the current workforce so as to ensure that neither workers nor their employers miss out on this opportunity.

**Strategic Action 7 – Become a World Leader in Lifelong Learning**. Amongst 25–34-year-olds, Ireland ranks first in the EU with 57% of adults with a higher-education qualification, but this figure drops to 30% for 55–70-year-olds. The EU had set a target of 15% of adults in *Lifelong Learning* by 2020. Ireland will not reach this target until 2025. Our new enterprise strategy should lay out a roadmap to ensure that Ireland moves from laggard to leader in further education by 2030.

**Strategic Action 8 - Support Family and Indigenous Business with Digitalisation**. *The Digital Ireland Framework*, Ireland’s new digital strategy launched in February 2022, is welcomed by FBN as a high-level framework to enable digital transition. Coupled with the dimensions in the framework on digital infrastructure and skills, the targets in the framework are ambitious enough to place Ireland by 2030 as a world leader in the digital space, delivering productivity and economic benefits for all businesses. It is vital that, when the granular detail of the plan to digitally transform business is set out, all

indigenous businesses are given at least the same priority as large international companies and micro start-ups.

**Strategic Action 9 – Ensure no businesses are left behind with supports from the Digital Transition Fund.**

FBN called for the establishment of the fund, but we note its explicit goal to significantly ramp up the level of micro and start-up businesses becoming digital exporters; it is important that medium sized enterprises are included with the same importance. If Ireland’s ambitious goal of 90% of SMEs reaching basic digital intensity by 2030 is to be met, our family businesses must be given the same priority.

**Strategic Action 10 – Appoint a Digitalisation Czar.**

In this space, FBN similarly welcomes the appointment of Ireland’s first Artificial Intelligence ambassador earlier this year. We believe that a similar role, wholistically championing comprehensive digital transition, would be a practical commitment to businesses and the international community, proving how seriously Ireland is taking the digitisation of its economy.

**Strategic Action 11 – Implement a Genuinely Joined-Up approach between State Actors.**

FBN believes that the development in recent years of *Local Enterprise Offices* (LEOs) across the country has been a positive contributor to the growth and survival rates of micro enterprises, while *Enterprise Ireland* continues to be the anchor agency that supports Irish indigenous businesses looking to open new export markets. However, FBN believes that there is a gap in support for medium sized businesses to help them to scale and grow at home in Ireland, businesses who are too big for micro grants and whose requirements differ from the criteria outlined for Enterprise Ireland clients.

FBN notes various Government strategies encouraging greater linkages between the SME sector and multinationals. While we are supportive of this approach, we believe that more could be done to support linkages between major Irish family owned and indigenous businesses and those that could benefit from their knowledge in the SME sector, creating regional powerhouses akin to the strategies of some of our international peers. As other business cultures such as Germany’s *Mittelstand* know well, not every enterprise needs government support in order to thrive in a vibrant local economy.

Similarly, not every business needs to export to be successful. Indeed, there are significant opportunities for state agencies to support indigenous employers relied upon by multinational companies for their supply chain of goods and services, just as in Germany and other successful economies. FBN believes that a strengthened Enterprise Ireland could coordinate and lead these

initiatives, supporting links between large Irish Businesses and SMEs, supporting non-exporting businesses as well as:

- Supporting Irish Businesses to Scale Up at home.
- Supporting the Regionalisation and Clustering Agenda.
- Joining the dots of Ireland’s numerous supports, simplifying access and participation and priming local collaborations.
- Delivering through grants, investment and business-to-business mentoring in disadvantaged localities and regions.
- Enabling the Revenue Commissioners to continue to support enterprises through productive reliefs such as for pension funding and entrepreneurial investment.

### **GOAL 3: To be an Innovation Leader.**

Creating an Innovation Ecosystem across Ireland’s Universities, Research Centres and within Indigenous Businesses is critical to ensuring the Irish economy increases its productivity and improves its competitiveness. To achieve the goal of making Ireland an ‘*Innovation Leader*’, FBN believes the following actions should be taken.

**Strategic Action 12 – Ireland must commit to Research and Innovation Expenditure of 2.5% of GNP by 2030 with multi-annual targets for public expenditure in the sector.** Current levels of public investment in research and development are not representative of a country that strives to be an ‘*Innovation Leader*’. This is highlighted as a national weakness in Ireland’s recent European Innovation Scorecard and it is acknowledged in the Government’s own Innovation Strategy, ‘*Impact 2030*’:

*“Limited progress has been achieved towards the Innovation 2020 research intensity rate target of 2.5% of GNP, which rose from 1.55% in 2015 to an estimated 1.63% in 2020” (pg.6).*

Ireland has dropped from sixth place in 2016 to eleventh place in 2021 among *EU Innovation States* and from seventh place to nineteenth in the *Global Innovation Index*. If Ireland is to position itself as an innovation leader across the public and private sector, it must be serious about creating the environment necessary for both of them to thrive. Initiatives proposed within multiple strategies cannot be applied in a vacuum and there is little chance of Ireland maximising the opportunities presented for Academic – Industry collaboration if exchequer stimuli are not forthcoming.

**Strategic Action 13** – Create a specific R&D Tax Credit designed for Indigenous Businesses to increase the Innovation Propensity of Indigenous Irish Firms. According to analysis carried out by the OECD, Irish indigenous businesses innovate less than their foreign owned counterparts and their OECD peers with only one in five indigenous businesses carrying out in-house R&D. The R&D tax credit is one of the Irish Government’s key policy levers that the Government uses to encourage innovation. However, this is limited in its application and is tailored towards the largest multinationals. Consequently, 80% of R&D expenditure in Ireland is attributed to 0.7% of firms i.e., foreign multinationals.

Family and indigenous businesses report that they lack the resources needed to complete the extensive documentation required to receive R&D supports. In addition, companies must also demonstrate a scientific or technological advancement - this can be challenging for smaller firms if they fail to demonstrate this subjective requirement. FBN notes that there are templates more appropriate for Indigenous businesses in other countries such as Austria, where tax credits are given in the form of a direct cash grant for R&D expenditure, and in the UK, where companies meeting the definition of a Small or Medium sized Enterprise (SME) can claim a benefit of up to a quarter of their qualifying development costs. These schemes do not have the same requirements as in Ireland where taxable profit is needed to realise benefits.

**Strategic Action 14** – Incentivise greater collaboration between Academia and Industry. Collaborations between academics and industry lead to more innovative research with projects progressing faster. FBN salutes the work of Science Foundation Ireland and Enterprise Ireland in building partnerships and connections between indigenous businesses and Higher Education Institutions and we endorse the ‘*Innovate for Ireland*’ Programme – an initiative on which FBN and our members actively collaborate.

**Strategic Action 15** – Ensure local collaboration. Ireland’s Enterprise Strategy should prioritise greater collaboration between Higher Education Institutions, academics and industry partners **of all sizes and localities**. Greater support is needed for clusters, research hubs and a joined-up network between indigenous and foreign owned industry partners and academics. In addition, supports for consortiums of smaller firms should be provided.

## Conclusion

Ireland has a resilient indigenous economy, a talented workforce and steadily improving infrastructure. We are at the epicentre of the EU, a gateway to the UK and we enjoy a strong bilateral relationship with the United States. With these attributes, coupled with a supportive policy environment, Ireland's new Enterprise Strategy must signal a national statement of intent. Appreciating the success of our FDI strategy and committing ourselves all the more to now deliver what our indigenous sector needs, to similarly thrive. This strategy must be backed up by adequate resources and incentivised by efficient and effective structures for nationwide collaboration. In this endeavour, family businesses the length and breadth of the country, stand ready to play their part.

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## **Feasta Response to the Consultation Call on the White Paper of the Irish Department of Enterprise, Trade and Employment**

July 29 2022

### **1. The need to measure economic success differently**

The 2021 Dasgupta Review of the Economics of Biodiversity<sup>1</sup> points out that ‘our economies, livelihoods and well-being all depend on our most precious asset: Nature’ and that in order to engage with nature sustainably, ‘we need to change how we think, act and measure success.’ The European Environmental Agency also concluded in 2021 that ‘it is unlikely that a long-lasting, absolute decoupling of economic growth from environmental pressures and impacts can be achieved at the global scale; therefore, societies need to rethink what is meant by growth and progress’<sup>2</sup>.

On the macroeconomic level, the evidence is clear that - to borrow ecological economist Kate Raworth’s phrase - we need to take a ‘growth-agnostic’ stance<sup>3</sup>, implementing policies which will enable businesses and the wider economy to thrive regardless of whether GDP is expanding in the aggregate<sup>4</sup>.

With regard to enterprise, a reorientation away from continual expansion of production as a core objective<sup>5</sup> can raise concerns about possible negative impacts on investment, employment and the ability to repay debts. Two types of measure, categorised below as ‘internal’ and ‘external’, can help to address these concerns and to enable businesses to adapt nimbly and thrive in a ‘post-growth’, wellbeing-oriented economy.

#### **1. Internal measures: redefining or clarifying business purpose and ownership**

At present, there is still a pervasive assumption that most businesses must be seen to be able (and likely) to continuously expand their production in order to attract external investment. It is one of the reasons why many businesses currently have a mandate - sometimes explicit, but more often implicit - to seek to maximise their profits<sup>6</sup>. But this assumption is erroneous. If it were truly the case that savers or other investors universally seek the highest possible rate of return on their investments, there would not be such a high level of interest in ESG funds<sup>7</sup>.

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<https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review> p1

<sup>2</sup> <https://www.eea.europa.eu/publications/growth-without-economic-growth>

<sup>3</sup> *Doughnut Economics*, Kate Raworth, Penguin, 2017

<sup>4</sup> Economist Herman Daly makes the analogy of an aeroplane compared to a helicopter: <https://nyti.ms/3yPEsMR> An aeroplane - like a growth-dependent economy - needs to constantly move forward in order to be able to stay in the air, whereas a helicopter - like a growth-agnostic or growth-neutral economy - is able to stay in the air while hovering in the same place (or indeed, going backwards).

<sup>5</sup> New businesses obviously need to expand to some extent initially, in order to become viable. The argument here refers to mature businesses.

<sup>6</sup>The word ‘profit’ has a range of meanings, some vaguer than others. I am using a common definition of ‘profit’ here: the amount left after subtracting total expenses from total revenue.

<sup>7</sup> See for example <https://globescan.com/2021/12/14/retail-investors-show-strong-and-growing-interest-in-esg/> and <https://www.cnbc.com/2021/05/21/millennials-spurred-growth-in-esg-investing-now-all-ages-are-on-board.html> ESG funds have been criticised for not being as environmentally and socially beneficial as they sometimes claim: <https://www.theguardian.com/commentisfree/2022/jul/26/failure-green-capitalism> However, many investors see them as a way to hedge against risk.



Empirical evidence also indicates that social enterprises and so-called ‘purpose-led businesses’, whose objectives are explicitly oriented towards meeting the needs of a varied group of stakeholders rather than towards maximising profits to their owners, show greater resilience than other businesses when exposed to economic shocks<sup>8</sup>.

In order to ensure that a purpose-led business orientation can be sustained through unavoidable future changes in the business’s governance (following, for example, the retirement or death of its founder), attention needs to be paid to business ownership. Evidence suggests that a degree of employee ownership is an effective way to forestall any risk of ‘mission drift’<sup>9</sup>.

**We recommend that the White Paper acknowledge the vital roles of social enterprises, purpose-led business and employee ownership in a flourishing and resilient economy, and develops a programme for supporting them in partnership with the Department of Rural and Community Development<sup>10</sup>.**

While such ‘internal’ business measures are useful - and indeed, in many cases vital - they need the support of other policy measures which are described below.

## **2. External measures:**

### *2.1 Environmental*

Road systems use traffic lights and roundabouts to manage the flow of traffic, so as to help ensure that the road space can be shared safely. Similarly, the economy needs clear, consistent and properly-enforced environmental regulations in order to ensure that each business can get to where it needs to go without being subjected to unnecessary dangers or blocks.

Strong state, EU-level and global environmental regulations are the only reliable way to eliminate the risk of purpose-led businesses and social enterprises being ‘cut off the road’ by less scrupulous competitors.

Wherever possible, such regulations need to be applied upstream in supply chains - at the wellhead or mine - as this makes them far easier to enforce. Given the climate and biodiversity emergencies that we are facing, they need to include hard caps and phase-outs of the supply of dangerous materials, including fossil fuels<sup>11</sup>. Other vital parts of the regulatory mix include measures that promote the circular economy such as the elimination of planned obsolescence<sup>12</sup>, and the rigorous enforcement of biodiversity protection laws.

### *2.2 Social*

Environmental regulations need to be complemented by broader social policy measures, including the following:

- (a) Tailored and extensive support for not-for-profit banking, e.g. mutual and public banking. This type of banking - in common with other forms of social enterprise - has been proven to be resilient to economic shocks<sup>13</sup>.

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<sup>8</sup> <https://shoremount.kayako.com/article/194-what-evidence-is-there-that-b-corps-outperform> <https://poole.ncsu.edu/news/2020/06/01/need-to-know-in-an-economy-ravaged-by-covid-19-b-corps-open-a-door-for-change/> <https://www.civilsociety.co.uk/news/social-enterprises-more-resilient-than-small-business-last-year-report-says.html>

<sup>9</sup> <https://www.fiftybyfifty.org/2020/01/ownership-design-for-a-sustainable-economy/>

<sup>10</sup> This has been done in Scotland with regard to purpose-led business: <https://www.scdi.org.uk/policy/commission-calls-for-purpose-led-recovery-and-growth/>

<sup>11</sup> <https://priceofoil.org/2020/05/20/deep-dive-5-reasons-governments-must-act-now-phase-out-oil-gas-production/>

<sup>12</sup> <https://academic.oup.com/ojs/article/41/3/719/6130120>

<sup>13</sup> <https://www.fitchratings.com/research/banks/fitch-affirms-sparkassen-finanzgruppe-at-a-outlook-stable-15-06-2022>

- (b) Community Wealth Building programmes which keep money circulating within local economies, nurturing a diverse range of SMEs, supporting employment<sup>14</sup> and helping to shorten vulnerable supply chains.
- (c) Changes in taxation policy to ease the financial strain of hiring employees or paying self-employment tax, by shifting as much as possible of the tax burden to ‘commons-based taxation’<sup>15</sup>, such as land value taxes<sup>16</sup> and taxes on financial speculation.
- (d) Work to substantially improve the negotiating process on international taxation so as to better include Global South perspectives<sup>17</sup>
- (e) Systemic interventions on debt at the Eurozone level to help to stabilise the value of over-commodified assets, including housing<sup>18</sup>.
- (f) An expansion of derelict housing restoration and retrofitting programmes in rural areas of Ireland to provide affordable and social housing. (The current housing shortage is a significant drain on the Irish economy<sup>19</sup>, and therefore also on Irish enterprise.)
- (g) More generally, a strong focus on improving the balance between the urban and rural economies.
- (h) The introduction of a Universal Basic Income for all adult residents of Ireland, along with a strengthened ‘social wage’, including improved social services. Both of these would encourage innovation<sup>20</sup>.

**We recommend that the White Paper explicitly recognises the importance of stronger ‘upstream’ environmental regulation, social supports and taxation reform, and that it specifies how the Department plans to directly support not-for-profit banking and Community Wealth Building programmes.**

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<sup>14</sup> <https://democracycollaborative.org/>. <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/> The city of Preston in the UK saw a halving of its unemployment rate after several years of a CWB programme: [https://democracycollaborative.org/sites/default/files/2021-11/Community-Wealth-Building-Hanna-Kelly\\_Final.pdf](https://democracycollaborative.org/sites/default/files/2021-11/Community-Wealth-Building-Hanna-Kelly_Final.pdf) See also economist Mariana Mazzucato’s recommendations on the Entrepreneurial State: <https://www.econstor.eu/bitstream/10419/109993/1/815376626.pdf>

<sup>15</sup> <https://www.feasta.org/category/commons-based-taxation/>

<sup>16</sup> <https://www.oecd.org/economy/surveys/Ireland-2018-OECD-economic-survey-overview.pdf>

<sup>17</sup> Ireland’s corporate tax rate, which is still relatively low, exacerbates the financial problems of Global South countries, making it harder for them to overcome poverty and green their economies: <https://www.oxfam.org/en/press-releases/oecd-tax-deal-mockery-fairness-oxfam>

<sup>18</sup> See for example <https://braveneweuropa.com/steve-keen-reducing-debt-via-a-modern-debt-jubilee>

<sup>19</sup> <https://www.irishtimes.com/opinion/david-mcwilliams-state-has-completely-lost-control-of-the-housing-market-1.4858550>

<sup>20</sup> <https://www.tandfonline.com/doi/full/10.1080/14494035.2019.1641380> <https://basicincome.ie/entrepreneurs/>

***Feasta (the Foundation for the Economics of Sustainability)*** is an ecological economics think tank, based in Ireland and with international membership. 'Feasta' is the Irish word for 'in the future'. Our aims are to identify the characteristics (economic, cultural and environmental) of a truly sustainable society, articulate how the necessary transition can be effected and promote the implementation of the measures required for this purpose.

*Feasta is a member of the Irish Environmental Network, the Environmental Pillar, Stop Climate Chaos, the European Environmental Bureau and the global Wellbeing Economy Alliance, and a partner of the International Movement for Monetary Reform.*

Further information can be found at <http://www.feasta.org>.

**Point of contact:** Caroline Whyte, [REDACTED]



P. Ferguson

Hello,

Not sure which is the more appropriate body.

Is there any way we can exploit our reliable volume of rainfall?

I'm sorry I don't have the expertise or imagination to suggest further.

There may also be the potential to alleviate the regular visit of flooding,



## DETE Enterprise White Paper Consultation July 2022

### Introduction and context

Financial Services Ireland (FSI) is the only whole-of-industry financial services trade association in Ireland. It is a constituent part of Ibec. Our membership of 155 companies comprises banks, (re)insurers, fund and asset managers, payments, FinTech, aircraft leasing, and corporate treasury. Our strategy is to make Ireland a Top 20 global financial centre by 2025.

We welcome this consultation on Ireland's enterprise policy. We support the Ibec submission to this consultation, in particular the need for a targeted horizontal approach to enterprise policy, supported by strong industry engagement to help identify the most promising sectoral opportunities. We agree that the primary focus should be on improving the overall business environment in specific and deliberate ways. This is the only base off which we can successfully identify, prioritise and compete for sectoral opportunities over the next 10-20 years.

The Irish financial services industry employs approximately 105,000 people, up 60% on 2004. This includes almost 53,000 in international financial services. The nature of the industry is changing, however, and value-add encompasses far more than new jobs figures. A key risk to our industry is the perception of saturation point based purely on traditional statistics. Our revised enterprise policy should expand the concept of economic value-add. This means competing more intensely for and embedding internationally mobile talent, knowledge and capital in the economy. It is important to protect and develop what we have achieved over the past four decades, from 'the IFSC' to 'IFS Ireland'. However it is equally important not to assume we have reached saturation point. Our high performing financial services ecosystem has not yet reached its potential, nor is it currently set up to fully harness and deliver on the opportunities that lie ahead, particularly in digitalisation, sustainable finance and fintech.

### The global context in which enterprises in Ireland are operating

Uniquely, Ireland is home to world leading technology and financial services firm, but we have yet connected this talent and intellectual capital in a strategic way. We have a critical mass of top financial services brands who have chosen to locate some line of business here: 63% of global FS companies are in Dublin, with 37% based outside the capital. 11 of the top 15 insurance companies have a presence in Ireland, investing €35 billion in Irish infrastructure. 17 of the top 20 global banks are based here. Our opportunities arise from the fact that today, these and other global groups (within and outside of which Irish entities compete), are making decisions about where to source talent and locate strategic new lines of business. This is driven by a number of trends, including: industry consolidation; an increased pace of amalgamation between technology and financial services (the demand for payments technology will be replicated in other FS products, and DLT, AI and blockchain will ultimately change how FS products are created, distributed and consumed); geopolitical changes, together with new regulatory requirements, influencing decisions on where and whether to outsource certain functions; and lastly, sustainable finance – the financial system will enable the move to global carbon neutrality and the search for jurisdictions in which to build out capacity is well underway.

The highly mobile nature of FS is challenging our ability to capture a competitive position. In the last six years, Brexit has tested our competitiveness vis à vis other EU Member States who are subject to the same Single Market rules. This has allowed us to identify operational challenges in our business model. The enterprise policy review is a critical opportunity to shed new light on ways to overcome operational challenges – most of which we share with other key industries.

## DETE Enterprise White Paper Consultation July 2022

### The domestic enterprise landscape in which businesses seek to grow in Ireland

In our 2021 report, 'Ireland's Future through Finance', FSI called for enhanced fintech incubation sponsored at the State level. For example, there are specific concerns in industry that the lack of a full regulatory testing function (via a regulatory sandbox) is a critical gap, and limits our ability to grow our digital finance capabilities to build on the success of our enterprise agencies and the work of the Ireland for Finance strategy. Regulatory testing on a cross-border basis is a critical component of a thriving fintech sector, as recognised – among other elements - in the UK's 2021 Kalifa Report. Per the Ibec submission, efficient regulation, transparent processes, and consistent standards are crucial to competitiveness in the modern globalised economy.

### Green and Digital Transitions and Talent Availability

Both the Ireland for Finance strategy and the Climate Action Plan (Actions 10 and 11) articulate the vision to establish Ireland as a world-class sustainable finance knowledge centre. In FSI's 'Skills of the Future report' (2022), we specify that: "Greater emphasis should be placed on collaboration within the financial services ecosystem and across post-secondary education institutions and governmental/regulatory bodies to address the competency gaps in sustainable finance. Additionally, addressing the sustainable finance skills gap requires an integrated, multidisciplinary approach. This means upskilling existing finance professionals, including corporate financiers, tax advisors, and risk and audit teams on ESG criteria, as well as introducing new skill sets from a varied set of disciplines to ensure Ireland's talent pool is developed to meet the ambitions of future financial services stakeholders." The Sustainable Finance Skillnet Deep Dive Skills Report (2019), says this will require integration of sustainability and ESG modules into all third-level finance degree and masters programmes and professional finance qualifications.

### Levers and mechanisms to deliver on enterprise policy objectives

Per our 2021 report 'Ireland's Future through Finance', FSI has the following policy proposals:

- Allocate greater resources within the Department of Finance to deliver the objectives of 'Ireland for Finance'.
- Market Ireland as a premier location for financial services careers and establish initiatives to attract high-level, strategic financial services talent.
- Boost investment in third level education, continuing professional development (CPD), Skillnets and apprenticeship programmes to develop a pipeline of relevant and needed talent for the sector.
- Continue the drive to improve national broadband infrastructure.
- Support the rapid development of the fintech sector, reflecting the accelerated move to digital caused by the COVID-19 crisis.
- Enhance fintech incubation sponsored at the State level.
- Establish tactical and strategic initiatives that foster technology adoption and innovation within the financial services sector, making Ireland the leading jurisdiction for technology and financial services integration.
- Focus on becoming a global leader in the areas of diversity & inclusion, ESG, sustainable finance and the strategic management of outsourcing operations.

### Conclusion



## **DETE Enterprise White Paper Consultation July 2022**

In 2019, the financial services sector in Ireland contributed €2.47 billion in corporate tax, 23% of Ireland's total corporate tax income. It faces acute global competition to both retain what we have achieved, and deliver on the above new opportunities. As the representative body for this enterprise sector, FSI would welcome the opportunity to engage further with DETE to progress the continued growth and scale of the sector.



**Food Drink Ireland  
submission to the  
Consultation on a White  
Paper on Enterprise**

**July 2022**



## Introduction

Food Drink Ireland (FDI) is a business sector within Ibec and supports the overall Ibec submission to the consultation. This submission gives a sectoral perspective to the consultation from Ireland's largest indigenous sector. The agri-food and drink industry has a turnover of €28 billion, exports of €13 billion and supplies the majority of produce to Ireland's €15 billion domestic grocery and food service sector. The sector provides an essential function of supplying Irish consumers with a wide variety of food and drink products, as well as bringing quality Irish products to consumers around the world.

The agri-food and drink industry has deeper links to the wider economy than the rest of manufacturing – it accounts for half of direct expenditure by the entire manufacturing sector in the Irish economy (payroll, Irish materials and Irish services). The extensive regional footprint of the sector means that it is directly linked to the performance of the whole economy and is also at the heart of the social fabric of rural Ireland.

Whilst the current business environment for food and drink companies is difficult, it is deeply resilient and longer-term growth opportunities largely remain for the sector.

## Policy Context

Whilst we welcome the proposed White Paper on Enterprise, it is important that it is not looked at in isolation. The food and drink sector and wider food chain is transitioning to a sustainable food system, and this is underpinned by our national strategy Food Vision 2030. Similarly, the EU's proposal for a legislative framework for sustainable food systems and the wider Farm to Fork Strategy will dominate the EU's agri-food policy and legislation initiatives for the next decade. This sectoral strategic context must be acknowledged by the White Paper as must the need for a whole of Government approach to policy formulation and implementation.

## Enterprise Policy

**Jobs and Skills** – there are high levels of investment (both private and public) in enterprise led skills development in the sector but with the changing economic, technological and markets landscape and for the sector to reach its true potential, there are numerous challenges and skills gaps that must be addressed. There needs to be a prioritisation for funding enterprise led skills development and greater flexibility in the provision of employment permits for food processing.

**Innovation** – innovation is at the heart of agri-food and drink meeting consumer needs, improving competitiveness and sustainability and increasing output. National policy must look at boosting the sector's capacity for innovation. Indigenous companies experience greater challenges to dedicate and develop internal resources to engage successfully with RPO's and to capitalise on their research outputs. These enterprises require additional state support to build the absorptive capacity and to participate in any research collaboration.

**Competitiveness** – our competitiveness has declined at a time when challenges and opportunities are increasing. Irish business costs are out of line with many of our competitor economies, particularly in the EU and the UK, in whose markets we hope to compete. The White Paper should

prioritise measures that control our cost base whilst helping companies innovate and improve both productivity and sustainability.

**Trade and Markets** – the sector's €13bn of export are equally split with one third going to EU-26, UK and international markets. This highlights a number of factors:

- Since Brexit, full unfettered access is only available to the remaining 26 countries in the EU Single Market. The importance of championing and defending the EU Single Market for food and drinks and countering any trends towards renationalisation, protectionism and fragmentation must be an ongoing priority.
- Due to population size, proximity, its food production deficit status and similar consumer profile, the UK will remain our single largest and most export market. Implementation of the Trade and Co-operation Agreement to minimise trade barriers with Great Britain, and minimising regulatory divergence with Great Britain, is vital. This also ensures that Irish consumers can continue to benefit from the wide range of food products and brands that they are accustomed to, at a range of price points. The Ireland / Northern Ireland Protocol also underpins the all-island value chains and must be upheld.
- Irish food and drink is exported to over 180 countries in total and presents significant growth and diversification opportunities. There is a need to advance international market access for Irish food and drink and ensure the necessary trade support measures and resources are in place across Government and its agencies.

**Sustainability** - the food and drink industry is the only major industrial sector with a full domestic supply chain from farm to fork (as well as a parallel overseas chain of imports and exports). It interacts with a wide range of economic and social interests across Ireland and this particularly true for the environment. Policy must support measures to abate carbon within the sector and reductions in single use plastics and food waste. Companies should be supported and celebrated as they make challenging transitions to evidence-based solutions.

**Access to finance** – policy must support measures to improve the cost and availability of finance for the sector which is needed for enabling technologies, product and process innovation, market diversification and capital expenditure in equipment and facilities. Similar policies are also needed to increase the availability of state aid supports to at least the EU average.

**Ability to scale** – the food and drink sectors have a strong pipeline of start-ups and small businesses across many categories. There are also many examples of Irish food and drink companies that have grown to become multi-nationals and global leaders. However, the relatively low proportion of medium-size companies in the sector indicates the challenges of scaling successfully. Government should establish a Scaling Unit to support companies scaling or with the potential to scale. This should be adequately resourced and should involve government departments, enterprise and research agencies, and the industry.

## **Conclusion**

One in eight jobs in the Irish economy are linked to agri-food and drink. Sustaining growth for the sector also sustains the wider economy. Food Drink Ireland welcomes the proposed White Paper on Enterprise as it will help achieve this objective and we look forward to continued engagement with the Department on this important initiative.





**Friends of  
the Earth**

**Friends of the Earth**

**Response to Department of Enterprise, Trade and Employment**

**Public Consultation—July 2022 White Paper on Enterprise**

## 1. Introduction

1.1 Friends of the Earth welcomes the opportunity to respond to the Department's consultation. Friends of the Earth Ireland is a community at the heart of the growing movement for a just world with zero pollution. We are part of the world's largest grassroots environmental network. We campaign and build movement power to bring about the system change that is needed for a just world where people and nature thrive. We promote education and action for environmental sustainability and justice and focus on Ireland's response to the big environmental challenges of our time, including the climate emergency and the achievement of the Sustainable Development Goals. We support people and group working autonomously to connect their local work to the bigger national and international picture. We have particular experience in participatory education, campaign strategy, shaping public debate and driving policy change.

## 2. Climate Obligations

Climate action is central to several elements of the White Paper including not only alignment with the Sustainable Development Goals, but also the global context, the green transition, regional development, enterprise growth policies, as well as skills and training. **The core message of this submission is that the White Paper must support delivery of Ireland's climate commitments.** Under Climate (Amendment) Act 2021 Ministers are obliged to comply with carbon budgets and sectoral emissions ceilings set by Government [6A (10)(b) and 6C (9)]. Public bodies are also obliged to perform functions in a manner consistent with the climate action plan and the national climate objective.

## 3. Public Sector Climate Action Mandate

The new White Paper must ensure that enterprise policy aligns with obligations set out in the recently agreed [Public Sector Climate Action Mandate](#). This Mandate requires both the Department and public bodies under the Department's jurisdiction to reduce emissions in accordance with the 2021 Climate (Amendment) Act. It also sets out several other significant commitments, including on emissions reporting, improvements in energy efficiency, ending fossil fuels in heating, introduction of climate roadmaps, Green Teams, Management Board responsibility and use of zero vehicles. These requirements are particularly relevant to the IDA and to any future new agency supporting the rollout of offshore wind.

## 4. Government Statement on the Role of Data Centres in Ireland's Enterprise Strategy

Data centre development results in large amounts of inflexible load to an already insecure system. This increase in electricity undermines the ability of thermal power plant capacity overall peak demand. In essence, these developments negatively impact peak demand and require further gas-fired generation resulting in higher emissions across the system. [Previous UCC MaREI analysis](#) has indicated that projected data centre development will directly undermine necessary climate action, potentially resulting in a 40% emissions reduction instead of the at least 60% reduction required if Ireland is to meet its overall 51% commitment. **The potential for increasing numbers of data centre connections to result in significant increases in gas plant and emissions has not been sufficiently assessed or addressed by the Department.** We note that the Department is one of several authorities with responsibilities related to this policy area. However, we are of the view that a moratorium remains necessary and the White Paper must go beyond what is set out in the Statement in order to ensure renewables, storage and demand side management are prioritised ahead of development and use of new gas plant.

[Recent analysis produced by UCC](#) on behalf of the EU Greens/EFA group addresses data centre impacts on electricity supply and decarbonisation ambition in Ireland. It highlights that the focus for data centres should be on emissions reduction and net-zero targets, not simply renewable energy commitments. It also notes that onsite generation from fossil fuels at data centres simply shifts the location of where emissions are produced rather than reducing them. It may also increase emissions as smaller onsite generators are less efficient than larger, grid-scale fossil fuel plants. Its recommendations include -

- integrate decarbonisation plans into the data centre planning application process, and make critical investments in our energy grid to support the move to a 100% renewable power system over time.
- a dedicated forum on Data Centres within the National Dialogue for Climate Action.
- Disclosure of annual data centre emissions and projections of future emissions.
- Preventing speculative Data Centre applications which can inflate expected future energy use by increasing the initial grid connection fees

We recommend that the White Paper take forward these recommendations.

The recognition in the Statement of the high demands on the electricity system, the importance of decarbonisation and the need to support renewable generation and storage are all welcome. However, there are several problematic elements of the Statement:

- While the Statement refers to the gas crisis and security concerns, it seems to suggest that current policy, the CRU's 2021 decision and EirGrid directions are sufficient. Any further development of data centres will impose extreme pressures on the electricity system due to additional demand, including from those 8 data centre developments with grid connections. It is unacceptable, from both a moral and policy perspective, for data centres to continue to be approved and connected while households and smaller business are being asked to reduce their demand in the coming months. The [MarEI centre](#) has also a pause in the connection of new data centres as the most impactful single action the Government can take to reduce electricity demand.
- It is concerning that while sectoral emissions ceilings are noted in the Statement, neither these targets nor the Climate Law itself are referenced as a key principle. We would underline that the Department has legal obligations related to climate action (see Section 2) and any seeming dismissal or deprioritisation raises not only legal concerns but also reputational damage for the Department.
- The Statement notes that new climate obligations "*will be very challenging to meet given that total electricity demand over the next ten years is forecast to grow by between 19 and 50 per cent, driven by a range of factors including large energy user demand growth and the electrification of heat and transport.*" This comment seems to suggest that new legally binding targets may not be met from the get-go, ignores that 'large energy user[s]' refers to data centres themselves, and also seems to take for granted that such growth is already guaranteed. **It must be clarified that new sectoral emissions ceilings are not mere considerations and that any data centre developments must respect legally binding commitments.**
- The risk of further lock-in to gas-fired generation is largely ignored. The addition of new gas generation purely to satisfy data centre demand is not in accordance with our climate commitments and risks undermining the necessary decarbonisation of Ireland's energy sector. The issue of on-site (i.e. fossil gas) generation is rejected for islanded developments but ignores that the same risks are present in the context of connected developments. There is no guarantee that this generation can or will ensure that any such on-site generation will be able to use alternatives such as green hydrogen.
- The principles in the Statement are only noted as preferences. We call on the Department to go beyond recommendations such that any such developments are obliged to support renewable generation and storage and reach net zero services.

## 5. Community engagement

[Research by UCC MaREI](#) has highlighted that community engagement helps to bridge the disconnect between communities, industry, and government bodies. They note that within most institutions and public bodies, community engagement is often regarded as less important when compared to financial, actuarial, or environmental risks. Major business developments, particularly those relating to infrastructure, should show where community feedback has been added to the project.

A fundamental element in ensuring the success of state climate action is citizen buy-in through long-term, inclusive and transparent public participation. The approach taken by EirGrid as part of their comprehensive consultation and community engagement process on their 2021 'Shaping Our Electricity Future' strategy, and also by DFAT for their consultation on a new international development plan in 2019, are instructive in this regard. We recognise that a more comprehensive approach may raise resources challenges and we welcome the opportunity to discuss how such challenges can be overcome and how ongoing public participation can be further developed across all relevant Departments.

We recommend that the Department utilise fora to address challenges related to policy implementation in an open and balanced manner together with civil society and community groups, such as through DECC's National Dialogue on Climate Action and the NESC Council.

## 6 Solar Installation for SMEs

There is growing demand for the installation of solar panels on homes, schools, farmhouses and businesses across Ireland. There is the potential for economic benefits for businesses and communities from the installation of solar panels, including a reduction in electricity bills and income generated from selling surplus renewable electricity. The rollout of microgeneration such as solar is also an important element of Ireland's target to reach up to 80% renewable electricity by 2030. The EU's RePowerEU plan includes a Solar Rooftop Initiative with a phased-in legal obligation to install solar panels on new public and commercial buildings and new residential buildings. However, Ireland has low levels of solar panel installation in comparison to the UK and to other EU Member States due to ongoing planning obstacles in the Department of Housing permitting and regulatory obstacles, including the current planning restrictions. We recommend that the White Paper actively support installation of solar panels for both SMEs and community buildings.

## 7 Retrofitting

Friends of the Earth has previously highlighted the lack of the capacity to carry out 500,000 retrofits to a B2 level by 2030 was raised, particularly in the context of the current shortage of skilled workers in the construction sector. The following barriers for increasing labour capacity for retrofitting in Ireland were identified by stakeholders interviewed: - Lack of willingness to enter into trades. - The industry is in need of rebranding as a modern industry climate friendly with good employment prospects. - The housing crisis is a barrier for attracting labourers from outside of Ireland - Women are generally less likely to enter the sector.

We note that in Belgium the three main trade unions and employers work together in the development of training courses for construction workers for green buildings and retrofitting which government then provides.

The Disruptive Technologies Innovation Fund should support research into energy system transformation without fossil fuels, and technological solutions to aid communities and enterprises in scaling up local climate actions such as shared mobility and grouping retrofits/new building materials. The Fund should be used to identify and support ways to bridge the technological gaps between 70-100% renewable electricity and innovativeness in the area of energy efficiency.

## 8 Just Transition

As noted by Ireland's [Just Transition Alliance](#), the urgent drive towards a zero-carbon economy and the development of a new industrial model based on renewable energy sources must lead to the creation of a fairer economy and more equal societies. The most effective means of delivering this change is by working collaboratively to ensure that policy is framed and underpinned by the practice and principles of a Just Transition. The White Paper should ensure that those sectors of the economy and those regions that are most vulnerable to change are prioritised under a Just Transition process. We also recommend that Government immediately establishes a National Just Transition Commission, in advance of formal legislation, based on social dialogue and comprised of representatives of government, trade unions, employers, affected communities and civil society. We also support the recommendations of Coalition 2030 including that Ireland's enterprise strategy must firmly embed at its core the principles of a 'Just Transition'.

## 9 Green-washing

One of the biggest threat that the enterprise sector poses to climate action is in the area of 'greenwashing' where companies present and advertise services and products as climate neutral when in fact they are not. This is particularly true of Gas Networks Ireland promoting fossil methane gas with small amounts of biogas as sustainable, as well as car manufacturers promoting self-charging and plug-in hybrids as environmentally friendly alternatives to ICE cars. The basic consumer complaints approach, as well as the 'name and shame' section used by the Advertising Standards Authority of Ireland are not fit for purpose and Ireland needs an advertising watchdog with investigative and sanctioning powers. Companies must also be legally obliged to provide transparent information on their whole of supply chain climate impacts. They should be given clear and legally-binding methodologies on how to measure, analyse and report GHGs.

## 10 Corporate Due Diligence Obligations

A proposal for an EU directive to regulate human rights and environmental harms in companies' global value chains was released in February. This will have major implications for Irish businesses, however it suffers from various weaknesses and loopholes. We recommend that the Irish Government ensures that the Directive applies to all Irish businesses, puts clear responsibilities on companies to prevent abuses in their supply chains, and allows communities to seek justice in Irish courts if abuses happen.<sup>1</sup> The legislation must also include concrete obligations and liability for companies to reduce harmful GHG emissions throughout their value chains and guarantee affected peoples' and workers' rights to participation and consultation, as well as protection measures for human rights and environmental defenders. It must also ensure supervisory authorities have sufficient resources to conduct real investigation of impacts on the ground.

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<sup>1</sup> For further information see [https://icbhr.org/assets/reports/Make\\_it\\_your\\_Business\\_ICBHR\\_FINAL.pdf](https://icbhr.org/assets/reports/Make_it_your_Business_ICBHR_FINAL.pdf)







## **Submission to the Public Consultation – July 2022 White Paper on Enterprise**

Galway Harbour Company (“GHC”) hereby make a submission to the Public Consultation – July 2022 White Paper on Enterprise. GHC respectfully requests that the Department of Enterprise, Trade and Employment have regard to this submission with regard to the observations made below.

The Port of Galway (“the Port”) is owned and operated by GHC and is an important facility serving both Galway City and the wider North Western Region. Coastal connectivity is a crucial element for the development of the West of Ireland. The Port has significant potential for expansion of its freight services, servicing of offshore industries, particularly wind energy and contributing to a low carbon economy. Improvement of port facilities is of strategic importance to the city and the region as a whole. Enhanced port facilities will assist in improving accessibility to Galway and the region, stimulating economic activity, assisting in our regional and national efforts to transition to renewable energy and has the added benefit of freeing up a significant land bank for redevelopment as a new Urban Quarter adjacent to the Galway centre.

### **About GHC**

GHC has a mandate to manage, sustain and grow the business of the Port. Its aim is to ensure that the Port remains at the heart of Galway City’s economic and social development and continues to facilitate enterprise in the city and wider region.

GHC currently occupies c. 17 acres of inner docklands adjacent to Galway City centre. These lands include the actual working dock, roads, adjacent quays and adjacent sites.

Public car parks occupy a portion of these lands and the lands also house the Harbour offices.

There are nine berths with a total quay length of 1,189 metres. There are also 40 dedicated marina berths within the inner dock.

The company also owns another significant land bank of c.40 acres comprising the Galway Harbour Enterprise Park. The majority of these sites are leased to local and international enterprises and are also used for the storage of wind turbine components.

GHC is currently progressing two major infrastructure projects, namely the proposed Port Extension and the Regeneration/Development of the Inner Dock area which proposes to deliver a new Urban Quarter adjacent to Galway City centre.

The Port extension is proposed on lands to be reclaimed from the foreshore and the sea in Galway Bay to the south of the existing Galway Harbour Enterprise Park. The proposed development will include the relocation of the existing harbour related activities and certain businesses to the new deep-water berths, quays, jetties and yards to be located at the Harbour Extension. The proposed new Port will enable the provision of enhanced services to existing customers, broaden the Port’s customer base and attract new cargoes and industries.



The extension of the Port of Galway will also enable the diversification of Port activities, particularly with regard to the renewable energy sector. The Port is strategically located to take advantage of offshore wind energy opportunities off the West Coast. The extension of the Port will provide the necessary infrastructure and facilities to avail of opportunities in this sector, particularly in terms of servicing future offshore wind developments off the West Coast.

The extension of the Port, enabling the creation of a deep-water facility and the resulting availability of Regeneration Lands at the existing Port, will allow for the provision of a mixed-use urban quarter that will complement and support the role of the city centre. The proposed new sustainable urban quarter will host a mix of uses and high-quality public realm, that extends the city centre to the waterfront. The proposed new urban quarter will be an attractive place for people to both live and work in the city centre, with good public transport connections and little need for private cars.

### **Global Opportunity for Local Enterprise**

GHC plays an important role in the development of onshore renewable energy. GHC has been involved in the deployment of onshore wind turbines since 2014; since that date, approximately 14% of all onshore wind turbines in Ireland have been handled through Galway and GHC has developed considerable skills in this sector. By the end of 2022, approximately 0.5GW of onshore wind will have been deployed through the Port. The deployment of onshore wind turbines through the port is set to continue over the coming years.

The deployment of offshore wind off the West Coast presents an enormous opportunity for the West of Ireland. Publications by industry bodies such as Wind Europe and Wind Energy Ireland also clearly set out the importance of Port infrastructure to our collective efforts to accelerate the deployment of renewable energy. By way of example, in May 2021, in its “*A 2030 Vision for European Offshore Wind Ports*”, Wind Europe estimated that Europe’s ports need to invest €6.5BN between now and 2030 to support the expansion of offshore wind.

In the medium to long term, the most significant opportunity for Irish offshore wind lies off our Atlantic Coast. In general, the Atlantic Coastal areas of Ireland are significantly less developed than Dublin and its hinterland and our Atlantic offshore resource represents a real opportunity to achieve a broader and fairer distribution of economic activity across Ireland. This is increasingly acknowledged at a political and policy level. The recently published Regional Enterprise Plan for Ireland’s North-West region to 2024 has as its Strategic Objective 2 to:

*“Ensure that the North-West capitalises on the enterprise opportunities posed by the advancement of the wind industry (onshore/offshore wind) and the continued growth of the ocean economy”.*

Aligned to this, the Regional Spatial and Economic Strategy 2020-2023 (“RSES”) notes that national policy should ‘*Support the appropriate development of offshore wind energy production through the adequate provision of land-based infrastructure and services, in line*



*with national policy and in a manner that is compatible with environmental, ecological and landscape considerations.'*

We believe that Enterprise Policy should support the Port and the Region in its efforts to maximise the major economic impact that the offshore wind opportunity will provide in the coming years. The role of Ports is vital to this region. The programme for Government estimates this resource at 30GW; other estimates are significantly higher – such a resource has the potential to be transformative for Galway and the wider region.

Frans Timmermans, the European Commissioner for Climate Action, stated on 10 May 2022:

*“This is going to be a green transformation that is going to make Europe look completely different, and it will start with the Ports and go inland. Ports are clearly the clean energy hubs of the future, and coalitions of Ports are working with us to put these hubs in place”*

Mr Timmermans also referenced the importance of Ports to the hydrogen economy:

*“Seaports in general are interesting places to start the hydrogen economy. They are pretty unique places in the world in tying it all together. Think about it... offshore wind can come to shore here, or offshore wind can create hydrogen at sea, and bring hydrogen ashore”.*

The opportunity for our region from offshore renewable energy, including the production of Green Hydrogen, is enormous. The NUTS2 region of which the North West of Ireland forms a part has the highest windspeeds in Europe. This represents a huge natural source at an EU, National and regional level.

It is important that the Enterprise Policy is aligned with the National Development Plan (“NDP”), the National Planning Framework (“NPF”), the RSES and the Regional Enterprise Plan for Ireland’s North-West region to 2024 to ensure that the enormous opportunity for the North Western Region is realised.

To take full advantage of this opportunity, the Enterprise Policy needs to be cognisant of the potential of this opportunity and the key role which a redeveloped Port and a regenerated city centre in Galway could play in realising this opportunity.

## **Conclusion**

Both the proposed port extension and the development of the Inner Docklands (which will be fully enabled by the port relocation) will be major facilitators of continued Enterprise growth in the region. Both projects, when completed, will:

- Open the region up to the global markets, new and innovative industries;
- Attract and retain high calibre talent in the region;
- Allow Enterprise to scale locally, driving economic growth in the region;
- Help drive green initiatives in the Region;



- Allow companies to meet their Sustainable Development Goals locally, and
- Act as a lever to deliver on enterprise policy objectives and to align to Regional, National and European policy objectives.

GHC believe that both infrastructure projects will be transformational to the city and region, will facilitate the region in aligning with policy and sustainability objectives and will allow for the sustainable growth of enterprise in the region into the future.

As such, we believe that the White Paper should reflect the important role of Ports, including Galway, to the renewable energy opportunity off our Atlantic Coast and that it should support the regeneration of inner-city lands in regional cities as envisaged by GHC's plans and the wider policy objectives outlined in the NPF.



## **Public consultation on the preparation of the White Paper on Enterprise Policy**

Department of Enterprise, Trade and Employment

### **Geoscience Ireland Submission**

28 July 2022

Ireland's Economic Recovery Plan 2021 underscored the value of certain types of clusters in achieving national enterprise development objectives including the boosting of innovation, supporting the green transition, digitalisation and closing the productivity gap in the SME sectors, particularly in this era of pandemic, technological and geopolitical disruption.

#### **The Role of Clustering in Economic Development**

Clustering presents a feasible, low-cost (high return on investment) means of scaling Irish firms internationally through curated sectoral knowledge-sharing, collaborative market penetration, leadership self-development and targeted RDI, particularly when aligned with high-level research institutes, such as iCRAG in the geoscience sector, by way of example.

It also provides a pragmatic means of enhancing our national advantages by harnessing the power of the Triple Helix, giving Government and Academia a ready-made mechanism for driving the national enterprise agenda.

By enhancing indigenous enterprise, it further supports the FDI companies upon which the economy of Ireland depends.

Clustering also helps overcome the scaling dilemma that besets Irish companies: lacking a large domestic market, clusters provide indigenous enterprises a way to escape our island boundaries by providing a type of economy of scale / scope.

The new policy emphasis has to be on agility-at-scale, particularly in this age of disruption, where new opportunities arise that suit the nimble new entrant rather than the established player: this leverages the particularly Irish ability to be flexible and to operate overseas in a variety of cultures.

Clusters also facilitate joint export promotion, international market intelligence, sector-specific talent development, and extending the Irish network abroad.

Because fundamentally innovation depends on the productive fusion of ideas, clusters provide an appropriate forum for sparking these ideas, in an environment that has both enough trust and enough challenge: the social bonds play an essential part in creating trust and in causing mutually beneficial ideas to flourish. That said, it is execution that matters, and the right cluster organization can facilitate this through its tendering, market intelligence and alliance-building capabilities.

The clear and sustained success of clusters worldwide (not just Silicon Valley, the Boston Med Tech Corridor, Hollywood, Danish design, Swiss pharma ) points the way clearly: clusters provide a way to simultaneously compete and collaborate, thereby bringing the industry to higher levels, and in so doing, protect careers and social cohesion.

In the disrupted economy, skills-at-speed will be a critical success factor: the active involvement of Government, state agencies and especially the educational sector will be facilitated through clusters: colleges will benefit from real-world exposure and will close the disconnection between what education & training the economy needs and what colleges provide. Government will be better able to react in real time to the ever-faster changes in

technology and business. As Ireland will never have the scale of a super-tanker, we must instead be a fast, agile flotilla, exploring promising new opportunities before they become evident to others. Cluster organisations provide a safe, speedy mechanism whereby relationships are fostered in a conducive environment between sector players, individual researchers / academics and government officials (as distinct to inertial academic institutions and to bureaucratic Government departments).

Some non-obvious cluster organization critical success factors, in our view, are:

1. The ability to know in a deep way the sectoral players, both as individuals and as organisations.
2. The ability to engage productively the key stakeholders at home and abroad (such as the international funding organisations, major clients & prospects, Diplomatic Service members, commercial gatekeepers and key influencers.
3. The ability to forge privileged introductions (in association with DFA and EI, for example)
4. The provision of practical services, such as market intelligence, sector promotion, joint tendering, cataloging of members' expertise, generation of prospective business, personal introductions, representations at industry gatherings, and "brand" promotion.

### **Geoscience Ireland; an Exemplar of a Successful Cluster in Enterprise Growth**

Geoscience Ireland can only speak from its own experience, and that experience has been extremely positive, as confirmed in the attached Indecon report, with over 1,000 jobs created, with combined turnover of €1.24 bn, and €500m in gross added national value, at a total cost over 10 years of just €2.55m. These facts and figures are extracted from the Indecon report on Geoscience Ireland (2021) – see below.

Geoscience Ireland, formed in the aftermath of the 2008 crash, benefitted from close Government support via various departments (such as DETE, DECC, DFA) and especially the sustained support of the Geological Survey of Ireland together with the SFI research centre (iCRAG), and, to a lesser extent, Trinity Business School, showing an example of the Triple Helix in effective action.

### **Key Conclusions of the Indecon Report**

A summary of the key conclusions of Indecon's independent review is presented in the table below.

Summary of Key Conclusions
<ol style="list-style-type: none"> <li>1. <b>Geoscience Ireland is a successful example of an innovative Business Cluster.</b></li> <li>2. <b>Employment in participating companies has expanded significantly in recent years.</b></li> <li>3. <b>The Cluster has resulted in significant non-financial benefits for member companies.</b></li> <li>4. <b>Between 2012 and 2021 total expenditure of €2.55 million has been allocated to the Geoscience business Cluster.</b></li> <li>5. <b>The economic contribution of the Geoscience Cluster is reflected in annual turnover of €1.24 billion of participating companies and this has had wider economic impacts.</b></li> <li>6. <b>In the past 5 years, an estimated 1,031 additional jobs were created by these Geoscience Ireland companies.</b></li> </ol>
<b>Source: Indecon</b>

#### **1. Geoscience Ireland is a Successful Example of an Innovative Business Cluster**

The Geoscience Ireland Programme is an example of a successful business cluster based on collaboration between firms in a related area. The Department of Environment, Climate and Communications, and Geological Survey of Ireland, with support from other Departments, played an important role in the establishment of this innovative project. The importance of such clusters has been recognised in Enterprise 2025 and Future Jobs Ireland, and such collaboration and clustering is designed to support enterprise competitiveness, internationalisation and productivity to secure sustainable jobs and growth. Clustering is a strategic focus for both Enterprise Ireland and IDA Ireland, as a mechanism to strengthen enterprise linkages and spillovers. The Geoscience Ireland cluster is consistent with the European Commission's definition of clusters which defines clusters as: *"groups of specialised enterprises – often SMEs – and other related supporting actors that cooperate*

*closely together in a particular location. In working together SMEs can be more innovative, create more jobs and register more international trademarks and patents than they would alone.”<sup>1</sup>*

**2. Employment in participating companies has expanded significantly in recent years**

Employment of firms within the Geoscience Ireland cluster has increased significantly as additional companies joined the cluster. Indecon estimates indicated that current member firms employed an average of 4,577 over the past three years and there has been an expansion in employment over the past five years up to 2020 of 1,031. As the initial concept of the project was to assist firms with job losses arising from the previous recession, this is an important outcome. The numbers employed also reflect changes in Irish and international demand and developments within individual companies. **Note; More recent data indicates continued job growth by GI companies with combined turnover of €1.3BN and the creation of a further 366 net new jobs in 2021.**

**3. The Cluster has resulted in significant non-financial benefits for Member Companies**

As well as the impact of the Geoscience Ireland Programme on quantified output and employment outcomes, there are significant wider non-financial benefits that have accrued to member companies. These include the benefits of networking and collaborative bidding, and the enhancement of the profile of members, and brand awareness. Geoscience Ireland has also contributed to the educational development and technical expertise of member companies and has created some links with third-level R&D. In addition, Geoscience Ireland membership has enhanced the link between members with government departments and agencies both in Ireland and internationally. This has benefits for companies in opening up market opportunities but has also a potential benefit for policymakers in accessing up-to-date evidence on the sector.

**4. Between 2012 and 2021 a total expenditure of €2.55 million has been allocated to the Geoscience Ireland Business Cluster**

A total of €2.55 million in programme expenditures has been invested in the Geoscience Ireland project. Annual expenditures peaked at €473,044 in 2019 and declined during the COVID-19 pandemic to €105,882 in 2021. Most of the expenditure is accounted for by costs of full-time contractors engaged to run the Programme.

**5. The economic contribution of the Geoscience Ireland Cluster is reflected in turnover of €1.24 billion of the participating companies in 2020 and this has had wider economic impacts**

In addition to recording turnover of €1.24 billion, member companies secured export revenues of over €400 million in 2020. New Indecon estimates from our modelling of the wider economic impacts suggests a gross value added to the Irish economy from member companies of over €550 million. This indicates that the business cluster is an important economic sub-sector within the Irish economy.

**6. In the past 5 years, an estimated 1,031 additional jobs were created by these Geoscience Ireland companies**

Expenditure on the GI programme of over €2 million between 2016 and 2020 has resulted in the creation of an estimated 1,031 additional jobs in GI member companies in that time period.

**Possible Areas for Future Development**

Indecon’s analysis of areas for future development is presented in the table below. These are designed to build on the successes of the project to date.

Areas for Possible Development
<ol style="list-style-type: none"> <li><b>1. It is important that the economic potential of the geoscience sector is recognised.</b></li> <li><b>2. Committed long-term support for the geoscience sector should be considered and there would be benefits in focusing on business development supports.</b></li> <li><b>3. Consideration should be given to how the geoscience sector can continue to contribute to the National Climate Change Objectives.</b></li> <li><b>4. Engagement of Geoscience Ireland within the educational sector should continue to be developed.</b></li> </ol>
<b>Source: Indecon</b>

<sup>1</sup> European Commission - Clusters of Social and Ecological Innovation.  
<https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Clusters+of+Social+and+Ecological+Innovation>



## Economic Policy and Climate Action

The Climate Action Plan 2021 proposes a series of actions for SMEs including the creation of a National Climate Cluster, focusing on circular economy (Action 168). Action 128 strongly promotes the development of Offshore Wind Energy (OWE). Geoscience Ireland supports these objectives and has joined the Enterprise Ireland led OWE cluster GAEL. This cluster promotes the strengths of the Irish supply chain in developing a major low carbon renewable national resource. The sector provides major opportunities for energy export and innovation; GI members are already involved in OWE internationally. Aspects covered are port expansion, foundation design for wind turbines, grid connection route selection and environmental and social impact assessments.

## Conclusions

1. In summary, **cluster organisations work by amplifying, not diluting, the combined resources of member companies, ideally allied to research centres, academic resources and proactive Government.**

They foster innovation, enable smaller companies reach otherwise-inaccessible markets, spur SME productivity (particularly when exposed to smarter practices in larger enterprises) and provide a suitable eco-system for company development, knowledge sharing, joint-venturing and leadership.

2. **Consequently, the promotion of clusters should form an integral part of future enterprise policy, The forthcoming Review of Cluster Policy for the Department of Enterprise by Grant Thornton will, it is hoped, include recommendations to better develop and support clustering in Ireland.** Such measures might usefully address the following;

- Long term funding support by government
- A long term view in relation to clusters which require time to develop collaboration and trust between members
- Part funding by membership fees
- Adequate management structures
- A national coordination agency to develop and monitor clusters.

Work to date by Grant Thornton suggests that clustering is a strong policy lever to foster cooperation processes within and across sectors in order to innovate, develop competitive advantages and advance in international markets. Clusters can be used to align a number of policies such as business attraction; export promotion; market information and disclosure; specialised physical infrastructure; education and workforce training; science and technology infrastructure; setting standards; environmental stewardship; and natural resource protection. Government policies to strengthen the cluster landscape and promote joint actions with other national policies have the potential to improve the innovative and business environment for cluster members.

3. Geoscience Ireland (GI) was launched in late 2012 as a project delivered by Geological Survey Ireland and Enterprise Ireland. In 2022, GI became a Company Limited by Guarantee financed largely by membership fees and (indirectly) by some EU funding. **The successful delivery of GI's long-term operations will require renewed financial support from state agencies.**

Parties should clearly indicate where their responses contain personal information, commercially sensitive information, or confidential information which they would not wish to be released under FOI or otherwise published: Geoscience Ireland has not included any such information.

By; Dermot Duff and Sean Finlay on behalf of Geoscience Ireland.

M. and C. Goeden

**TO: DEPARTMENT OF ENTERPRISE, TRADE AND EMPLOYMENT**  
**RE: PUBLIC CONSULTATION – JULY 2022 WHITE PAPER ON ENTERPRISE**

To Whom It May Concern:

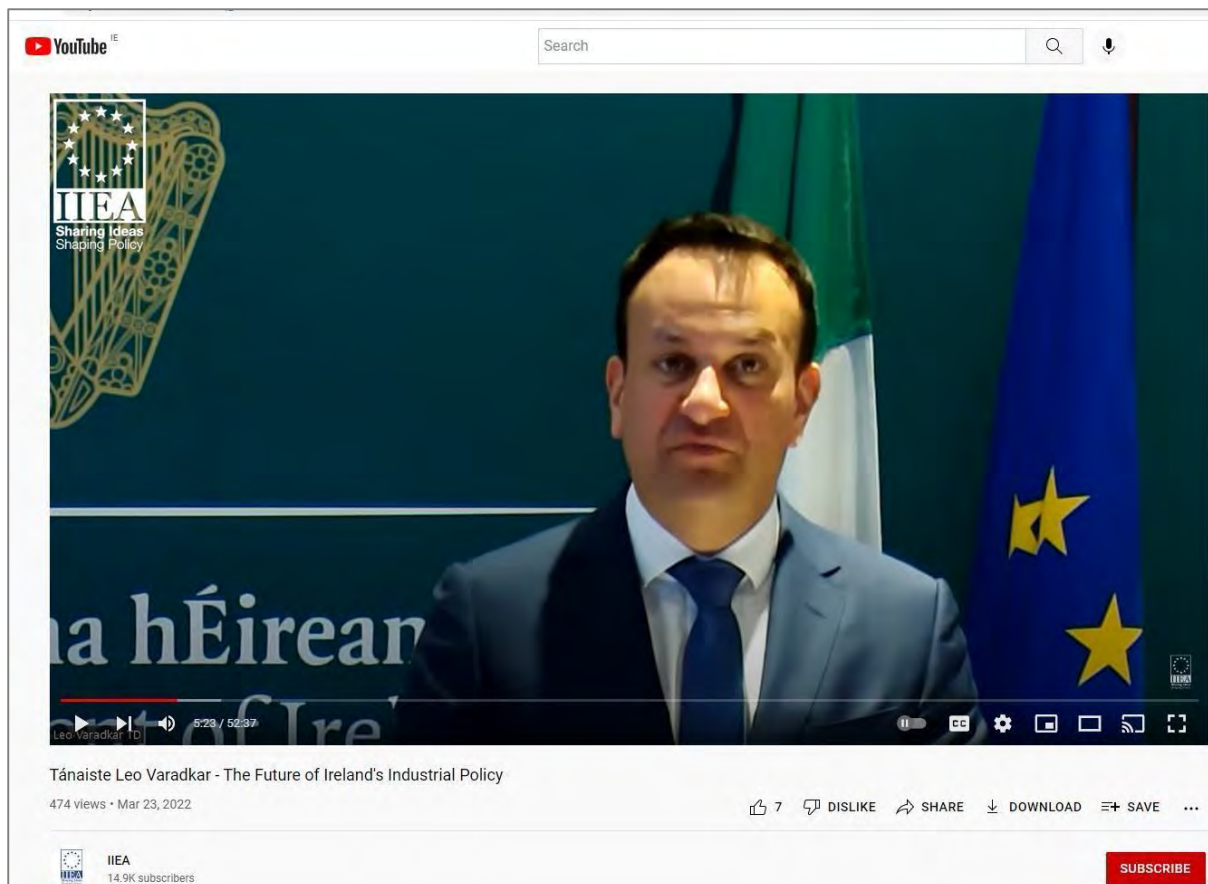
Thank you for the opportunity to comment and provide input to the White Paper on Enterprise.

This is an important white paper as it aims to set out the strategic direction of Irish enterprise, trade and employment policy for the remainder of the decade. As such, it is critical that the public and private consultation, and the development of the white paper and future policy, gives the highest priority to the voice of Irish people (via public consultation and via their elected representatives), Irish businesses and employees, to ensure we create a future that is best “for Ireland”.

Unfortunately, there is a negative voice in the process that needs to be called out and addressed. In conjunction with the public consultation, the Tánaiste and his Department are engaging with an International Panel of Experts, and this panel includes the World Economic Forum (WEF).

The addition of the WEF is not obvious in the public consultation document, however, in March, the Tánaiste conducted a webinar for the International Institute of European Affairs (IIEA) discussing the process for the white paper, and the WEF is identified as a key stakeholder and part of the International Panel of Experts.

YouTube: [https://www.youtube.com/watch?v=qgtSY\\_Soolc](https://www.youtube.com/watch?v=qgtSY_Soolc) From 5:00 to 5:30 minutes.



It is generally understood by both the Irish citizenry and Irish small and medium enterprise (SMEs), that the WEF does not represent the interests of Ireland, Irish business, or the Irish people. The WEF is a networking group sponsored by the world's largest global corporations and wealthy individuals, that seeks to set agendas and influence government policy that ultimately serves and rewards their sponsors and their interests.

The WEF is not independent or objective, nor is it qualified to provide input to Ireland's local Enterprise policy. Taking a lead from groups like the WEF is a dangerous precedent to adopt with respect to important, strategic government policy-making that sets the direction for this country, however we are seeing more of it occurring as the WEF proudly attests that it has "penetrated the [government] cabinets ... with our Young Global Leaders".

Unfortunately, and potentially as a conflict of interest, is the reality that the WEF identified and awarded the Tánaiste the position of a WEF "Young Global Leader" in 2018. As part of this award members (the Tánaiste) have to agree to support and proliferate the mission and ideologies of the WEF, ultimately supporting the WEF sponsors. The Tánaiste is a regular attendee at the WEF networking events.

The Forum of Young Global Leaders is a community of innovators from diverse backgrounds and experiences. Search current members and alumni by year awarded, sector or region.



Status



Year awarded



Sector



Region



**Leo Varadkar**

Tánaiste and Minister for Enterprise, Trade and Employment, Leader of Fine Gael, Department of Enterprise, Trade and Employment of Ireland, Ireland

Young Global Leaders: <https://www.younggloballeaders.org/>

World Economic Forum: <https://www.weforum.org/people/leo-varadkar>

The direction of Ireland's Enterprise policy needs to be determined by "Ireland" via public consultation, via their elected representatives, and Irish business; with inputs from Irish institutions that represent the different stakeholders in the Irish enterprise sector i.e. representative of SMEs across all industry sectors, employee representatives e.g. Unions, Irish-focused researchers and academics, consumer bodies, etc.

International expertise is of course relevant to the development of the white paper, but these entities should be independent and not corrupted by sponsorship and vested interests from global corporations and a minority of wealthy elite.

Ireland's Enterprise policy (and the Irish government for that matter) should not be penetrated and manipulated by globalist ideologies from the WEF that do not serve the best interests of Ireland and its future. The WEF does not represent Ireland, nor the people of Ireland – it predominately represents the interests of its founder, its committees, and its international corporate and individual sponsors.

Our request is that the WEF, a globalist, elitist organization, be removed from the process – to ensure that the white paper focuses on what is best for Ireland, Irish business, and the Irish people.

I look forward to acknowledgement of receipt of our submission.

Yours faithfully,

A solid black rectangular redaction box covering the signature area.

## **Review of Irish Enterprise**

Having developed an enviable reputation and track record in promoting native enterprise I believe that Ireland is seeing a gradual erosion in the factors necessary to promote and sustain Irish start-ups.

An entrepreneur needs four attributes

- Vision, this means market opportunities
- Ability to obtain resources
- Ability to handle uncertainty not risk
- Energy, Enthusiasm and Determination

In addition the entrepreneur needs freedom to act and certainty in terms of rule of law, the role of the state and clear taxation policies.

For decades there were few market opportunities for Irish entrepreneurs. The domestic market was poor and tiny. Access to the EU, globalisation, better communications, improved logistics and a growing domestic market have provided possibilities for generally young persons. But the culture also had to improve and it did.

Simply, as far as possible leave the entrepreneur alone. Let her / him keep as much of the results of their efforts. Do not smother them in rules regulations, red tape. This is what is now happening in Ireland.

### **Background**

For 50 years I have been involved in Entrepreneurship – as an academic in UCD and in setting up more than 20 ventures.

Academic – when I began to lecture in First Commerce in UCD in 1972 in a survey of the 300 students, 280 were going to become accountants, bankers or teachers. I was deeply upset. Together with Frank Roche and the late John Murray we designed a business course over 3 years stressing Native Enterprise.

It worked well. Now of 300 First Years I suspect 200 plus would have aspirations to run their own ventures. Our efforts were actively supported by politicians and bureaucrats who simplified and clarified bureaucracy.

The culture of the 50s, 60s and even 70s was anti-business.

The attitudes of – “All rich people are crooks”. “God will provide” and the classic “Is it not easier for camel to get through the eye of a needle than for a rich man to get into heaven” are all but gone through I was shocked recently to hear a senior, very senior, civil servant saying Ireland was post-industrial and did not need manufacturing or mining. I was helping to pay their salary.

Ingrained beliefs die hard.

## **New Ventures**

Since 1972 I have established or helped establish a number of ventures in Ireland and abroad. For the past 40 years the focus has been on whiskey as well as domestic and overseas exploration start-ups.

What does the Entrepreneur need.

*Vision* – This is the absolute believe that the idea, concept, project, will work, that there is an opportunity to create something that can create value, generate profit.

The Ireland of the 40's / 50's had few opportunities. Since then EFTA, the EU and now the World Wide Web have created huge market opportunities. I suspect that this is the real reason for the huge growth in new Irish ventures – opportunity.

*Gather the Resources* – Money, management, technology. Politicians and bureaucrats get hung up on money. Of course entrepreneurs will plead for Free Money, but you need to build an organisation and acquire the technology. Ireland has really improved in all three areas. Multinationals are a fertile breeding ground for management and organisational

skills. The huge increase in business courses, not all good, do provide basic skills and understanding.

The technical skills are also easier to acquire either by hiring them in or by licencing etc.

*Handle Uncertainty* – Note this is uncertainty – Not knowing what you don't know. Not Risk! It is said that ½ of 1% of people have the makeup to be entrepreneurs but no-one knows how to identify them. I strongly support this.

Very very few people can handle uncertainty. It is living with stress. That is business. Things go wrong – all of the time. Worse than that, things go wrong that should not or, even, cannot go wrong. An entrepreneur has to be able to handle this. It is here that the state can help by reducing security risks social risks and governance. Ideally, leave us alone to get on with it. I know that is a Utopian View.

*Energy & Determination* – This is an almost universal trait in entrepreneurs. Entrepreneurs thrive on the challenge of their own ventures. Challenges are there to be solved. Five day weeks, fixed hours etc are meaningless.

*What has been happening in recent years and what can the State do about it.*

In the name of transparency and governance there are a myriad of new regulations. To what end. Do any of you really believe that the various civil servants read the thousands of pages sent to them? Bureaucracy is growing – rapidly. It costs money and time neither of which the entrepreneur can spare. Cut red tape.

Secondly, let the entrepreneur keep more of what she / he earns. There are two parts to this. Personal income tax could allow for reliefs on investment in their own business. The EIS scheme does not allow this. Additionally if and when entrepreneurs sell some or part of their holdings, there could be Capital Gains exemptions. The current limit of €1 million is far too small.



### *Summary*

The past 40 / 50 years have been very positive of Irish Entrepreneurship. Recently there has been a noticeable rise in anti-business sentiment at various political and bureaucratic levels. This must stop. A culture of admiration of entrepreneurial success need to be fostered.

The levels of form filling are having a significant impact on time and cost for start-ups. Start-ups need to be exempted.

Finally, allow entrepreneur to keep more of their gains. They will reinvest it anyway.

John Teeling

Chairman

Great Northern Distillery

## **Submission from Róisín Garvey, Green Party Spokesperson on Enterprise, Trade and Employment, to the Public Consultation on the preparation of the White Paper on Enterprise**

Currently, incentives are out of sync with what is sustainable, with where we know businesses want to go. It is the Government's job to make it cheaper and easier for businesses to do the right thing, so that the green option is the default. Businesses, small and large, want to lead on the transition to a zero-carbon, circular economy, but we still have a long way to go in supporting them to do that. This transition is an opportunity that cannot be missed by any business, and will not pass by any business without fundamentally altering it, whether that is through supply chain changes, technological advances or regulatory changes.

Our job is to create win-win-win situations for businesses, communities and the climate.

We are at a critical juncture in this journey. Legally-binding emissions reductions targets for the country have been agreed and enterprise will need to do its fair share. From our work on the ground, we in the Green Party know that many small businesses are struggling with inflation, supply chain issues and staffing shortages, among other problems. They need to be supported as much as possible by being rewarded for taking early actions that move us towards a more sustainable economy. The Government's priorities must be:

### **1. Going beyond supports currently offered by Local Enterprise Offices, Enterprise Ireland and the Industrial Development Authority**

Existing supports provided to SMEs are a good start, but they need to properly support businesses in their decarbonisation journey, by helping to produce realistic and ambitious plans for decarbonisation, help to identify areas where businesses could save money by going green, and by providing a one-stop-shop service for government supports related to retrofitting, renewable heat, and energy efficiency.

There are important reasons for businesses to decarbonise beyond just climate reasons. As all business owners know, the costs of heat and electricity have increased significantly recently; the only clear route out of this is in reducing our reliance on fossil fuels.

Speed is essential. Progress on apprenticeships is positive but meeting our requirements will require a renewed focus on training and education. We need to train the trainers and we need to train the builders.

### **2. Ensuring increased participation in the workforce for everyone**

The move towards greater remote working has helped to ensure we have the largest workforce ever and greater participation for under-represented groups in the economy. Women in particular benefitted from remote working, as the proportion of women who are employed has skyrocketed compared to pre-Covid levels (23.1% increase for women aged 35-44, and 21.1% increase for women aged 45-54, according to the CSO). Remote work hubs in towns and villages act as a solution in this respect as well. Given current staffing shortages in many areas, the move towards remote working presents a win-win-win situation for businesses, employees and the climate.

### **3. Helping businesses to be resilient to challenges ahead**

There must be a level playing-field among different corporate forms. There is a challenge in recognising the unique features of different corporate forms, and harmonising their treatment as much as practicable, including in relation to green grants. Some of our most resilient businesses are co-operatives, for whom legislation changes will be pivotal in the coming months.

Several sectors will become more prominent in the green and digital transition that is to come, such as in the circular economy, clean transportation, and, green research and development. Ireland should become a world leader in fostering businesses in these and other related areas.

### **4. Greening our tax and regulatory environment**

Our tax and regulatory policies are essential to supporting the sustainable development of Irish enterprise. The full range of tax measures such as accelerated capital allowances for energy efficient equipment, R&D tax credits, benefit in kind and income tax reliefs such as the Bike to Work scheme should be refined and expanded on to ensure they meet our needs. A whole-of-government approach needs to be taken to improve the regulation of businesses in every sector of the economy. Regulations should be streamlined where appropriate and strengthened when they are lacking. Key to this approach will be ensuring adequate enforcement capability across all Government agencies.

The Government must also work with other EU countries to advance reforms in sustainable finance to protect both investors and consumers from greenwashing.

Ireland must capitalise on the opportunity of being an early mover on the switch to a more sustainable economy, focused on the wellbeing of all our people. The Government must pull every lever available to it to achieve that – including business grants, knowledge and skills policy, tax, regulation and cooperation with other EU member states. We want businesses to thrive in a zero-carbon, circular economy.

## D. Griffith

### Enterprise Strategy

Ireland can be proud of its enterprise sector. It was the engine for a rapid recovery from the financial crisis. More recently, it cushioned the financial impact from the pandemic. The latest report from the IDA demonstrates extraordinary resilience.

My comment (made from the sidelines as I am retired from the commercial world) is tangential to enterprise strategy itself, but perhaps relevant to the wider resource challenges we face to remain an attractive place to work, live and raise a family for as many of our people as possible

Much has been written of late about 'Working from Anywhere' and its name variants. Opinion remains divided across the stakeholders.

My intuitive sense is that, thoughtfully implemented with significant whole of government policy input it could play a valuable role in providing additional lifestyle choices and cheaper housing options at different stages of people's careers. Maybe Ireland's attributes such as small size, low density, some good long distance infrastructure, uneven development, temperate climate and the natural attractions of many coastal and inland areas would give us an edge, especially against a background of exceptionally high house prices (and often long commutes) in currently favoured areas.

I was particularly struck by a recent talk and subsequent Q&A session delivered to the IIEA in Dublin by Professor Prithwiraj (Raj) Choudhury of Harvard. His study of this topic, albeit from a US perspective goes back some years. He addresses some of the frequently mentioned drawbacks. A recording is attached, but unfortunately the Q&A is not included.

I have no expertise in this area and am sure Government is already researching it in detail. It would be exciting if this innovation, whose profile and feasibility was boosted by the pandemic might enhance the lives and livelihoods of some of our people and make Ireland more attractive for many wishing to return here but unable to make the economics work for them. The same applies to the many planning/tempted to leave. My sense is that Government's, and especially Local Government's role, working well as we have in the past with the other stakeholders could make this an enduring feature of Irish life.



<https://www.iiea.com/events/the-future-of-remote-working-working-from-anywhere>

Background . in 2003/4 , I was a member of the Enterprise Strategy Group whose report was entitled "Ahead of the Curve"

Hogan, P

Isreal is known as the innovation nation, Isreal also has mandatory conscription into the military, Isreal has Unit 8200 which delivers billions to the Isreali economy from unicorn tech startups. As Benjamin Netanyahu says; Cyber is the real domain of power. Cyber, intelligence and hi tech espionage make Isreal the most powerful innovative economy in the middle East. Isreal is the Nexus of the internet and the 4th industrial revolution.

America stole 600 patents off the British in world war 2 and became the global leaders in tech innovation which propelled America to the leaders of the world economy in the unipolar world order. America has mandatory conscription and DARPA. So what I suggest is that Ireland's policy should be mandatory military conscription, high tech espionage and use Shannon airport to traffic drugs and humans around the world and finally bribe our way onto the most important human rights council seats of the UN.

Kind regards

■



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## Submission on Enterprise towards 2030

We need to look at leadership in business to meet our objectives over the next number of years. In Ireland our people were always one of our greatest strengths. Our education system 20 years ago provided Ireland with a competitive edge. A balance between trades and third level opportunities which will provide the requirements of business and opportunities for people leaving education. We need to have a coordinated effort to meet our short-term goals which are aimed at our vision of what we need to achieve in an open economy on the West of Europe in the EU with the UK not in the EU. We need to play to our strengths and take advantage of our location and our strengths. We need to have people leaving our education system with the skills required to go into our companies and use their skills to their benefit, the benefit of the employer, the employers' customers and society.

We need to consider the green and digital transitions with Hybrid working. We want diversity and equality with a competency-based criteria so that we get the best people for a particular role in that place doing that job. This is good for everyone and rewards innovation. We may want fair discrimination but call it that. Government policy should support this and not inhibit this.

Our department of enterprise has Local Enterprise Offices and excellent supports, however there are simple areas for improvement, while it is an exception, there are individuals with senior roles in enterprise and local businesses need to find a way around them to progress and on one hand their role is to support business they are not approachable by small businesses and seem to resent small operators. It is impossible to prevent this ever happening but recruitment at this level and monitoring at key points at this level is important to reduce poor performance with no consequences in these roles. Simple feedback from small businesses on interaction with state funded support could identify issues and allow for action to be taken and remove barriers to small business where there is supposed to be assistance.

Training for managers and leaders on a positive approach is proven to be vital and there are many examples of companies who have a people first approach and by looking after the people they actually made more money. All we have to look at some of the world leading biggest companies in the world today. Often, we as business owners are the problem and we wrongly blame the employees, we say the people are the problem when in fact it is us. If we provide the right environment, we get average people to achieve great things and if there are a poor environment good people behave badly so we have a big part to play in making sure we do everything possible to create a positive work environment.

Businesses to grow needs a vision, people in their lives need a meaning which will help deal with challenging times and challenging times will come as we have seen. This simple message will help in business and in our life outside work also. This is not just psychological but also physiological, our brains are built and release chemicals, oxytocin is released in our brain when we help others and work in teams, when we serve people, and we are social animals. This is the fuzzy feel-good feeling when we are treated well or the feel-good feeling when we help others or even when we see others getting help. Dopamine is released in our brain when we reach our goals, this is highly addictive, and it gives us a kick when we mark off a to do list or achieve an objective or earn our bonus. We release endorphins to mask our pain or when we push our bodies in physical exercise. We also produce serotonin which is affected by our status and recognition in society. It is better for us to work than to get free hand outs and we need this feeling that we are contributing for our mental health. Other animals form structures based on competence, and they were around before there were trees on this earth. This supports the recruitment process used today where we score interviews on competence and ability to do the role and removes any question of inequality. We can interfere with this, but we need to be



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aware that this is what we are doing and justify this. This is an important consideration in any enterprise vision for Government.

We can have our own vision, but we don't need to we can tag on to another vision by an employer or government. This is an opportunity to create a vision the people can buy into. This is not like a goal. The vision need not be achieved like Martin Luther Kings vision is not yet achieved but we are all happy to work towards his vision, the government should have an ambitious vision that may not be achieved in generations but all the goals on the way will be working towards it. We are working animals and we need to work; a lot of research has gone into this, and all the HR processes are designed to provide clarity on where we stand and we need to know this, we also need goals to work towards and we need a vision which these goals are working towards.

We are not perfect humans, but we need to get all our best people in the right place and by doing this we can meet our goals and work towards our vision. There is no downside to this, everyone can benefit from an effective enterprise plan for the country that meets its needs. The way we achieve our goals and vision is vital. What is our ethos and the business ethics we have; how do we value our people? We need to train our managers and leaders, so they know that we need to get buy in from our employees to get the best from our employees. This is not like twisting a towel to get the most out of it but working with people and treating them like we would like any family member of ours or a loved one to be treated. We can give instruction and an employee will do what they are told but if our employees appreciate why we exist and what we are trying to achieve and we create a good working environment we will not only have their hands, but we will have their heads and their hearts as well. This will create an environment where terms and conditions will be better, our companies will be more competitive, and our country can be a world leader in how to conduct effective business in a positive way in an environment where people are happy.

Paul Mc Glynn  
HR Consultant  
HRS Consultants





# Submission to the White Paper on Enterprise

July 2022

# Ibec Vision for Enterprise Policy

Society and economies are facing a period of unprecedented disruption. Accelerating technology trends coupled with uncertain geopolitical developments and the magnitude of the global climate challenge, means that Irish enterprise will experience a decade of great change. In this context, enterprise policy will need to be agile and adaptive to the many challenges and opportunities which will emerge over the coming years.

Ibec believes that the overall purpose of our national enterprise policy is to embed prosperity and fairness in our society, by creating the conditions for value creation which optimise the country's full pool of talent and enterprise potential through a business model of sustainable substance. Social goals should be at the core of enterprise policy while recognising that prosperity and societal well-being can only be achieved through the fruits of a successful enterprise sector. Talent as much as corporations will determine the future location of the highest value creating economic activity and Ireland must successfully frame a whole of Government approach to be the best place to attract, retain and develop top talent. Ireland becoming a leading innovation performer must be central to this vision and this will require a significant step-change from the current trajectory. Ireland's success is underpinned by openness to trade and investment, for both SMEs and larger firms, and it will be important for enterprise policy to support this position at EU and international level as we face the challenges ahead.

## Approach to enterprise policy

Ibec supports a targeted horizontal approach to enterprise policy. This means that the national enterprise strategy should avoid making big bets on a small number of sectoral or technological 'winners' to be followed come what will. Rather the primary focus should be on improving the overall business environment in specific and deliberate ways. Only by these improvements in the overall business environment, can we ensure that we embed sufficient resilience, agility and openness to adapt to shifting global trends and technology.

This approach does not mean prioritisation is irrelevant. Path dependency, geography, technological proximity and capabilities mean that Ireland's economy will be more suited to some trends than others. But these capabilities and proximities can and will change over time, often rapidly. In this context, we should think of overall enterprise policy as providing a long-term strategic focus to getting the basic capabilities right, whilst allowing for policy to take a portfolio approach to economic opportunities which remains diverse, adaptable and open to change.

Maintaining this portfolio approach will involve ongoing collaboration, iteration and learning between the private sector and Government about how best to exploit opportunities which emerge, as they emerge. This should be driven by bottom-up institutions rather than top-down. Developing the basic capabilities and institutions will allow us to capitalise on and integrate the outcomes of that iterative process in a responsive manner.

## Key enablers

The major challenge to this approach to industrial policy is that there is a significant range of potential horizontal levers for policy to adopt when pursuing the overall strategy. In the context of constrained state capacity, we believe that horizontal enterprise policy should focus on driving progress of a few key enablers.

Firstly, Ireland is increasingly competing in an intangible economy. This means competing more intensely for creating and **embedding internationally mobile talent, knowledge and capital** in the economy. In this context, a horizontal focus should be on individuals and communities as much as companies or sectors. This means an intense focus on key policy areas such as education, skills, taxation, intellectual property, and migration policy. However, a ‘talent’ centric policy goes further and focuses on other areas such as making Ireland a desirable place to live. This requires more ambitious investment not just in ‘hard’ infrastructure like transport, public amenities, broadband, housing and the public realm, but also ‘soft’ infrastructure like community amenities, childcare and long-term care, openness, the Experience Economy, and the environment.

Secondly, Ireland has an opportunity to vastly improve our relative performance when it comes to the **enhancing our innovation, digital and AI capabilities**. These areas include skills at all ages, support for research and development, infrastructure, regulatory coherence and resourcing and a host of other areas. A focus on these drivers can help not just to drive leading edge technological work in Ireland but as importantly it can greatly improve the ability of Irish workers and organisations to adopt and adapt successfully to the twin digital and green transitions. A focus on adoption as well as creation will be crucial in embedding broad based growth and future proofing our competitiveness.

Thirdly, we should focus on **driving sustainability** across our business model. Over the last number of years there has been a growing movement within Ibec members and business globally to consider the impact of their operations, not just in terms of maximising returns but in generating returns in a way which balances economic, environmental, social and governance goals. Some of this change has been driven by the demands of citizens and consumers, others by political or regulatory change, but through it all is a growing prioritisation within companies themselves, from employees to management teams.

Being connected to broader goals – in areas such as social policy, the low carbon transition and the circular economy - when defining our enterprise strategy will become central to investment decisions and supporting value added products in this new ‘Environmental, Social, and (Corporate) Governance’ (ESG) conscious society.

The final set of enablers should focus on **promoting dynamism and resilience** in our economy. Ireland, as a small open island economy inside the EU, is extremely sensitive to external pressures. We also maintain little control over either fiscal or monetary policy. Therefore, we must focus with greater intensity on championing ‘open’ strategic autonomy at EU level, managing Brexit and the policy levers we have here at home. Recent events have again focused minds across the business community on the perennial challenges of cost, productivity and resilience in business models. Increasingly we must also view all island issues as central to enterprise policy. Irish business is placing ever greater focus on all island economic opportunities and all elements of government policy must support this.

Our economy is often also characterised as ‘two-tier’. We face significant productivity gaps between traded sectors characterised by ‘superstar’ firms linked into global value chains and both the indigenous export sector and a domestic facing economy which provides important lifestyle services, such as in the Experience Economy, and employment opportunities but are challenged relative to European norms on both cost base and productivity. It is crucial we focus on embedding strong competition and the better regulation agenda, support productivity and resilience and maintain real control and coordination of our own cost base in the new enterprise strategy.

## Institutions

The institutional make-up of Ireland's enterprise support agencies will be crucial in enabling any new enterprise strategy. The last major change to the structure of our enterprise agencies at a national level was the 1998 merger of Forbairt and An Bord Tráchtála to found Enterprise Ireland. At a local level, the last innovation was the 2012 dissolution of the County & City Enterprise Boards to create the Local Enterprise Office (LEO) structure.

There are currently over 10 agencies at a national level with direct responsibility for part of the total agency support to businesses with dozens more agencies, state funded bodies, groups and networks at local and regional level. Some of these take overall national perspectives whilst others are based on geographical, sectoral or policy specific considerations.

Given the long number of decades over which the current set of agencies and networks has developed it is important that these are reviewed regarding their best alignment. This review should take a customer centric approach. That is, it should focus on the appropriate makeup of enterprise support agencies and structures to reflect the changing face of Irish business. This should also be aligned with the goals of the new national enterprise policy.

Ibec's view is that whilst there is a clear delineation of enterprise agencies into outward facing growth and inward investment there is a significant gap for companies facing the domestic market alone. As it stands, these companies fall between multiple agencies or none. There needs to be a national co-ordinating agency with equal status to the IDA and Enterprise Ireland, to focus exclusively on the domestic facing enterprise base. The importance of embedding the key enablers we have identified for the new national enterprise strategy in these enterprises is hugely important. Enhancement of the institutional support for these firms would help improve productivity and reduce costs across the economy, whilst also allowing for broader based growth and prosperity.

Regional knowledge and engagement are crucial to both embedding and making the most of enterprise strategy. Whilst overall policy in Ireland is highly centralised it is important that agencies and regional actors are given sufficient latitude and independence to follow paths based on engagement and learning from local industry and stakeholders. Positive examples have grown across the country in recent years and with greater empowerment can support this bottom-up, iterative approach to learning and exploring opportunities. It is crucial that these actors are empowered and engaged at a regional level.

Finally, efficient regulation, transparent processes and consistent standards are crucial to competitiveness in the modern globalised economy. It is key that - from support agencies to regulatory bodies - the State properly resources relevant bodies to undertake their work which is central to the wider enterprise ecosystem.



## About Ibec

Ibec is Ireland's largest lobby group and business representative. We campaign for real changes to the policies that matter most to business. Policy is shaped by our diverse membership, who are home grown, multinational, big and small and employ 70% of the private sector workforce in Ireland. With 39 trade associations covering a range of industry sectors, 6 offices around Ireland as well as an office in Brussels. With over 270 employees, Ibec communicates the Irish business voice to key stakeholders at home and abroad. Ibec also provides a wide range of professional services and management training to members on all aspects of human resource management, occupational health and safety, employee relations and employment law.

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# **Submission to Consultation on Enterprise Policy**

by



**July, 2022**

## INTRODUCTION

The ITOA is the representative Association for the Inbound Tour Operating sector in Ireland. Members offer a comprehensive range of services and packaged holiday programs for group and individual holiday makers and promotable business tourism visitors (Incentive, Corporate Meetings and Association Conferences) working with over 4,000 global travel trade partners.

Prior to COVID, collectively **ITOA members deliver 705,000 high value international visitors** to Ireland annually. Our 36 Irish companies delivered

- 11% of Ireland's overseas visitors, both holidaymakers and business tourism visitors
  - 415,000 escorted group touring & 230,500 independent travel & chauffeur-drive holidays
  - 59,500 Conference, Meeting & Incentive visitors
- **Generating €600 million** to Irish tourism businesses and the wider economy
- **Collectively spend €12.5M marketing Ireland internationally**, then equivalent to 33% of Tourism Ireland's international marketing budget
- **ITOA visitors stay longer and spend more** - average length of stay 8 nights and tourists that spend +20% more than the national average at €904
- Tour operators **provide the strongest distribution channel of visitors to regional Ireland**, with 63% of all ITOA holidaymakers visiting the regions
- ITOA members **employed 871 people and support 22,500 jobs** within the wider tourism economy
- **4,000 international travel trade partners regard ITOA members as trusted providers** and experts on Ireland packaged holiday and business tourism products
- Large numbers of **tourism businesses are reliant on ITOA members business**: coach and chauffeur drive companies, accommodation providers, tour guides, visitor attractions, entertainment venues, restaurants, and pubs.
- **Future Pipeline of Business**
- **2022 currently @ 60% of 2019 levels = €360 Million revenue and 420,000 visitor numbers.**
- **2022 – 2024 business pipeline value of €1.4 Billion and 1.65 Million visitors over 3 years.**

### Tourism Economic Context – An Export Industry

Irish tourism is an internationally trade service. 75% of tourism revenue is generated from overseas visitors. It is an indigenous sub-set of Ireland's service sector that has rapidly expanded in the past decade delivering:

- **€9.5 billion annual earnings** predominantly from €5.6bn export sales in the country, plus €1.8bn fares paid by visitors to Irish carriers, while domestic visitor expenditure

amounted to €2.1bn<sup>1</sup>. Tourism export earnings grew by 9.16% CAGR between 2013 and 2018.

- **265,000 jobs** supported by tourism, having expanded at CAGR 2.15%, outpacing the growth (CAGR 0.25%) in overall employment between 2008-2018<sup>2</sup>. Tourism is critically important in areas with limited employment opportunities in alternative sectors.
- **Over 20,000 enterprises** are engaged in the sector, almost exclusively Irish owned and operated. Micro and small enterprises dominate with few large enterprises.
- **Tourism is critical to regional economic development** with 70% of jobs in tourism located in the regions, based on 60% and 85% of expenditure by out of state and domestic visitors respectively takes place. The South West, West and North West regions are most reliant on tourism with above average share of enterprises and employment<sup>3</sup>.
- **Value added from export earnings.** 89% of tourism exports generate domestic value, compared with 81% for overall exports, with more than a third of the tourism value added coming from indirect impacts, reflecting the breadth and depth to linkages between tourism and other sectors<sup>4</sup>.
- **€2.2bn Exchequer receipts:** €1.8bn through taxation of tourism expenditure plus fares to Irish carriers, accounting for 3.7% of all tax revenue<sup>5</sup>.

### **Tourism – Impact of the Pandemic**

The tourism industry was disproportionately impacted by the pandemic. According to ITIC research Irish tourism is estimated to have lost an estimated €12bn in tourism receipts due to a particularly harsh regime of travel restrictions. This impact was acutely felt by ITOA members, whose sole business is derived from international arrivals thus the effective closure of businesses during 2020/2021. Our members and the tourism industry have survived thanks to the extensive suite of government supports such as the EWSS, business continuity grants, taxation warehouses and low interest loans. The legacy of COVID impact remains with significant challenges due to reduced cash reserves, impaired balance sheets and reduced ability to prepay debt or borrow.

### **Recovery – Opportunities & Challenges**

2022 could best be described as an anomalous year for international tourism with a unique post-pandemic demand patten at unexpectedly high levels and shorter booking lead time, due too to increased household savings and deferral of trips previously booked for 2020 and 2021. Ireland is currently experiencing some supply side pinch points, largely due to labour issues coupled with reduced accommodation and car rental capacities. With a deterioration macroeconomic environment, against the background of the ongoing conflict in Ukraine and

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<sup>1</sup> CSO / Failte Ireland data

<sup>2</sup> CSO 'Accommodation & Food services' data as proxy

<sup>3</sup> CSO & Failte Ireland data

<sup>4</sup> OECD Trade in Value Added (TiVA) framework, 2019

<sup>5</sup> Failte Ireland *Tourism Facts 2019*



dampening consumer sentiment globally, 2023 is shaping up as a more challenging year, most likely pushing back full recovery to pre-pandemic levels of demand to 2025/'26.

Despite the short-term headwinds and the medium-term uncertainty, the longer-term trajectory is for continued growth in demand for international travel. The World Travel and Tourism Councils latest EIR forecasts global travel and tourism sector (GDP) to grow at an average 5.8% annual rate out to 2032, outstripping global economic growth and accounting for one in three of all new jobs created globally. The positive factors expected to drive the continuing upward growth include changing demographics, rising standards of living, improved connectivity, and technological innovations. The primary challenges include sustainability, destination investment, innovation and skills, which are likely to transform the face of tourism over the next 20 years.

The result is likely to be as yet unseen challenges and opportunities for Ireland with the potential to increase the sector's economic importance as the enterprise landscape changes within the country. Exploring and planning for implications of the trends need to inform enterprise policy to shape the future for tourism. This will ensure that Ireland not only maintains its competitive positioning but grows the economic benefits. A key to achieving these benefits is the integration of tourism enterprises into the national indigenous economic value chains and enabling environments. Tourism, while exposed to a range of external impacts, has proven to be a resilient sector of the economy.

While the afore mentioned opportunities presented by the expected growth trajectory in international travel, Irish tourism faces a range of specific challenges. These include the complexity of tourism policy development due to its cross-cutting, multi-level, and fragmented nature, and competing national policy priorities and budgetary constraints; and the exposure of tourism to external factors, including macro-economic conditions and natural disasters.

In common with other enterprise sectors, especially those composed primarily of SMEs, tourism enterprises face similar challenges. These include sustainability, transformative digitisation, access to finance and skills.

Of particular priority in the short to medium term is to ensure that Ireland can remain competitive, the need to address the green agenda, ensure an adequate skills base in a tight labour market and improve productivity while maintaining the high quality of our tourism product and experience offering.

Sustainable growth of tourism will require enterprises to adopt best practices to deliver their contribution to national targets on emissions and best environmental practices to safeguard the quality of the visitor experience; to attract and retain people into the industry providing the training, and skills development to deliver career opportunities and quality employment and improving productivity through investment, technology, management practices and access to new markets.

## **Responsibility For Tourism Enterprise Policy**

The horizontal cross-cutting nature of tourism represents a challenge as to the optimum placing of political and administrative responsibility for tourism within national government structures. While transport, heritage, culture, the natural environment, and sports each have a contributory role in the visitor experience, a review of international best practice shows that in more than half of OECD member states responsibility for tourism now resides within an economic ministry.

## **Conclusions – Enterprise Policy Development**

The development of a comprehensive and coherent enterprise policy should recognise tourism as an important indigenous sector of Ireland's enterprise economy. Tourism has the potential to deliver a greater contribution to economic growth, particularly in respect of spatial distribution, regional economic, social and environmental development. A medium to longer term policy framework would improve the prospects for investment in the sector.

- A unified national SME and entrepreneurial policy, together with a multi-pronged approach, is necessary to increase productivity in the sector. Tourism enterprises should have access to a range of supports equal to that available to businesses in other sectors.
- Future enterprise policy and strategic objectives should include specific targets for tourism transitioning from visitor volume as a primary benchmark to value, including value added contribution.
- The tourism sector requires a new set of metrics to meet data gaps and measurement challenges to improve the monitoring of performance with a focus on measuring the economic contribution, including TSA, together with real time performance indicators.
- Consideration should be given to tourism's Political leadership and administrative responsibility transferring to an economic portfolio, the Department of Enterprise, Trade and Employment.



# **IRDG Submission on the Future Direction of Enterprise Policy**

July 29<sup>th</sup> 2022

## Introduction

*“While capital is a condition precedent to, it is not a sufficient condition for, economic progress. More is required – the adoption of improved methods and techniques, the loosening of restrictive practices, the rising of the general level of technical education, the stimulation of new ideas, etc.”*

*T.K. Whittaker, Programme for Economic Expansion, 1958*

Research and Innovation are key drivers of economic progress and are fundamental to addressing our key policy challenges including climate change. Strengthening and deepening Research, Development, and Innovation (RDI) capacity is essential if Ireland is to continue to thrive in a world that is greener, and more digital.

With the increasing impact of economic shocks and the urgency of addressing climate change, there has never been a more critical time to expand investment in Research and Innovation and drive progress across enterprise.

## IRDG Overview

The Industry Research & Development Group (IRDG) is a not-for-profit, business-led, innovation network for companies engaged in research, development and innovation (RDI) in Ireland. Founded in 1992, IRDG’s mission is to drive excellence in innovation within Ireland’s industry to create growth, jobs and prosperity. IRDG is the only business organisation in Ireland wholly focused on business RDI. Our over 300 member companies are distributed between foreign direct investment and indigenous firms, ranging in size from start-ups to the largest companies in Ireland with a diversity of membership across all sectors of industry. Our submission is based on conversations and surveys with our members.

## Skills for Enterprise Success

**Address the skills gap, particularly within SME management in terms of Innovation, Sustainability and Digitalisation.**

SMEs often see Innovation, Sustainability and Digitalisation as ‘nice-to-haves’. For companies who can see the long-term benefit, these investments are expensive, especially in terms of infrastructure and resourcing. Quite often, these roles are ‘tagged-on’ to other established roles within the business. Frequently these roles do not have the time or skillset to tangibly deliver impact for the business within the focus areas. A structured programme to upskill and partially fund, for example, an Innovation Champion within a business would go a long way to addressing these skills gap.

A recent survey by IRDG highlighted that 44% of companies report a lack of resources and 39% a lack of access to skills and talent as major barriers to research and innovation. Recommendations to address this include the following:

1. Incentivise companies to hire new talent / internship programme.
2. Provide support to insert innovation managers in companies. This could follow the example of the Enterprise Ireland IP Strategy offer.

3. Support workplace innovation projects through Business Innovation grant.
4. Provide training for innovation in a remote working environment
5. Support greater adoption of ISO innovation management frameworks without imposing an additional administrative burden on businesses.
6. Support existing and emerging leaders with advice and training on how to become more future-focussed.

**Prepare the next generation of MSc & PhD graduates to have the skills necessary to enter the business world.**

Ireland is producing well educated and skilled Master's and PhD graduates. The HEI system cannot accommodate long term academic careers for all these graduates. A formalised delivery of business focussed training to these graduates in their final year would deliver significant impact to Ireland's business and start-up community. These could be akin to the 'Spin-Up' programmes delivered across UK institutes and pan-European networks such as the postdoctoral training networks.

**Bridge the innovation gap between indigenous and FDI firms when it comes to RD&I expenditure and activity.**

The business sector is the key driver of RDI activity in Ireland, accounting for almost three quarters of RDI investment. While indigenous firms account for over 70% of RDI in Ireland, they account for less than a third of business investment in RDI. SME's see investment in RDI as expensive and highly risky, with too long term a horizon to achieve payback. To change this requires a systemic change in thinking for Senior Management and business owners alike to the value that RDI investment can bring.

Successful collaboration between industry and academia is critical if the full value of investment in the public RDI system is to be realised. SMEs still struggle with academic collaboration.

1. A particular gap exists for pre-revenue, investor funded companies that are designated as 'undertakings in difficulty' and cannot access state RDI supports. This is causing an inability to compete for companies with a long product development lifecycle. This should be addressed quickly if Ireland is to grow a research-intensive pipeline of start-up companies.
2. There is no national funding mechanism that directly supports established SMEs to collaborate with a university on PhD level work. A national funding mechanism should allow direct collaboration with third level institutions.
3. A post-doctoral level scheme for SMEs would bring significant benefits. The SFI Industrial Fellowship scheme goes some of the way. Open, rolling funding schemes are required to meet industrial timelines.

Post covid, multinationals (MNC's) are evaluating their supply chains. This presents huge opportunities for Irish SMEs and a "Green Sourcing Forum" where CEOs can identify potential areas for Irish based MNCs to strengthen supply chains by supporting local firms, stimulating collaboration and innovation. A relationship-based approach would need to be taken here for this to succeed.

## Investment to underpin progress

**Improve Ireland's Innovation Ranking. This can be achieved by delivering on the stated R&D investment target of 2.5% GNP by 2025.**

Across innovation indices, Ireland has slid down the ranks (from 9<sup>th</sup> to 12<sup>th</sup> place). Expenditure on RD&I has steadily increased across 2015-2022 and digging deeper into the figures shows that Ireland's recent slump to 12<sup>th</sup> place in the Innovation Index is driven by a lack of investment in the HEI RDI system.

In terms of priorities, there should be a clear commitment and associated timeline to achieve the research intensity target of 2.5% GNP

**Deliver on the targets outlined in DFHERIS's Impact 2030, in particular *Pillar 3: Innovation Driving Enterprise Success*.**

The recently DFHERIS strategy, *Impact 2030*, delivers many ambitious aspirations but does not specify targets to be delivered. Given that many of Ireland and the Government's strategies to deliver on Climate, Sustainability and Digitalisation are to be delivered through this strategy, it is imperative that this addressed as soon as possible. The establishment of a national oversight committee, with industry engagement, should also be considered.

**Ensure a stable R&D funding regime with a multi-annual commitment of resources, including delivery on both Enterprise Ireland's *Leading in a Changing World 2022-24* strategy and IDA Ireland's strategy *Driving Recovery And Sustainable Growth 2021-2024*.**

Industry requires a stable R&D funding regime with a multi-annual commitment of resources. The recent example of the DTIF programme which has an allocated envelope of resources across 10 years is a good example that gives confidence to industry that they can future-plan how to leverage such investments.

**Within the HEI system, ensure a fair and balanced investment in enterprise focussed research with associated recognition for Principal Investigators in this area**

Limitations on outsourcing in the R&D tax credit regime restrict collaboration among Irish businesses and between businesses and third-level institutions. These restrictions do not exist under the OECD Modified Nexus rules and should be reviewed. In addition, building an incentivised environment for HEI based researchers to collaborate with industry should be examined. Currently, academic researchers receive no recognition for industrial collaboration when it comes to career progression.

## Improving the R&D Tax System

**A review of the R&D and Knowledge Development Box Tax Credit schemes, with particular focus on expansion and simplification of the credit to encourage greater SME uptake.**

**Reduce the administration (and hence financial) burden of R&D Tax Credit application.**

This could be delivered through a number of areas including the harmonisation of the RDTC scheme with grant funding agencies i.e. SFI, EI, IDA, Horizon Europe as well as increasing the financial limit for SME's which determines Revenue audit qualification.

**Introduction of a Green/Sustainability focussed tax incentive, aligned with enabling the Government’s targets outlined in the Climate Action Plan (2021).**

## **Structural Challenges for Small to Medium Enterprises**

Irish Small and Medium enterprise face many challenges in growing from micro to medium size enterprises sustainable enterprises of 100-500 people sufficient in size to offer. Many regional businesses with significant innovation ability are capable of substantive growth creating diversified and localised employment opportunities and strengthening the industrial base. These companies face many challenges including giving staff a stake in the business and transition ownership to ensure Irish growth and development. Issues that could be addressed through state support include

- Improve competitive landscape for exporting manufacturing companies through Advanced Payment Guarantees. Low risk support to enable Irish companies to compete with better resourced international companies,
- Supported transfer of ownership from founders to new management who can continue to grow and develop businesses, allowing founders to release capital and new owners to be rewarded for risk taking in capital efficient ways.



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# White Paper on Enterprise – Submission by Lighthouse 5.0 Initiative with Innopharma

## 1. Introduction

The high-tech manufacturing sectors of (Bio)pharma, MedTech, ICT and FoodTech have been the driver of exchequer income throughout the COVID19 pandemic and will continue to be the backbone of the economy during our national recovery with over 300,000 working in these sectors and over €150B in annual exports. In order to ensure that our strong manufacturing sectors remain in Ireland over the coming decades, we need to ensure their competitiveness through significant investment at a national level in digital and green transformation of these factories and supply chains. One of the key requirements to achieve this is continued investment in up/re-skilling of our national workforce. Based on Innopharma's engagement with the European Commission on Industry 5.0, we believe that there is a great opportunity for Ireland to show leadership and become the lighthouse within Europe (and indeed globally) for digital and green transformation of our manufacturing sector. This will in turn become a unique promotional point for continued investment by the manufacturing sector in Ireland.

The two most significant challenges facing Ireland over the next decade are the transition towards a climate-neutral society and the retention of our industrial competitiveness. As a continuance of Climate Action Plan 2021, the Government of Ireland has just recently set sectoral Emissions Ceilings for 2030 in the drive to reach net-zero emission by 2050. This includes a target of a 35% emissions cut from Industry as part of an overall action to achieve a 51% reduction in greenhouse gas emissions by 2030. The commitment of Government, Society, Industry and all stakeholders will have a profound impact on decision making and all aspects of how society and economy functions in the years ahead.

Industry 5.0 can help drive this twin transition and involves the interpretation of Industry 4.0 Technologies through a human-centric lens. It broadens the focus from solely shareholder value to value for all stakeholders in society and indeed greater resilience – particularly of supply chains and the manufacture of strategically important goods. Recent disruptions have shown the importance for Europe to be more self-reliant and or flexible in manufacturing and supply to adapt to changing conditions. The European Commission's Industry 5.0 Policy Brief emphasizes the powerful role industry can play in achieving societal goals through green and sustainable production. Industry 5.0 provides an opportunity to reframe digitalisation and the techno- economic vision of the Industry 4.0 revolution through a human- centric lens, moving the focus from solely shareholder value to value for all stakeholders. Not only do the industries within this sector save lives by developing much- needed medicines, medical technologies and food products, they change lives by providing rewarding and exciting careers. To sustain and grow careers and achieve their green transition, we must successfully digitalise these operations.

## 2. Recent publications on Industry 5.0, Industrial Competitiveness and Sustainability

The European Commission's Industry 5.0 Policy Brief emphasizes the powerful role industry can play in achieving societal goals through green and sustainable production. Since its publication in January 2021 many of the elements are being implemented already. More recently, a brief on Industry 5.0 was prepared by the Commission's Expert Group on the Economic and Societal Impact of Research

(ESIR) and published in January this year. 'Industry 5.0, a transformative vision for Europe | European Commission (europa.eu). Industry 5.0 provides an opportunity to reframe the digitalisation and techno-economic vision of the industry 4.0 revolution through the human-centric lens, considering all stakeholders. Key benefits are:

- Ensures a framework for industry that combines competitiveness and sustainability, allowing industry to realise its potential as one of the pillars of transformation
- Emphasises impact of alternative modes of (technology) governance for sustainability and resilience
- Empowers workers through the use of digital devices, endorsing a human-centric approach to technology
- Builds transition pathways towards environmentally sustainable uses of technology
- Expands the remit of corporation's responsibility to their whole value chains
- Introduces indicators that show, for each industrial ecosystem, the progress achieved on the path to well-being, resilience and overall sustainability

The EU Commission's 'The European Green Deal' states that 'digital technologies and Industry 4.0 are critical enablers for attaining the sustainability goals of the Green deal in many different sectors. In order to facilitate the transformation European industry requires, pro-active digitalisation investment, re-skilling and up-skilling to reap the benefits of the ecological transition.

The Lighthouse 5.0 Initiative and Innopharma welcome the recent publication of the new national digital strategy, 'Harnessing Digital - The Irish Digital Framework' and in particular its objective to deliver skills for all to ensure all cohorts in society can engage with, and benefit from digitalisation - this includes high level digital skills, broader digital skills for the wider labour market, and digital skills for society more generally.

With the above in mind, Innopharma welcomes the recent publication of the new national digital strategy, 'Harnessing Digital - The Irish Digital Framework' and in particular its objective to deliver skills for all to ensure all cohorts in society can engage with, and benefit from digitalisation - this includes high level digital skills, broader digital skills for the wider labour market, and digital skills for society more generally.

Innopharma also welcome the recently published National Smart Specialisation Strategy and its call for region-based, targeted innovation investment to deliver maximum impact. This has the potential to be a significantly impactful policy, supporting, encouraging and maximising the growth potential of the already natural occurrence within Ireland of region-based hubs or concentrations of biopharmaceutical, medical devices and food technology manufacturers and ancillary support companies. Regional imbalances should however also be recognised and an opportunity taken with an Enterprise Strategy to focus resources on disadvantaged regions which have potential to deliver growth and prosperity. For example the report recognised.

*"However, the European Commission has re-classified the Northern and Western Region (NWR) from a "More Developed Region" to a "Transition Region", due to its economic performance and drop in GDP per capita."* Smart Specialisation Strategy 2022-2027

Innopharma and LPDT have an interest in understanding the role that we can play in working with region based hubs to develop and execute growth strategies that play to a localities strengths.

There was clearly significant stakeholder consultation invested in this report and we welcome findings which identified the needs for workforce skills developed alongside support to organisations along the entire Digital Transformation journey.

*“many organisations lacking the digital skills necessary to lead in the adoption of technologies or the ability to act as digital-change leads. There is also room for further enhancing digital adoption, innovation, and entrepreneurship across enterprises, both large and small.”* National

Smart Specialisation Strategy 2022-2027

Innopharma and LPDT have an interest in understanding the role that we can play in being a ‘one-stop-shop’ to aid individual manufactures across the pipeline of provisions of skills enhancement, digital maturity and sustainability assessments, strategy formulation project management and consultative execution.

### 3. Background to Lighthouse 5.0 Initiative

Over the past eighteen months Innopharma have participated in a project led out by J&J in partnership with BioPharmaChem Ireland (BPCI), the IDA, (bio)pharma and technology partners, to activate a lighthouse-type collaboration to advance a digital and sustainability exemplar within Ireland’s (bio)pharmachem sector. Innopharma, as a member of this collaboration, are appointed to lead the Digital and Sustainability Maturity Assessments and Awareness Training across Ireland’s manufacturing network. These assessments have formed the baseline for site digital transformation strategy building and subsequent site investment - of which skills and technology investment will be critical.

Innopharmas’ role in collating and analysing the industry led assessments has placed us in a unique position alongside BPCI in having a evidence based, data driven informed view on current state, ambitions and needs of the manufacturing network.

This initiative is the starting point from where digital transformation will progress within the (bio)pharmachem sector and adjacent sectors across Ireland. Innopharma, with BPCI have presented our findings to the European Commission and have received significant praise from the Commission with regards to the innovative nature of our initiative and the potential benefits it will bring at an Irish and indeed pan-EU level. The cluster involves benchmarking current state, identifying best practise exemplars and areas of opportunity through a digital maturity and sustainability assessment exercise that will enable the development of a data rich strategy that considers the unique technological and organisational direction, roadmap and destination.

This industry led initiative demonstrates the appetite that existing within the executive leadership of the manufacturing sector in Ireland to draw upon each others expertise and critical mass to safeguard and advance the future of manufacturing in Ireland. Such initiatives in collaborative networking need to be supported, encouraged and the needs identified by such efforts responded to by Government through policy formulation and strategy development.

### 4. Recommendations

The Twin transitions of Digital Transformation and Green Transition require investment by industry and government in digital technologies and skills. Incentives and investment at scale needed in order to achieve this generational opportunity and indeed to demonstrate leadership at an EU and global level.

The Government of Ireland should develop a national industrial life sciences strategy. Such a strategy in its formulation should consider the following elements.

- The strategy should consider the need to adequately resource talent recruitment, development and retention through education and upskilling recognising that within the concept of Industry 5.0 that 'Human Centric' is a central pillar to ensuring and sustaining our hard-won competitiveness and positioning as a world leader in life science manufacturing. Having a suitably trained workforce will attract continued foreign direct investment, it will improve the social fabric by having an educated, skilled, and empowered workforce, it will drive a culture of innovation, entrepreneurship, and of embracing sustainable digital transformation.
- The strategy should be strongly influenced by EU policy direction on Industry 5.0, industrial competitiveness, and sustainability while at the same time engaging directly with the life-science manufacturing sector and representative bodies to take on board proactive tangible initiatives. Such a national strategy could lead to encouraging, incentivising and enabling life life-science manufacturing sector to rapidly embrace the culture of change required to increase competitiveness and investment attractiveness while keeping to the EU policy direction of travel.
- The strategy should embrace clustering, and the frameworks and incentives necessary to develop collaborative networks and ecosystems that encourage research and innovation, knowledge sharing, and transformation that utilise economies of scale. This necessitates continuing to support and building on the efforts of EI and SFI research centers, the IDA AMC, NIBRT and others. It also necessitates additional new thinking drawing on international best practices, the needs identified by life-science industry themselves, and the potential unlocking of new opportunities through cross-sectorial collaborative networks.
- The strategy should identify and understand the root causes for inertia that are holding the industry back from the accelerating efforts to innovate and remain competitive. Understanding and countering these challenges can have a catalytic effect in unlocking the accelerated pace of improving competitiveness through for example digitalisation, green transition, and resilience. Such root causes may not be disruptive in nature, for example, aging infrastructure, a need for enabling technologies, cost of connectivity and access to finance, however having the means to address them as part of a national strategy can create the conditions which encourage sectorial wide momentous change.
- The strategy should have flexible and agile means to exploit opportunities of significance that emerge from developing collaborative networks and ecosystems that would benefit wider economy and society. For example, some of the practical challenges for individual manufacturers are simply down to economy of scale. These could be addressed with a national framework that supported a collective effort by manufacturers who shared a common challenge but are unable to resource and address on an individual basis.

## 5. Benefits

The benefits of achieving a competitive and green digitalised high-tech manufacturing sector are wide-ranging, however three most impactful benefits are:

- Stability of strategically important manufacturing sectors critical to our exports and accordingly our GDP.
- Stability and growth in high value careers in an exciting and rewarding sectors
- Continued growth in the SME ecosystem supporting these high-tech manufacturing sectors through digitalisation, tech and skills deployment

- Ensuring Ireland remains an attractive location for FDI by ensuring we are the go-to location for next generation therapeutics and hi-tech pharma/med tech manufacturing.



Innovate Island is the all-island, go-to community for practitioners, advocates, and explorers of innovation. We share great content, best practice and thought leadership; and represent our members at a national and international level.

We are a non-commercial network, actively involved on the international ISO working group that is creating the new ISO56001 Innovation Management standard and our founding objective is to apply pragmatic and 'real world' context to innovation management.

DETE Submission July 2022

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1





Our Vision...







**"To establish the Island of Ireland as a globally recognised centre of excellence for innovation leadership"**

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2






# Our mission...

-  Support & share knowledge with those working in or interested in driving innovation in ROI & NI
-  Establish & promote best practice for innovation leadership
-  Promote sustainable value creation through systematic innovation
-  Drive professionalism in innovation activities
-  Establish & promote professional innovation certifications and qualifications
-  Represent the 'innovation sector' into policymakers, support agencies, and industry bodies

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3









# What do we mean by innovation?


We believe there is a need to **broaden the definition of innovation**, so that the significant innovation taking place in established organisations is recognised and supported.

*Our definition of innovation is aligned to ISO56002:2019; the international, de facto definition of best practice for innovation.*

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-  Innovation is quite simply the **creation of value** from ideas that are new to the challenge at hand
-  Innovative ideas do not need to be new to the world, the sector, or even the business - just new to the challenge or opportunity.
-  Established businesses must reinvent, transform, or improve regularly by applying transformative technologies, new approaches, or ways of thinking to their product development, business models and service delivery.
-  While these organisations can be incredibly innovative, they often struggle to qualify for grants and government support for their innovation ambitions as they are not creating world firsts.
-  Existing support mechanisms tend to position innovation as synonymous with invention, constraining it to R&D and start-ups.

4



**Help us to do more!**


We want to build a true culture of innovation in Ireland








#notions

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5





**Let us help you to....**

-  Focus on supporting SMEs in building their innovation capabilities
-  Build skills and national innovation competency against the ISO5600x series of standards
-  Drive professionalism in innovation activities
-  Establish & promote professional innovation certifications and qualifications
-  Start a national conversation about innovation (we call it #notions!)

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6



## In turn, DEFE could....

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-  Recognise, in policy terms, that innovation is more than invention and R&D
-  Equalise supports and favourable tax treatment for all innovation activities, not just R&D
-  Support and encourage national recognition of innovation skills
-  Promote and support sustainable value creation through systematic innovation and ISO5600x standards

7




For further information and bios of our Steering Committee, please visit our website and following slides, detailing our membership and sectoral engagement



[www.innovateisland.net](http://www.innovateisland.net)

[www.linkedin.com/company/innovateisland](https://www.linkedin.com/company/innovateisland)

8

**300+ members  
from 22 counties**

Links also established with  
Sweden, Netherlands, Hong Kong and Costa Rica

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**300+ members  
driving innovation within  
world leading brands,  
academia and state agencies**

Innovate Island is a non-commercial network, and we have clearly identified that building consistent innovation competencies and frameworks will enhance and sustain an organisation's long-term viability.



## **Input to public consultation on the preparation of the White Paper on Enterprise**

A submission to the Department of Enterprise, Trade and Employment (DETE) on behalf of the  
Insight SFI Research Centre for Data Analytics

Prof. Noel E O'Connor (CEO), Pat Dempsey (Head of Business Development), Darragh Walsh  
(Strategy Support Officer)

### **1. The global context in which enterprises in Ireland are operating**

There is now widespread awareness of the potential of data science to generate commercial value and market competitiveness, leading to a greater appetite for data analytics across many sectors. Many aspects of data analytics have become commoditised, with products and services available from a plethora of vendors. Data-related courses are available from every university, and data scientists are among the most sought-after employees. Inexpensive sensors, social media, user-generated content, cloud computing and ever-cheaper processing power and broadband connectivity have combined to create the perfect storm of data. Advances in machine learning (ML) and artificial intelligence (AI) provide the tools to navigate this immense ocean of information to find value in the data offering significant socio-economic benefits. Continued support for AI research will be crucial for the development of strategic relationships at an EU and international level and will allow us to position Ireland at the forefront of the AI landscape.

### **2. The domestic enterprise landscape in which businesses seek to grow in Ireland**

The recent report, "AI Skills: A Preliminary Assessment of the Skills Needed for the Deployment, Management and Regulation of Artificial Intelligence" highlights that everyone, regardless of whether they work in tech or not, will need some level of knowledge and understanding of AI. The report finds that AI is not likely to bring about a net loss of jobs, but it will replace certain tasks within many jobs over time. Thus, there is a need for both organisations and individuals to identify where AI will impact their job or their sector and prepare by seeking out the necessary education and training.

AI is described as a general-purpose technology and so will have impacts across a broad range of sectors in the economy. AI has the potential to bring substantial productivity increases. A broad range of skills is needed to ensure that this is realised in practice. AI skills should not be seen as only relevant to AI developers and experts. Everyone will need some knowledge and understanding of AI and its implications. For example, public sector employees may need to procure or regulate AI systems. Members of the general public need to know how to interact confidently with AI systems online. Teachers and educators will need to be prepared to impart the necessary knowledge so that everyone else will be well prepared. These are the pillars upon which a thriving AI-based economy will be based.

### **3. The twin green and digital transitions which all enterprises must address**

The estimation, planning and exploitation of resources relies increasingly on big data analytics, but also on modelling and optimisation solutions that have a specific target for long-term sustainability. As a result, the natural and also the man-made environments are important sources of big data and provide the experimental setting for innovative thinking at scale to monitor and preserve the human habitat as well as all other natural habitats. We need to ensure that industry understands the need

for a joined up interdisciplinary approach to green and digital transitions and that there are incentives in place to encourage this.

#### **4. Ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development**

As a national centre, we are committed to continue to build upon our existing successful partnerships with Ireland's growing ecosystem of digital innovation hubs in the regions. For example, we are a partner in three recently announced European Digital Innovation Hubs that specifically target an inclusive all-island approach to enterprise growth. It is important that hubs such as these and other similar initiatives are nurtured and supported and that there are deep and sustained connections between these hubs and the academic R&D ecosystem.

#### **5. Skills and talent availability to support enterprise development**

A vibrant talent pipeline of highly skilled researchers is vital to address the skills imperative. In the age of big data and AI, a PhD-level qualification has become the de facto currency for industry. We need to ensure that our PhD graduates are not just highly skilled in the theoretical and technical aspects of data analytics and AI but are also trained in key transversal skills and understand the ethical and societal implications of their work.

Insight played a leading role in the establishment of the SFI Centres for Research Training (CRT) that will deliver 700 industry-ready PhD graduates by 2026. Continued support of the CRTs beyond their current lifetime is vital to ensure that we can meet the skills demand in the commercial environment going forward.

#### **6. Enterprise productivity levels**

Decision analytics technologies will play a critical role in improving enterprise productivity levels over the coming years. These technologies can be applied in many real-world contexts such as transportation, logistics, internet commerce, network management, supply chain management, environmental sustainability, and many others. Making decisions in many settings can offer too many choices, many of which are incompatible and few of which are optimal. Insight is continuing to develop the science and technologies that will make it easier for computers to help us make these decisions. Continued support of the data analytics research community will allow us to position Ireland as a leader in decision analytics technology, capable of supporting decision making in societal and commercial settings.

#### **7. Enterprise policy support for the Sustainable Development Goals**

To continue to meet sustainable development goals we encourage the continued support of research that can support policy makers, governmental officials, managers in related industries and other stakeholders in order to develop solutions in areas ranging from scalable data infrastructure, supply chain management, energy consumption, spatial configuration as key to urban dynamics, digital twins, more efficient transportation/mobility and better handling of environmental issues.

The last decades have witnessed unprecedented development of ICT and Data Science with the emergence of big data and data mining methodologies, IoT and AI. These have the potential to revolutionise the dynamics and structure of cities and rural areas and the lives of those who inhabit them. There is an urgent need to understand the multiple aspects of cities and urbanism, while on the other, to develop state-of-the-art theories, methodologies, data repositories, data analytics, and improved technologies to deal with the complexity of the new urban era.

## **8. The levers and mechanisms to deliver on enterprise policy objectives.**

The recent national digital strategy lists a series of commitments designed to kick off Ireland's digital transformation consisting of universal connectivity, digital skills for all, digital public services, and digital support for small businesses.

All these elements are critical, but to drive digital transformation in Ireland we also need to prioritise building a data infrastructure. Much like national electrification in the 1930s, a data infrastructure is the grid that will connect and support all elements of the digital strategy.

We have generated a lot of data in the last two years due to Covid-19 moving more business online. Every 'click' and 'checkout' and 'share' is a data point that translates into profit for companies. Meanwhile in the public realm there was a scramble to gather data at scale. Government departments, hospitals and transport providers had a life-or-death requirement to track the behaviour of users to deduce where Covid-19 had been and where it might be going. More data meant more information, more knowledge and fewer deaths.

We have to take the progress made in 20/21 and keep building. We need a public data space that can be used for public good, to tackle major societal challenges like health and climate change. We also need to support SMEs in particular by creating a space where sectoral data can be safely, ethically shared and used by those who need it.

The European Commission Data Strategy calls for the development of a European data space, a shared infrastructure like electricity, or a roads network. It can unlock the value of data to society by creating a 'data common' where individuals and organisations can share their data anonymously to tackle critical societal challenges.

To avoid potential tragedy, it is vital that owners are given a voice in how their data is used. A recent step in this direction is the creation of public data hubs for Covid-19, where citizens and organisations have shared their data to help tackle the pandemic.

We require a common roadmap for the development and adoption of a pan-European data space by investing in the technical building blocks and architectures, data governance models and data standardisation. We must provide simple approaches for fair legal and ethical frameworks that make it straightforward for small businesses to navigate the regulatory landscape. Ireland is behind the curve but could catch up quickly if we mobilise the significant expertise already available to us in our universities and research centres.

Moreover, the development of data spaces requires the engagement and agreement of our society. In the same way agreement preceded a common approach for the electricity grid, we need negotiation and collective agreement to create the basis of the data economy and common European data spaces. If we cannot give citizens and local enterprises the means to exploit and benefit from the growing

global data reserve, the majority of us will remain passive generators of data for the benefit of the very few.



## White Paper on Enterprise Policy

InterTradelreland's submission to the Department of Enterprise, Trade and Employment  
28 July 2022

### Introduction

InterTradelreland (ITI) welcomes the opportunity to contribute to the future direction of Enterprise Policy in Ireland. Identifying collaborative solutions to common challenges facing businesses on the island that deliver on the relevant policies in both jurisdictions is central to what we do. We agree with the Department's approach of ensuring an inclusive, equitable and climate friendly enterprise model, an approach that InterTradelreland contributes to through our suite of business supports. We support SME competitiveness and productivity, investment, employment growth, digitalisation and sustainability through cross border collaborative solutions that include the all-island cluster [Synergy](#) programme, the collaborative driven [Innovation Boost](#) programme and assisting businesses navigate the current economic climate via our [Business Solutions Voucher](#). Our submission is based on our experience working with SMEs, extensive research programme, insights gathered through our quarterly [All-Island Business Monitor \(AIBM\)](#) and ongoing work in preparation of our next Corporate Plan for 2023-2025, and the broader strategic direction of InterTradelreland towards 2030.

### Considerations

Addressing the several high-level policy questions highlighted in the public consultation briefing note requires continued and extensive collaboration and partnership between Departments, Agencies, business groups and relevant stakeholders. InterTradelreland believes that many of the challenges and opportunities identified could generate enhanced economic benefit North and South, when considered on a collaborative all-island basis. The submission is designed to give a view on the relevant high-level policy questions posed in the consultation guidelines, evidence of how we contribute to policy objectives and areas where we can add further value.

### ○ Cross border trade supporting SME export growth for goods and services

We support initiatives that bolster the productivity of indigenous enterprises. The most recent statistics from the [Central Statistics Office \(CSO\) on exports and imports for May](#) of this year reinforce the trend in increased flows of cross border trade with imports from Northern Ireland increasing by 23% from January to May when compared to 2021 and exports to Northern Ireland also experiencing an increase of 42% for the same period. The consistent increase in cross border trade has the potential to contribute to the Department's enterprise policy objective of driving indigenous enterprise development and growth in the locally traded and international economies. Evidence from our AIBM survey shows that cross-border traders typically have higher levels of sales, employment and productivity, out-performing their non-exporting peers, enjoying more profitability and growth







than those with no cross border sales. We directly support cross border trade through our [Acumen Programme](#). Acumen improves SME understanding of how to trade cross border and gives increased knowledge of cross border sales opportunities. The experience gained from trading cross border trade acts as an export stepping stone for the majority of firms. By encouraging indigenous SMEs to engage in cross border trade, we support SMEs' ability to enter and expand into international markets.

The findings from recent research conducted by InterTradeIreland indicate that, in future, services are likely to account for an increasingly larger share of overall cross border trade. The annual average growth rate projected is 9% for services flows from Ireland to Northern Ireland and 8.2% for services from Northern Ireland to Ireland across the decade 2021 to 2030. On a cumulative basis, services trade in both directions is projected to be approximately double its 2021 level by 2030.

## ○ The twin green and digital transitions

We support the Department's efforts to address the twin green and digital transitions. From experience, we understand that SMEs tend to be at the early stages in their transformation journeys given resource constraints, risk and the unknown return in productivity gains. In terms of net zero efforts, AIBM findings indicate that business owners are hesitant to develop a net zero plan given other priorities and challenges. Q1 2022 of ITI's AIBM evidences that only one in five businesses reported currently having a net zero plan.

InterTradeIreland fully supports the 'Triple Transition' (UK ERC) ambition to drive greater productivity through greater sustainability and digitalisation. Our Synergy programme supports sustainability initiatives that include the development of an [all-island bio-map](#) with the Irish Bioeconomy foundation and involvement in the [Irish Nutrient Sustainability Platform](#). Supporting further all-island clustering initiatives that drive the sustainability transition is an ambition we are seeking to develop further. Incorporating sustainability into businesses operations is supported through our [Business Solutions Voucher](#) that provides financial support towards professional advice to help businesses develop sustainability plans, business model review, process improvement plans, carbon footprint reviews, process improvement and efficiencies support. In 2021 InterTradeIreland launched the Sustainability/Low Carbon Award as part of the [Seedcorn Investor Readiness Competition](#). The Award recognises start-ups innovating within the low carbon and green sector. As the Department identifies, decarbonisation and sustainability considerations are becoming increasingly important drivers for business, such considerations will drive the development of our approach to supporting businesses with this important transition.



The digital transformation continues to drive economic resilience and growth and in turn guides our development of appropriate business supports. Our [Digital Sales Supports](#) are designed to assist businesses improve and expand their online presence in the cross border market and beyond. We understand the importance of driving the digital transition to support SME growth and productivity and will continue to develop appropriate supports to accelerate the digital transition.

### ○ **Need for integration and joined up approach on skills and talent**

We welcome the inclusion of skills and talent as an area of priority for the White Paper to address. The supply of skills and talent presents a challenge to enterprise policy given the importance of skills in advancing economic development and undeniably enabling trade. AIBM findings for Q1 2022 illustrate that labour and skills challenges now outrank the impact of Brexit and Covid-19 for larger SMEs, with 65% having difficulty recruiting appropriate skills and 59% lacking the appropriate skills in their workforce. We believe that a more integrated and joined up approach is required to address the skills, labour and talent challenge that businesses face which will ultimately impact upon wider enterprise policy objectives in the medium to long term.

### ○ **Levers and mechanisms to deliver enterprise policy objectives**

Utilising levers and mechanisms to deliver enterprise policy objectives is imperative. Forming collaborations and partnerships to facilitate all-island trade and business development is central to our work. Developing programmes and supports that bring together entrepreneurs, academics, policy makers, corporates and third sector participants from Ireland and Northern Ireland to the benefit of overall business competitiveness is a key consideration for the White Paper. A valuable example of collaborations that we broker is our all-island cluster driven Synergy programme that increases SME participation in cross border collaborative and innovative networks of entrepreneurs, academics, policy makers, corporates and third sector participants. The benefit of being involved in an all-island cluster allows for effective collaboration opportunities to solve common problems and identify joint opportunities that exist in Ireland and Northern Ireland.

### **Conclusion**

We very much welcome the opportunity to highlight InterTradeIreland's role in contributing to the policy objectives and themes identified within the White Paper briefing material. We believe that North-South economic cooperation and collaboration opportunities can strengthen and enhance the policy objectives that the Department advocates through this important work. The development of a White Paper on Enterprise Policy is timely given the difficult trading environment that businesses continue to face, including the ongoing uncertainty businesses face around the Northern Ireland Protocol and its impact on cross-border trade. InterTradeIreland look forward to





continuing to collaborate with and support the Department's Enterprise Strategy Unit in the development of the White Paper on Enterprise Policy.

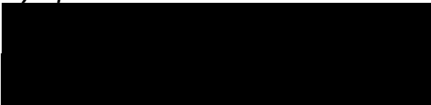
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# Enterprise Policy White Paper

## South East Submission

Carlow County Council  
Kilkenny County Council  
Waterford City and County Council  
Wexford County Council  
Ireland South East Development Office



July 2022

## Summary

Ireland is experiencing **growing regional disparities**. The new Enterprise Policy to 2030 is an **opportunity to focus on these disparities**. **A key overarching priority of the South East is for the new policy to reassert the Enterprise 2025 target for all regions to be within 1 per cent of the national unemployment average.**

Within this, key areas for consideration within future 2030 enterprise policy to support genuine enhanced regional development include:


1. **“Levelling up” Regional Innovation Funding:** There is potential for an **increased focus of DETE funding streams on weaker regions**, through ringfenced regional innovation funding initiatives.
2. **Aligning Enterprise Policy/ Funding with new Technological Universities:** To **maximise the impact TUs can have in regions** and to support a strategic strengthening of regional research and innovation ecosystems for SMEs.
3. **Greater Strategic Policy Focus on Weaker Regions:** To bring greater **coherence to regional enterprise policy** and to increase **agency focus and ambition in weaker regions**. Furthermore, for the forthcoming **national clustering policy** to prioritise building on existing regional initiatives.
4. **Reviewing regional Agency Structures and Personnel Resourcing:** To review **regional agency structures and personnel resources**, with a view to addressing gaps in weaker regions and ensuring greater coordination.
5. **Developing targeted strategies for key regional opportunities:** To look in detail at key areas with **transformative potential for regions**, such as:
  - **Renewable energy:** To support regions capture real value from energy changes. For example, the Shannon Estuary model could be replicated in the South East and other regions.
  - The **Bioeconomy**
  - The **future of food**
  - **Design and creative industries** and others.
6. **To align and support local authority strategic investment:** Local authorities are **addressing regional market failures through strategic regeneration projects and commercial property solutions**. It is important

that policy and enterprise agencies support this **work to maximise public funds and the regional impact of these projects.**

## 1. Context

**Ireland is experiencing growing regional disparities.**

**Enterprise Policy to 2030 is an opportunity to put an enhanced focus on addressing those disparities, particularly in regions such as the South East with the highest levels of regional unemployment.**

<p>Ireland is one of most centralized economies in OECD</p>	<p><b>Contribution of Capital City to National GDP</b></p>  <p>Source: OECD • Created with Datawrapper</p>																																																																		
<p>Regional disparities in Ireland are large and growing</p>	<p>The <a href="#">European Commission</a>'s Country Report 2020 has noted that: <b>“Irish regional disparities are among the highest in the EU and increasing”</b>.</p> <p><b>Enterprise 2025 focused on this disparity <u>targeting unemployment rates in each NUTs 3 region to be no more than 1 percent higher than the national average.</u></b></p>																																																																		
<p>There appear to be significant gaps between regions – in particular around unemployment rates and incomes, which are the fundamental indicators of wellbeing.</p>	<table border="1"> <thead> <tr> <th>Region</th> <th>Unemployment Rate <small>(Average Q1 2018 – Q1 2020)</small></th> <th>Difference to national average income per person - 2019</th> <th>Change in Income per person <small>(2007 – 2019)</small></th> <th>Proportion of workers on minimum wage (Q1 – Q3 2020)</th> <th>IDA Clients (2021)</th> </tr> </thead> <tbody> <tr> <td>Dublin</td> <td>4.8%</td> <td>+€7,091</td> <td>+21%</td> <td>5%</td> <td>750</td> </tr> <tr> <td>South West</td> <td>4.9%</td> <td>-€414</td> <td>+18%</td> <td>9%</td> <td>211</td> </tr> <tr> <td>Mid East</td> <td>5.1%</td> <td>-€1,045</td> <td>+9%</td> <td>6%</td> <td>97</td> </tr> <tr> <td>West</td> <td>5.4%</td> <td>-€4,352</td> <td>+9%</td> <td>7%</td> <td>120</td> </tr> <tr> <td>Mid West</td> <td>5.6%</td> <td>-€1,045</td> <td>+16%</td> <td>8%</td> <td>143</td> </tr> <tr> <td>Border</td> <td>4.7%</td> <td>-€6,784</td> <td>+8%</td> <td>12%</td> <td>66</td> </tr> <tr> <td>Midlands</td> <td>6.6%</td> <td>-€8,609</td> <td>-7%</td> <td>10%</td> <td>44</td> </tr> <tr> <td>South East</td> <td>7.4%</td> <td>-€4,171</td> <td>+4%</td> <td>10%</td> <td>74</td> </tr> <tr> <td>South East Relative</td> <td>Highest</td> <td>Bottom 4</td> <td>Bottom 2</td> <td>Top 3</td> <td>Bottom 3</td> </tr> <tr> <td>Source</td> <td>CSO, LFS</td> <td>CSO</td> <td>CSO</td> <td>CSO</td> <td>IDA</td> </tr> </tbody> </table>	Region	Unemployment Rate <small>(Average Q1 2018 – Q1 2020)</small>	Difference to national average income per person - 2019	Change in Income per person <small>(2007 – 2019)</small>	Proportion of workers on minimum wage (Q1 – Q3 2020)	IDA Clients (2021)	Dublin	4.8%	+€7,091	+21%	5%	750	South West	4.9%	-€414	+18%	9%	211	Mid East	5.1%	-€1,045	+9%	6%	97	West	5.4%	-€4,352	+9%	7%	120	Mid West	5.6%	-€1,045	+16%	8%	143	Border	4.7%	-€6,784	+8%	12%	66	Midlands	6.6%	-€8,609	-7%	10%	44	South East	7.4%	-€4,171	+4%	10%	74	South East Relative	Highest	Bottom 4	Bottom 2	Top 3	Bottom 3	Source	CSO, LFS	CSO	CSO	CSO	IDA
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<p>Weaker regions with have latent potential which Enterprise Policy to 2030 can target and support</p>	<p>For example, opportunities in the South East include:</p> <ol style="list-style-type: none"> <li>1. Region of almost 500,000+ people</li> <li>2. A South East Technological University of 18,000+ students.</li> <li>3. Strong infrastructure: In particular with 2 strategic ports.</li> <li>4. Emerging clusters: e.g. engineering, financial services, life sciences, ICT.</li> <li>5. #1 in EU for FDI Strategy awarded by the Financial Times</li> <li>6. Clear potential in the Green Economy: offshore wind hub for the Irish &amp; Celtic Seas; sustainable construction and the bioeconomy.</li> <li>7. Potential to capitalise on quality of life shifts based on COVID.</li> </ol>
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## 2. Areas for consideration within new Enterprise Policy

The Enterprise Policy White Paper is an opportunity to reassess a number of areas that can support genuine enhanced regional development

### 2.1 “Levelling Up” Funding for Weaker Regions

**Funding for Regions:** There is potential for increased targeting of DETE funding streams towards weaker regions, potentially through ringfenced regional funding initiatives.

- OECD work has highlighted that **Irish SMEs face key challenges** in terms of their productivity, innovation and internationalisation. Regional locations such as the South East are **disproportionately reliant on SMEs**.
- The current approach to national innovation funding appears to be resulting in **disproportionate investment in large urban centres**. For example, an **IGEES assessment of DTIF calls 1 and 2 highlighted that Dublin accounted for 50% of the DTIF participant organisations**.
- **Weaker regions such as the South East have struggled** to secure such funding for a number of reasons including the absence of a university and the competitive nature of national funds. **Ringfenced funding has worked successfully for regions** such as the Midlands and the Border Region. **Given the absence of other funding sources for the South East, there is a strong case for a South East specific fund.**

**Table 1: Examples of enterprise funding by Region**

	Enterprise Ireland Regional Enterprise Development Fund (first 3 calls)	Enterprise Funding Specific to Regions	DTIF Awards (Calls 1 & 2)
Dublin	€11.5m		€26.6m
South West	€11m (Cork only)	- €45m WDC fund -Atlantic Economic Corridor (€5m Budget 2021)	€13.3m
Mid East	€11.9m		€0.6m
West	€27.8m	- €45m WDC fund - €51m NWRA Fund -Atlantic Economic Corridor (€5m Budget 2021)	€14.8m
Mid West	€24m (inc. Kerry)	-€45m WDC investment fund -Atlantic Economic Corridor (€5m Budget 2021)	€4.6m
Border	€32.7m (NW & Border)	-€28m Border Stimulus Fund Access to -€500m Shared Island Fund -€1.1 billion EU PEACE+ -€51m NWRA Fund -Atlantic Economic Corridor (€5m Budget 2021)	€1.0m
Midlands	€5.5m	-€29m Just Transition 2020 - €84.5m Just Transition 2022 – 2027	€1.34m
South East	€8m	None	€0.75m
South East relative	Bottom 2	No region-specific fund	Bottom 2
	EI		IGEES

## 2.2 Aligning Enterprise Policy with new regional Technological Universities

**Technological Universities:** The Enterprise White Paper is an opportunity for policy and funding to align with and maximise the new Technological University network across Ireland.



The new Technological Universities across Ireland are recognised as a **fresh opportunity** to support **regional economies through** increased co-created programmes, high-quality research, innovation and entrepreneurship activity.

**Table 2: Examples of higher education funding by region**

	NDP Enterprise, Skills & Innovation capital projects > €20m	Higher Education R&D Investment 2018/2019	SFI National Research Centres
Dublin	~ €826m	€379m	8 in Dublin
South West	~€547m	€120m	4 in Cork
Mid East	~€100m	€40m	
West	~€75m	€83m	1 in Galway
Mid West	~€120m	€77m	3 in Limerick
Border	~€20m	€2m	
Midlands	~€20m	€3m	
South East	~ €65m	€19m	
South East relative	Bottom 3	Bottom 3	
	Ireland 2040	HERD	

### 2.3 Coherence around Strategic Regional Enterprise Policy

**Strategic Approach to Regions:** There is potential for Enterprise Policy to 2030 to bring **greater coherence around the approach to regional enterprise policy** and also an **increased agency focus on weaker regions with the highest levels of unemployment.**

- Currently **almost 50% of IDA clients and 38% of EI clients are in Dublin, relative to Dublin’s population (27%).**
- Furthermore, weaker regions such as the Border and the South East have experienced relatively slower agency-assisted employment growth over the last decade.

- There are a range of different regional enterprise strategies – for example, 9 Regional Enterprise Plans 2022 - 2024, IDA strategy 2021 – 2024 and EI’s Powering the Regions, **yet it is not clear to what extent each are aligned**. In addition, it could be **argued that agency targets for weaker regions are relatively less ambitious**.
- The **last detailed enterprise policy assessment of regions was over ten years ago** in the [Forfas Regional Competitiveness Agendas](#) – there is potential for a refresh of these to inform detailed future regional enterprise policy.

**Table 3: IDA and EI client base and regional targets**

	IDA Clients	IDA Strategy Investment Targets 2021 - 2024	Increase in IDA employment(2012 – 2021)	Enterprise Ireland Clients (2019)	Increase in EI employment (2012 – 2021)	Enterprise Ireland Powering the Regions Targets
Dublin	750	400	+84%	2,012	+55%	2,800 co-working spaces
South West	211	118	+45%	541	+37%	1,400 co-working spaces 1000+ new jobs
Mid East	97	40	+65%	481	+50%	1,300 co-working spaces
West	120	76	+61%	391	+44%	1,300 co-working spaces
Mid West	143	76	+64%	593	+51%	900 co-working spaces 1000+ new jobs
Border	66	25	+34%	322: NE 210: NW	+39%	North East: 600 co-working spaces North West: 500 co-working spaces; 137 jobs through agri-food start-ups
Midlands	44	25	+55%	247	+52%	600 co-working spaces
South East	74	40	+20%	438	+37%	900 co-working spaces 1000+ new jobs
South East relative	Bottom 3	Bottom 3	Bottom	Bottom 3	Bottom 2	
	IDA Strategy	IDA Strategy	AES	EI Powering the Regions		EI Powering the Regions

## 2.4 Focusing on regional clusters/ networks

**Clustering policy is crucial to regions. It's vital that the new National Clustering Policy addresses issues like: public funding for regional initiatives; links to regional Technological Universities; long term perspective on network/ cluster growth; and crucially, builds on existing initiatives and relationships that have taken time to nurture.**

- Clustering policy is a recognised key lever for regional economic development. Regional networks or clusters can support company collaboration; address skills gaps; link to innovation best practice and realise other benefits. In particular, **they can play a key role in supporting SME internationalisation and innovation.**
- The **South East has a number of emerging clusters** in areas such as Engineering, Financial Services, Life Sciences and ICT. These have been supported by EI and also local authorities and significant work has been undertaken to develop them.
- A new National Clustering Policy is currently in development. It is vital that this policy supports the role of regional networks or clusters. In particular, this policy will have to look at the role of **public funding to support regional clusters** (as they are unlikely to be self-financing); offer a **long term view to their development**; and crucially, **builds on existing initiatives** which have developed strong local relationships. **A failure to do so would mean that the ground work done to date is wasted.**

## 2.5 Regional Enterprise Agency Structures and Personnel

**Regional agency structures and personnel:** The Enterprise White Paper is an **opportunity to look at overall regional agency structures and personnel resourcing**, with a view to **addressing key gaps in weaker regions and ensuring greater coordination between agencies.**

- There appear to be **differences between how the two main enterprise development agencies** deal with regions. For example, **the South East is combined with Cork for Enterprise Ireland but not with IDA Ireland.**
- There also appear to be **significant differences between regional personnel resources** – with **the South East in particular having**

**relatively low levels of staff.** Regional staff are integral to supporting companies, growing investment pipelines and leading on strategic transformation projects.

- There are also other **regional statutory and non-statutory enterprise development agencies** such as **Údarás na Gaeltachta**, the **Western Development Commission** and **Shannon Group** who have specific regions of focus.

**Table 4: Estimated Agency Staff Resourcing**

<b>Ireland's NUTS 3 Region Classification</b>	<b>IDA Regions, Offices and Staff</b>	<b>EI Regions and Offices</b>
<b>South East</b> Carlow, Kilkenny, Wexford, Waterford	<b>1 Office</b>	<b>1 Office</b>
	<b>2 staff as of 2022</b>	<b>0.5 Regional Director, 4 staff</b>
<b>Border</b> Cavan, Donegal*~, Leitrim, Monaghan, Sligo*	<b>4 Offices (Combining NE and NW)</b>	<b>3 Offices</b>
Also supported by WDC, Udaras, Shannon Group	<b>16 Staff (Combining NE and NW)</b>	<b>1 Regional Director, 5 staff</b>
<b>Midlands</b> Laois, Longford, Offaly, Westmeath	<b>1 Office</b>	<b>1 Office</b>
	<b>44 Staff</b>	<b>1 Regional Director, 2.5 staff</b>
<b>South West</b> Kerry~, Cork~	<b>1 Office</b>	<b>1 Office</b>
Also supported by WDC, Udaras	<b>7 staff</b>	<b>0.5 Regional Director, 3 staff</b>
<b>Mid West</b> Clare*^, Tipperary, Limerick^	<b>1 Office</b>	<b>2 Offices</b>
Also supported by WDC, Shannon Group	<b>5 Staff</b>	<b>1 Regional Director, 3 staff</b>
<b>West</b> Mayo*~, Roscommon*, Galway*~	<b>1 Office</b>	<b>1 Office</b>
Also supported by WDC, Udaras	<b>4 staff</b>	<b>1 Regional Director, 3 staff</b>
<b>Dublin</b>	<b>Dublin Head Office</b>	<b>Dublin Head office</b>
	<b>171 staff</b>	<b>c.700 staff</b>
<b>Mid East</b> Kildare, Meath, Wicklow, Louth	<b>Dublin Head Office</b>	<b>Dublin Head office</b>
	<b>171 staff</b>	<b>c.700 staff</b>

\* Also supported by **Western Development Commission** (Donegal, Leitrim, Sligo, Mayo, Roscommon, Galway and Clare), 28 Staff

^ Also supported by **Shannon Group**, 200 employees

~ **Údarás na Gaeltachta** also have offices in Kerry, Donegal, Mayo, Galway and Cork

Table 5: Enterprise Agency: Regional Structures

Ireland's NUTS 3 Region Classification	IDA Regions, Offices and Staff	EI Regions and Offices
<b>South East</b> Carlow, Kilkenny, Wexford, Waterford	<b>"South East" Region</b>	<b>"South" Region</b> (Cork & South East)
<b>Border</b> Cavan, Donegal*~, Leitrim, Monaghan, Sligo* Also supported by <b>Western Development Commission, Údarás na Gaeltachta</b>	<b>"North East" Region</b> (includes Louth) & <b>"North West" Region</b>	<b>"Border" Region</b>  (includes Louth)
<b>South West</b> Kerry~, Cork~ Also supported by <b>Údarás na Gaeltachta</b>	<b>"South West" Region</b>	<b>"South" Region</b> (covering Cork & South East)
<b>Mid West</b> Clare*^, Tipperary, Limerick^  Also supported by <b>Western Development Commission, Údarás na Gaeltachta and Shannon Group</b>	<b>"Mid West" Region</b>	<b>"Mid West" Region</b> (covering Mid West & Kerry)
<b>West</b> Mayo*~, Roscommon*, Galway*~ Also supported by <b>Western Development Commission, Údarás na Gaeltachta</b>	<b>"West" Region</b>	<b>"West" Region</b>
<b>Midlands</b> Laois, Longford, Offaly, Westmeath	<b>"Midlands" Region</b>	<b>"Midlands" Region</b>
<b>Dublin</b>	<b>"Dublin" Region</b>	<b>"Dublin" Region</b>
<b>Mid East</b> Kildare, Meath, Wicklow, Louth	<b>"East" Region</b>	<b>"Mid East" Region</b>

## 2.6 Strategic approach to key sectors with transformative potential for regions

**Strategic approach to key regional sectors:** There is potential for the Enterprise Policy to 2030 to look in **detail at key emerging sectors with transformative potential for regions** such as renewable energy, the bioeconomy, the future of agri-food and design.

Examples of sectors include:

- **Renewable Energy, in particular offshore wind.** A cross departmental approach with a stronger enterprise input is needed to articulate how specific Irish regions (and ports) can best support Ireland's offshore energy transition and maximise economic

opportunities. **The specific approach to the Shannon Estuary is welcomed and could be replicated in the South East.**

- **Bioeconomy:** A future bioeconomy is expected to be worth somewhere between \$4 trillion and \$30 trillion dollars globally. **The development of capabilities in regions with sustainable sources of biomass, as well as investments in the supporting ecosystem in those areas, could enable new opportunities.** The 2018 National Policy Statement on the Bioeconomy is a welcome start but there is **potential for future enterprise policy to 2030 to take a more granular look at specific regions in terms of their specific areas of opportunity in the bioeconomy.**
- **The future of agri-food:** Agriculture remains a disproportionate source of employment in regional locations. Sustainability, climate change and the future of food remain significant challenges. There is potential for **future enterprise policy to look in detail at regional opportunities in emerging areas** such as functional food, high-value ingredients and AgriTech.
- **Design and Creative Sector:** Regional locations such as the South East have inherent strengths in creative assets and a vibrant Creative economy can add real value and opportunities of life in our region. **There is potential for future enterprise policy to look in detail at the opportunities for regions in this area and also to deliver the National Design Centre which is called for in the NDP.**

## 2.7 Supporting Placemaking in regions

**Maximising impact of local authority strategic investment:** There is potential for the new enterprise policy to consider regional market failures in more detail and **work with local authorities to maximise the impact of key strategic projects** that the local authorities are driving.

- From an enterprise development perspective, investment in the creation of 'place' is key to realising regional potential. **The**

**challenge for regional locations is they suffer from greater investor market failures than larger urban areas.**

- Local authorities are investing public monies in strategic projects to support local economic growth – these include brownfield regeneration projects and commercial business parks. It is vital that enterprise policy and enterprise agencies support these initiatives and work with local authorities to maximise their potential economic impact as well as maximum return from public monies.

<b>Examples of County Priority Projects to Support Local Economic Growth</b>	
<b>Carlow</b>	<ol style="list-style-type: none"> <li>1. Carlow Town Centre Urban Regeneration.</li> <li>2. Business Office Redevelopment and InCarlow Business Campus.</li> </ol>
<b>Kilkenny</b>	<ol style="list-style-type: none"> <li>1. Abbey Quarter Public Realm, Street &amp; Francis Park.</li> <li>2. Kilkenny City Centre Enhanced Livability Project.</li> </ol>
<b>Waterford</b>	<ol style="list-style-type: none"> <li>1. North Quays Waterford.</li> <li>2. National Viking visitor experience.</li> </ol>
<b>Wexford</b>	<ol style="list-style-type: none"> <li>1. Trinity Wharf.</li> <li>2. Enniscorthy Technology Park.</li> </ol>



**GOVERNMENT WHITE PAPER ON ENTERPRISE POLICY  
SUBMISSION BY THE IRISH ACADEMY OF ENGINEERING  
JULY 2022**

***Introduction***

The Irish Academy of Engineering (IAE) seeks to advance the well-being of the island by marshalling the expertise of eminent engineers to provide independent advice to policy makers on matters involving engineering and technology.

The Academy is an all-island body with members drawn from Northern Ireland and the Republic of Ireland

The IAE operates a committee structure. This submission was prepared by the Enterprise, Innovation and Education (EIE) Standing Committee. Its members include current and former senior leaders from FDI, indigenous technology companies, third level education and the public sector.

The Academy welcomes the opportunity to make a submission to the White Paper on Enterprise. It also intends to use the convening power of the Academy to facilitate a dialogue on this subject. Enterprise policy is a complex topic. It is difficult to neatly separate the many factors which will deliver success. We favour a well-moderated discussion involving the key stakeholders.



The Academy has previously convened such an event on Innovation in Dublin Castle in 2019 (Full details of this and all our activities and publications are on our website [www.iae.ie](http://www.iae.ie)).

Many of the points made in summary below will be further elucidated in a paper soon to be published by the Academy entitled: "Trends that will Shape the Future of Work and Employment in Ireland in 2040".

### ***Past Success***

In considering future Enterprise policy, it is worth reviewing those factors that have contributed to past success. Ireland's economy has been transformed over the last 50 years, driven by significant and sustained Foreign Direct Investment, the development of a global agribusiness sector and, more recently, by a growth in indigenous, technology-driven companies.

This success has been driven by:

- Consistent pro-enterprise, pro-trade policy, which has built a reputation for Ireland as a "safe pair of hands" for inward investment, particularly when global dynamics have created uncertainty;
- A strong set of investment incentives, primarily taxation-based, which have been sustained over a long period, providing certainty to FDI companies;
- A strong pipeline of talent from a third level education system that has been well tuned to the needs of enterprise;
- A focus on emerging, growth industries: (in sequence) pharmaceuticals, ICT, medical devices, traded services (data services, fintech, software and shared services) and biotechnology;
- Strong leadership within the Irish FDI subsidiaries driving continuous transformation, ensuring those subsidiaries responded successfully to change and moved steadily up the value chain - as much as 70% of new employment annually has come from regeneration within the installed base of FDI rather than new arrivals;
- The emergence of clusters focussed on particular sectors, which include large FDI companies, indigenous suppliers, startups and third level research; and

- Significant investment in third level research, funded nationally and via EU programs, with the intention of creating research centres of scale focussed on technologies that will drive future enterprise.

All of these factors remain relevant to future Enterprise policy.

### **Key Trends**

We have identified **5 key trends** that we are confident will shape Enterprise into the future:

1. **Decarbonisation/Climate change:** The existential challenge of climate change and the opportunity to create a decarbonised economy and society. Also, the need for enterprise to adapt to the climate changes that will inevitably occur.
2. **Technology:** The emergence of multiple technologies which are maturing, interconnecting and converging. Already, medical devices, pharmaceuticals and ICT are being combined to build innovative new products.
3. **The Fourth Industrial Revolution:** Developments in ubiquitous telecomputing (internet of things etc.), servitisation and new technologies such as additive manufacturing will impact hugely on industrial systems. A significant number of traditional, large scale manufacturing plants (that Henry Ford would still recognise) may give way to highly distributed “micro-factories” that are located closer to the point of consumption.
4. **The Circular Economy:** The reality of diminishing natural resources and the need to migrate to a circular economy. This creates, for example, the need for product design to consider the entire lifecycle of the product and for the actors across the lifecycle to cooperate more closely, likely to be greatly enabled by ICT. We need to be involved from the beginning in the emerging “green tech” sector, as we were with med tech and aviation leasing.
5. **Remote Working:** The opportunity to facilitate remote working, which has been highlighted during the Covid crisis. This breaks the traditional affinity between place of work and place of residence, and offers new opportunities to FDI to access talent.

## **Recommendations**

Our recommendations on Enterprise policy factor in these trends but resist the temptation to “crystal ball” the future, i.e. to predict with any level of precision which sectors will emerge as the future winners. Rather we are focussed on policy that will provide the necessary context for Enterprise to thrive regardless of who those winners are.

Our recommendations are:

### **1. Raise awareness**

Ireland is fortunate to have a strong, modern enterprise base. As noted earlier, the country has built strong manufacturing and service capabilities over decades and hosts a disproportionate share of top global firms in high tech industries. However the global trends indicated above will disrupt the existing base, with smaller SMEs being particularly vulnerable. There is a real threat to our base; a real threat to our existing model. Of course, new opportunities will also emerge. Government and employer/employee bodies must raise awareness of the scale of change, and the level of investment and reskilling required to respond to this change, over the next decades.

### **2. Invest in Infrastructure**

Basic infrastructure – energy, transport, telecommunications, water - is a fundamental requirement for enterprise. Investment in these areas must be sustained, regardless of the economic cycle. Energy security in particular is of critical interest to investors. A secure supply of energy (transmission as well as generation) with a clear path to renewable forms can be a differentiator for Ireland. Cybersecurity should also be included in infrastructural planning – it has emerged as a critical enabler for enterprise.

### **3. Make Ireland a location of choice - attracting and retaining talent**

Human capital will be the primary driver of high value enterprise, regardless of which sectors emerge as the winners. We see today that access to human capital rather than, for example, level of grant aid is the highest priority for FDI.

Human capital is now more mobile than ever, and that includes our own brightest and best as well as top international talent. Enterprise will locate where talent exists (rather than vice versa) and that talent will locate based on lifestyle. Therefore, those regions that offer a compelling lifestyle will be the winners. Cities that are open, diverse and collaborative have long been dynamic engines of economic growth. To make Ireland a

location of choice for creative, innovative talent we must now develop and promote a lifestyle value proposition around infrastructure, the environment, affordable and accessible housing, health, education and leisure. In addition, technology can allow those living and working anywhere in Ireland to move (virtually) from the periphery of global economic activity to the centre. This is fundamental to delivering on the regional balance goals of the NDP.

Note that remote working also opens up the opportunity for enterprises based in Ireland to employ skilled workers located outside the country, an opportunity which might become significant if we cannot provide affordable accessible housing

#### **4. Invest in Education and Skills**

Global trends will force difficult transitions for many workers. Those transitions require proactive investment in developing a new wave of agile learners. Our higher and further education institutions have a critical part to play. Their education, training and research activities drive creativity and innovation. Top class graduates and apprentices are the raw material required to navigate and benefit from global changes. We need greater flexibility in our education system – it must be prepared to adapt course material and delivery mechanisms to facilitate lifelong learning. That flexibility will help ensure broad participation in lifelong learning, to include those working in SMEs who are at greatest risk from technology shifts. We must also ensure that we are successfully engaging the entirety of the available talent pool to support our STEM sectors. Despite numerous initiatives over the past 20 years a persistent gender imbalance exists and a fresh focus is required to address this. This is not just about equal opportunity, it is about maximising the talent pool.

To grow the talent pool we need to work harder to promote STEM to second level students. We need students to be aware of the career opportunities in technology and therefore to opt for STEM subjects. Industry and academic researchers can help with this. It is also critical that our STEM teachers are well qualified and passionate about their subject.

Beyond technology skills, we need to invest in management and leadership training. This has proven to be a major factor in the growth and resilience of our FDI sector. Those management and leadership skills will be needed across our entire enterprise in order to deal with the disruptive forces that will challenge it. Startups built on technology innovation also require business innovation and entrepreneurial skills in order to scale.

Investment in education and training must facilitate excellence. Today, our Higher Education Institutes are underfunded, resulting in poor infrastructure and unsustainable staff student ratios. Funding for the Irish third level system lags well behind other countries in Europe and around the world. The funding model for the sector needs to be addressed to allow Ireland to benefit from emerging trends.

## **5. Build an Innovation Culture**

Over the last 20 years national competitiveness has been improved through the technology centres of Enterprise Ireland/IDA and the research centres of Science Foundation Ireland. These centres were well-aligned to the priority areas identified by government, thereby driving economic activity. However in light of the emerging disruptive technology changes we now need to revisit our priorities and funding for research to align better with global trends.

We also concerned that, while at the aggregate level, our competitiveness levels are well-ranked internationally, our SMEs lag well behind the FDI sector. We need to identify the root causes for this and, where necessary establish innovation structures and funding supports that are specifically tuned to the needs of this sector. The Academy has previously highlighted the need for an Innovation Council and believes such an initiative would act as an important policy initiative to support Enterprise.

## ***Conclusion***

The Academy commends this submission to the Government and is available to brief on its views in more detail at your convenience.

# ICBHR submission to consultation on White Paper on Enterprise



The [Irish Coalition for Business and Human Rights \(ICBHR\)](#) is a coalition of civil society organisations and academic experts working collaboratively to progress corporate accountability, based on respect for human rights and the environment. The ICBHR welcomes this opportunity to make a submission on the White Paper on Enterprise and welcomes the Department’s commitment to ensuring that Ireland’s new strategy will be “inclusive, equitable and climate friendly”.

Irish companies have a responsibility to respect human rights, workers’ rights, and environmental standards wherever they operate. The State also has a duty to protect against human rights abuses by business and to ensure access to remedy, through effective policies, legislation, regulations, and adjudication. As such, our submission highlights specific recommendations to strengthen the protection of human rights related to the activities of enterprises.

Many companies are linked to human rights abuses and environmental harm in their operations or throughout their global value chains. The complexity of corporate structures and elaborate supply chains often makes it difficult to hold those responsible to account and for impacted communities to seek justice. As a broad coalition, we witness first-hand these impacts on the communities with whom we work. Members of the ICBHR working with partner organisations in some of the poorest countries in the world have witnessed corporations commit human rights violations such as forced labour, land grabs, attacks on human rights defenders, violence against women, denial of people's fundamental rights at work, deforestation, dumping of toxic waste, oil spills, unchecked CO2 emissions, and biodiversity destruction.

Furthermore, business-related human rights abuses impact women in distinctive, intersectional, and often disproportionate ways. For instance, women are over-represented in precarious work with poor working conditions and are vulnerable to exploitation and abuse, including sexual abuse. Furthermore, studies have shown that gender-based violence is widespread in many global value chains of multinational companies.

In 2011, the UN agreed a set of key ‘Guiding Principles’ on Business and Human Rights (UNGPs).<sup>1</sup> These guidelines provide a framework for how states and businesses should meet their obligations and responsibilities to respect and protect human rights, and to provide remedy for abuses that occur. For states, the UN Guiding Principles suggests a smart mix of measures to foster respect for

human rights among corporate actors. This includes introducing systematic **‘due diligence’** checks, whereby companies must identify and remedy abuses right throughout their supply chains and operations.

While some responsible businesses have complied with the UNGPs and taken responsibility for adverse human rights impacts, many others have simply ignored them, as the framework is voluntary by nature. In Ireland, recent research from Trinity College Dublin’s Centre for Social Innovation has shown that half of the top 60 companies in Ireland, including many multinationals, as well as Ireland’s ten-largest state-owned enterprises, scored less than 20 percent on their human rights policies. Moreover, 34 percent scored zero on embedding respect for human rights in their operations.<sup>2</sup> Research conducted under Ireland’s National Plan on Business and Human Rights 2017-2020<sup>3</sup>, a whole of government initiative which seeks to give effect to the UNGPs; a 2019 ‘Baseline Assessment’ of progress to date<sup>4</sup>, and a Review of Access to Remedy (2020)<sup>5</sup>, specifically recommended consideration of a system of mandatory human rights due diligence in Ireland.

A growing number of leading international businesses have supported calls for such mandatory human rights due diligence measures, arguing for the need to level the playing field and ensure that irresponsible companies cannot gain a competitive advantage by ignoring their human rights and environmental responsibilities. For instance, a group of 101 international investors, representing over \$4.2 trillion in assets, has called on governments to introduce due diligence legislation.<sup>6</sup> A level playing field provides businesses with certainty as to what their obligations are, as well as ensuring that businesses taking a leadership role are not disadvantaged.

Across Europe, there is also growing recognition that voluntary systems have failed, with a clear shift now towards firmer legal requirements. France, Germany, and Norway have introduced legislation for mandatory human rights due diligence, and in February 2022 the European Commission published a proposal for a Directive on Corporate Sustainability Due Diligence<sup>7</sup>. The CSDDD will create a framework for corporate responsibility regarding human rights and the environment. However, at present there are significant weaknesses and serious flaws in the draft text that risk it being an ineffective tick-box exercise, as we have outlined in our [Briefing Paper on the Directive](#).

The White Paper on Enterprise is an important opportunity to commit to the introduction of a robust due diligence standard for Ireland, that effectively addresses corporate harms to human rights and the environment. In our recent report, [‘Make it your Business’](#), as well as highlighting a number of businesses based in Ireland have been linked to human rights abuses around the world, including state-owned companies, we have also outlined what such a proposal for a robust mandatory human rights due diligence framework would entail.

*The key elements of our proposed framework:*

1. **Establish a new legal duty** for businesses to conduct effective due diligence and prevent adverse impacts on human rights and the environment.
2. **Cover all businesses**, and apply throughout their own activities and value chains.
3. **Protect people and planet**, requiring respect for all internationally recognised human rights and key environmental standards.
4. **Ensure accountability**, holding companies liable if they cause or contribute to human rights and environmental harms.
5. Deliver **effective remedy**, with real access to justice for affected communities.
6. Be **gender-responsive**, recognising the often disproportionate impact of human rights harms on women.
7. Include early, on-going, meaningful and safe **engagement with affected communities**, civil society and trade unions.
8. Address **reprisals against communities** for defending human rights.

Furthermore, given the most effective approach to this transnational issue would be regulation of a global nature, the ICBHR has also strongly supported the development of a UN binding treaty to regulate the activities of transnational corporations and other business enterprises with respect to human rights and the environment. The Treaty is currently being negotiated at the UN but has yet to be actively supported by the EU or Ireland.<sup>8</sup> The White Paper is an opportunity for Ireland to firmly support the vision of robust global regulation through support for a UN Binding Treaty.

## **Recommendations for the White Paper on Enterprise:**

### **The global context in which enterprises in Ireland are operating**

- The White Paper on Enterprise should include a commitment to develop a robust approach to corporate accountability in Ireland by introducing a comprehensive mandatory, gender responsive human rights and environmental due diligence framework that applies to all businesses.
- In setting out a clear ambition for a robust due diligence standard, the White Paper should prioritise strengthening the EU's Corporate Sustainability Due Diligence Directive and addressing weaknesses in the Directive. This should include expanding the scope of businesses included, ensuring effective civil liability, addressing barriers to accessing justice, covering the full depth of the value chain, ensuring due diligence is gender-responsive, and ensuring protection of human rights defenders.
- The White Paper on Enterprise should prioritise and set out a clear timeframe with steps for the preparatory work, development and ultimate transposition and implementation of the EU's Corporate Sustainability Due Diligence Directive into Irish law.



- The White Paper on Enterprise should include a commitment for the Department for Enterprise, Trade and Employment to co-lead, together with the Department of Foreign Affairs, the development and implementation of a revised new National Plan for Business and Human Rights, which includes support for a UN Binding Treaty on Business and Human Rights.

### **The twin green and digital transitions which all enterprises must address**

- The White Paper on Enterprise should outline support for corporate accountability legislation that would require companies to outline concrete obligations to develop and implement an effective climate transition plan in line with the Paris Agreement. These obligations should be enforceable by courts and public authorities.
- The White Paper on Enterprise must firmly embed at its core the principles of 'Just Transition'.

### **Enterprise policy support for the Sustainable Development Goals**

- To contribute to realising SDG 5, the White paper on Enterprise should commit to introducing gender-responsive due diligence legislation in Ireland.
- To contribute to realising SDG 16, the White paper on Enterprise should outline enhanced human rights and environmental due diligence responsibilities for business in situations of conflict and occupation.
- To contribute to realising SDG 16, the White paper on Enterprise should commit to developing corporate accountability legislation that contains a strong liability and enforcement regime with improved access to remedy.
- To contribute to realising SDG 16, the White paper on Enterprise should ensure the protection of human rights defenders, whistle-blowers and others put at risk.
- To contribute to realising SDG 8, the White paper on Enterprise should commit to developing strong corporate accountability legislation that mandates companies to protect labour rights and promote safe and secure working environments for all workers.

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<sup>1</sup> [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>2</sup> <https://www.tcd.ie/business/assets/pdf/CSI-BHR-2020-Report-V3.pdf>

<sup>3</sup> <https://www.dfa.ie/media/dfa/alldfawebsitemedia/National-Plan-on-Business-and-Human-Rights-2017-2020.pdf>

<sup>4</sup> <https://www.dfa.ie/media/dfa/ourrolepolicies/humanrights/Baseline-Study-Business-and-Human-Rights-v2.pdf>

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<sup>5</sup> <https://www.dfa.ie/media/dfa/ourrolepolicies/humanrights/FINAL-Access-to-Remedy-in-Ireland-June-2021.pdf>

<sup>6</sup> [https://investorsforhumanrights.org/sites/default/files/attachments/2020-04/The%20Investor%20Case%20for%20mHRDD%20-%20FINAL\\_0.pdf](https://investorsforhumanrights.org/sites/default/files/attachments/2020-04/The%20Investor%20Case%20for%20mHRDD%20-%20FINAL_0.pdf)

<sup>7</sup> [https://ec.europa.eu/info/publications/proposal-directive-corporate-sustainable-due-diligence-and-annex\\_en](https://ec.europa.eu/info/publications/proposal-directive-corporate-sustainable-due-diligence-and-annex_en)

<sup>8</sup> <https://www.trocaire.org/documents/towards-a-transformative-treaty-on-business-and-human-rights/>

## Submission on the preparation of the White Paper on Enterprise

July 2022

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**Introduction**

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*Affiliated to the European Trade Union Confederation*

- The Irish Congress of Trade Unions (ICTU) is the representative confederation for trade unions in the Republic of Ireland and in Northern Ireland. We represent unions with a total membership of over 500,000 in the Republic and 200,000 in Northern Ireland, working in every economic sector.
- We welcome the fact that the Government is preparing a White Paper on enterprise policy and the opportunity to set out our views on its preparation, and we look forward to further engagement with Government and other stakeholders on this initiative.
- Given the requested word limit, this submission identifies what we see as key issues concerning some of the main current policy interventions and policy omissions that should be addressed in the White Paper. We are aware that this submission cannot address all relevant issues and we are willing to expand on this in future engagement on this initiative.

### **Promoting Human capital**

- Human capital is an essential input and complement to innovation and hence must be a central focus of enterprise policy. Well-designed and well-funded early years services, education at all levels, training and life-long learning policies are therefore essential. Raising labour force participation rate and employment rates, in particular by women, to the levels of the best performing EU member states should be the goal. Early years services and policies to support work-life balance, including flexible working arrangements are essential to this.
- High quality human capital will enable employment in growing sectors of the economy and is particularly important in view of the twin green and digital transition imperatives, which will only succeed if based on just transition principles.
- The European Innovation Scoreboard 2021 attributes the relative decline in Ireland's innovative performance over recent years to a number of factors, including declining employment in innovative enterprises.<sup>1</sup> Policy should therefore encourage firms to invest in the human capital of their workforce.

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<sup>1</sup> Defined as the 'number of employed persons in innovative enterprises ('Enterprises that have either introduced an innovation or have any kind of innovation activity (including enterprises with abandoned/ suspended or on-going innovation activities)): European Innovation Scoreboard 2021:89.

- This also obviously concerns other policy arenas such as competition policy, which *Enterprise 2025* only considered in terms of business input costs, since larger firms that establish a dominant position in a market tend to maximise profit by exploiting their position, whilst reducing relative investment in innovation and labour (Terzi et al, 2022).
- Approximately 15% of the Irish population (25-64) participate in lifelong learning activities, above the EU average but below the best performing countries of Sweden, Finland and Denmark at 25-35% (European Innovation Scoreboard 2021). The OECD has previously highlighted that employers in Ireland provide less training than those in other OECD countries, and recommended the introduction of a statutory right to paid training leave, as is common in most other European countries with comparatively high training participation (OECD, 2020). This is also one of the calls in the June 2022 EU Recommendation on individual learner accounts.

### **R&D Tax Credit**

- The European Innovation Scoreboard 2021 also attributes the decline in Ireland's performance to reduced performance on R&D expenditure in the public sector, on business R&D expenditure, and on non-R&D innovation expenditures. Gross expenditure on R&D in Ireland was 2.2% of GNI\* in 2020, below the EU average of 2.3% of GDP, and has been on a declining trend since 2010 (European Commission, May 2022).
- Ireland's R&D policy over-relies on the R&D tax credit. The 2016 IGEEES evaluation of this measure concluded that 'deadweight is a noteworthy 40% of observed R&D since 2009', and that there may be scope to reform this measure without undermining business investment in R&D (Department of Finance, 2016). While the annual cost did decrease between 2015 and 2018, it has been on an upward trajectory since then, reaching €658m in 2020 (+85% since 2018) with €478m (73%) claimed by 196 'large corporates' (Revenue 2022). The total cost since 2014 now amounts to €4 billion. Revenue consumed by this subsidy would be better re-allocated in direct funding instruments to stimulate research and innovation, especially by SMEs, and in areas where Ireland's relative innovation performance is weak by EU standards.<sup>2</sup>

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<sup>2</sup> R&D expenditure in the public sector, non-R&D innovation expenditure, intellectual assets, employment in innovative enterprises, and environmental-related technologies. The OECD has also pointed out that eco-innovation in Ireland is weak (OECD, 2020)

## Enterprise-related tax expenditures

- The use of tax expenditures as a tool of public policy should be minimised. With regard to enterprise policy, the following expenditures in particular must be tackled:
  - **Capital Acquisitions Tax business relief:** Revenue reports there were 603 claims for this relief at a cost of €185.5m in 2020 – an average cost per claim of €307,600.
  - **Capital Gains Tax Entrepreneurial Relief:** Revenue estimates that 972 taxpayers availed of the relief in 2019 (latest year available) at a cost of €93.9m - significantly more than the €27m per year anticipated when first introduced - and an average cost of €96,600 per claimant.
  - **Special Assignee Relief Programme (SARP):** Approximately 1,600 high-earners availed of this measure at a total cost of €38m in 2019. The average beneficiary had an income of over €300,000 (in 2018), putting them in the top 0.5% of the earnings distribution (Kaloulidou and Roantree, 2021).
- These expenditures have little or no economic justification and the opportunity costs of such fiscal supports for business continuation results in fewer fiscal resources for other more worthwhile areas.

## Mission-orientated enterprise policy

- There is a strong case for government support to provide patient, long-term finance to support innovative effort and technology diffusion. Crucially, this concept of the state as investor entails taking equity stakes in high-risk, high-potential start-ups. Mariano Mazzucato has spoken of the state not as a 'lender of last resort' but as an 'innovative mission-oriented investor' and as a 'sharer in risk-taking' and not just a 'reactive fixer of market failures', and has emphasised the need for a mission-oriented approach to the green transition. Citing Mazzucato, the European Commission points out the new Horizon Europe programme introduces five EU missions (European Commission, January 2022). This concept of the state as investor should come before its role as the provider of loans and grants to private enterprises.

## Conditionality

- It should go without saying that all supports to private enterprises, in the form of loans, grants, equity stakes, tax expenditures etc, should be strictly conditional on compliance with minimum social and environmental standards and those relating to tax avoidance and aggressive tax planning. All enterprise-related supports should seek to attain Ireland’s commitments under the UN SDGs, particularly SDG 8, and the European Pillar of Social Rights. They must give effect to Ireland’s obligations to decarbonise. Implementation of the Climate Action Plan and adherence to the carbon budgets are not optional and must be an integral part of enterprise policy. The green and the digital transitions must take place on the basis of a just transition, which are essential for their success.

## Decent work agenda

- *Enterprise 2025 Renewed* took a very limited approach to the concept of promoting quality jobs and quality employment.<sup>3</sup> It did not for example contain any measures to tackle exploitation.
- The limitations of its approach is clear from Ireland’s *Voluntary National Review 2018* on implementation of the SDGs (Government of Ireland, 2018). This identified *Enterprise 2025 Renewed* as the ‘relevant national policy’ for SDGs 8.3, which includes the goal of decent job creation. The only consideration of this aspect of SDG 8.3 was under the heading of ‘Supporting the SDGs Globally’ concerning projects Ireland is supporting in seven partner countries in Africa and one in Asia. While these are to be welcomed it is not clear how they relate to Ireland’s national enterprise strategy. There was no consideration in the review how *Enterprise 2025 Renewed* relates to other aspects of SDG 8, such as ensuring decent work for all, protecting labour rights, promoting a safe and secure working environment, and implementing the ILO Global Jobs Pact.

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<sup>3</sup> Enterprise 2025 Renewed defines quality jobs as ‘jobs that are sustainable over the longer term – skills-based jobs that can support productivity-led wage increases’ (p.5), and it says that its policies will ‘take into account the multi-dimensional aspects that define quality, including: ensuring opportunities for advancement through workplace learning and development; ensuring that people are educated and trained to meet the needs of enterprise availing of the range tertiary, apprenticeship and training options; recognising the opportunities presented by entrepreneurship as an alternative career path; and ensuring a system that facilitates flexibility without exploitation’ (p.6).

- ICTU acknowledges the recognition in the Tánaiste's March 2022 speech to the IIEA on the future of industrial policy of the need to address issues of pay and conditions and that improving pay and conditions is the only way Ireland will attract the staff it needs. We also acknowledge that issues raised by SDG 8 and the Pillar of Social Rights were considered in other fora including the High Level Group on collective bargaining.
- We would make the key point that the inclusion of a decent work agenda in line with Ireland's commitments under SDG 8 and the European Pillar of Social Rights would make the attainment of objectives that are being discussed around the White Paper more likely.
- For example, one of the main themes of the Tánaiste's March speech was 'supporting companies to innovate and scale'. On this, the 2019 OECD report *Negotiating Our Way Up* highlighted the role of collective agreements in facilitating the adoption of productivity-enhancing practices and in increasing incentives for companies to invest in innovation, and has pointed out that workers covered by a collective agreement are one-third more likely to take part in training than those who are not (OECD, 2019).
- That OECD report concluded that the most effective collective bargaining systems, as measured in terms of achieving higher employment and lower unemployment (particularly for women, young people and the low-skilled), reduced inequality and improved productivity, are those found in Austria, Denmark, Finland, Germany, the Netherlands, Norway and Sweden.
- All these countries ranked higher than Ireland in the Global Innovation Index 2021, had higher employment rates in 2019 before the pandemic and were ranked higher on the WEF's 2019 Global Competitiveness Report.

## **EU agenda**

- In his March speech, the Tánaiste also said that Ireland's position 'at the heart of Europe, its single market and the eurozone is crucial' to the success of Ireland's strategy over the past 60 years. This echoes the point in *Enterprise 2025*, that Ireland's enterprise policies 'are informed (to a great extent) by [the] EU'.
- The White Paper must therefore take account of developments at EU level, particularly initiatives arising from the European Pillar of Social Rights, such as the recently agreed directive on adequate minimum wages which offers the opportunity to bring Ireland's collective



bargaining system closer to those of the most effective systems in other member states, and the proposal for a directive on corporate sustainability due diligence.

## **Conclusion**

- As stated above, this submission cannot address all issues of relevance to enterprise policy in Ireland. ICTU is therefore willing and keen to engage further with Government and other stakeholders in the development of the White Paper.

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## **IEA Submission: Public consultation on the preparation of the White Paper on Enterprise**

*Irish Exporters Association submission to the Department of  
Enterprise, Trade, and Employment*

27 July 2022

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### **Overview: The Irish Exporters Association**

The Irish Exporters Association (IEA) is the leading independent representative body and voice for exporters based in Ireland. The IEA represents exporters and supply chain operators across the country and works at regional, national, and European level, representing its members in front of legislators to create a regulatory and legislative framework that supports, drives, and fosters Irish exports.

We assist our members to grow their exports to world markets and drive the growth and development of all exporting businesses based in Ireland. We provide a set of highly relevant business services and products to assist our members with international trade.

The IEA represents the whole spectrum of companies within the export industry including SME's who are beginning to think about exporting for the first time right through to global multinational companies who are already extensively exporting from Ireland as well as the providers of key services to the sector. The IEA is the connecting force for Irish exporters, providing practical knowledge and support across the Island of Ireland and in foreign markets.

### **Introduction:**

The Irish Exporters Association welcomes the Department of Enterprise, Trade and Employment's (DETE) call for submissions to its White Paper on Enterprise policy. The IEA remains open and committed to working with DETE and the wider Government in the interest of Irish exporters and the success of the wider Irish economy. There is much to be done and we, the leading representative body and voice for exporters in Ireland, will play our part and continue to partner with Government to ensure that trade continues to flow through these difficult times.

The Department's White Paper comes at a time when the business community needs certainty as well as a clear future-focused direction of travel. Delivering positive outcomes in the interest of enterprise, trade and employment is in the national interest and we believe that continued effective direction from the Department is key to the economy's success. We submit our recommendations to ensure that Irish exporters are key to the Department's important work. We look forward to nurturing our positive relationship with the Department in the years ahead.

### **Recommendations:**

**Supporting Irish Entrepreneurs:** Entrepreneurial innovations are a key driver of Ireland's indigenous growth and have helped sustain economic growth in recent times. In an economy as reliant on foreign direct investment as Ireland's, supporting a strong indigenous economy and the Irish entrepreneurs fostering it, can be an added mitigating measure to insulate Ireland from global economic uncertainties in the current geopolitical climate.

We have developed a core national competence in our enterprise policy whereby we have long been very successful at supporting the scaling of small to medium sized indigenous exporting businesses, but poor at bringing microbusinesses up into this loop. Equally we are poor at developing these medium sized businesses into global corporations. We have created a very successful scaling loop, whereby entrepreneurs grow (and are supported to grow) their businesses to small-medium size, sell out and reinvest into early-stage companies that will inevitably follow the same trajectory. It is not only financial resources which these entrepreneurs invest but also their knowledge with many of them actively mentoring and in some cases involved in directing these companies.

The IEA believes the State needs to ignite its level of ambition either side of this successful scaling loop. To bring micro businesses forward will require significant resources both financially and in terms of time and support and expertise. To do this most effectively we believe in the creation of a bespoke unit within Enterprise Ireland that would provide the necessary (and in effect existing level of EI) support to micro companies. Essentially resourcing and requiring EI to lower the minimum size requirements to become a client. This will enable such businesses to understand how growth happens, and how to focus their organisation's efforts to grow. Local Enterprise Offices could work in conjunction with this unit to identify high potential candidates for this unit.

Scaling from medium to global, requires a different level of thinking. Global organisations though headquartered in one location have multiple hubs around the world. How do we support and adapt to this type of development and move away from our long-held fears of moving jobs abroad? We believe that the current geopolitical environment coupled with emerging global megatrends may well provide the opportunity. By embracing sustainable trade, new technologies such as 3D printing and through the parallel development of a creative industries sector we can position ourselves as leaders in developing global business for the 21st century.

**Evolving Technologies:** Today, supply-chain leaders are facing a new wave of unprecedented technological opportunities. The State must be prepared to capitalise on these new innovations. 3D printing technology consolidates the number of components and processes required for manufacturing. Its portable nature enables businesses to take production to local markets faster, resulting in a shift away from mass production in low-cost countries in favour of more local assembly hubs.

This is especially important during times of geopolitical tension when the cost of purchasing components globally can increase rapidly. 3D printing is a 'greener,' more energy-efficient and cost-efficient production method.

While new technologies in 3D printing, automation, performance management and ondemand delivery for supply chains may present challenges initially, global trends in the evolution of these technologies mean Government cannot ignore the benefits they will provide to businesses.

The IEA believes this White Paper presents an opportunity for Government to assess how it can best support the adoption of these technologies in helping the State achieve its sustainability goals. It also presents an opportunity to position Ireland as a centre of excellence in both sustainable trade and encourages the growth of a "creative industries hub", which will be essential for positioning ourselves for developing tomorrow's export industry: creating the items (the IP) in Ireland, with the product exported via 3D printing hubs located in local markets around the world.

**Addressing the Skills and Talent Gap:** The continued success of Ireland's exporting industry highly depends on the ready availability of an appropriately educated, skilled and trained workforce for each of the industry's

diverse sectors. With Ireland's economy nearing full employment according to the CSO, it is becoming increasingly difficult for the industry to attract the required workforce.

Ireland's structural labour market shortage is a significant hindrance to further economic growth and the global competitiveness of Irish exporters. Tackling this shortage should be elevated to the national level with a view towards developing a national approach to addressing the national skills and talent gap.

The IEA will launch *The Institute of Sustainable Trade* in September a professional body, with a focus on providing all international trade professionals with accredited education and training opportunities that will prepare them for a more sustainable future (across all 17 UN SDGs) and increase career progression.

**Investing in Sustainable Global Trade:** Climate change is a defining challenge for the State. As an island nation Ireland is, and will increasingly be, particularly affected by the effects of a changing climate over the coming years. This requires Irish businesses, especially those in the logistics and transport sectors to adapt and consider measures to manage and mitigate the different effects on their businesses.

To successfully trade abroad, Irish exporters fully depend on an integrated, intelligent system of different transport modes to efficiently transport freight between the manufacturer, the export hub, and the final customer, as well as to meet their supply chain requirements more diversely. Such multi-modal transport systems combine the various available transport modes and infrastructure (road, rail, sea, and air) to create an integrated system that enhances the efficiency, productivity, economics, and environmental sustainability of the transport sector.

Over the last number of years, IEA members have already taken several welcome steps to diversify and promote alternative fuel solutions for both manufacturing processes and logistics use. Under pressure from increasingly strict environmental rules and rising oil prices, both manufacturers and logistics service providers are gradually transitioning towards alternative fuels such as liquefied natural gas (LNG), electric or hydrogen.

Positioning Ireland as a global leader in sustainability (across all 17 UNSDGs) presents opportunities for the State to nurture positive relationships with key trading partners and increase opportunity for Foreign Direct Investment. The State needs to put sustainability as a key component of business governance ensuring that energy transition takes its place at the heart of business strategy.

**Addressing Energy Concerns:** As Ireland recovers from the COVID-19 pandemic, continued financial pressure and uncertainty for businesses remain. These companies are now faced with rising energy prices, supply chain uncertainty and an increase in the cost of capital. A clear Government strategy on energy security is required and is of vital importance. Ireland needs to reduce its carbon emissions whilst also ensuring that a consistent and secure supply of energy remains available.

As the war in Ukraine continues, it is crucial that the Government addresses supply by increasing investment in electricity generation, the grid and natural gas storage. Developing offshore natural gas storage in Corrib and Kinsale will be required to secure our future energy mix until we can fully transition to a fully sustainable power supply.

The invasion of Ukraine has highlighted the importance of accelerating the swift transition to indigenous, renewable energy outputs and the need to decrease our reliance on imported fossil fuels. This White Paper provides the Government with a prime opportunity to put in place a concrete roadmap on Ireland's energy

sustainability future and should lead to further research into innovative energy solutions such as Hydrogen and Biogas that could support the logistics and supply chain sectors.

**Conclusion:**

The Irish Exporters Association would like to thank the Department for the opportunity to feed into its White Paper on Enterprise policy. The IEA has actively and constructively worked with the Department of Enterprise, Trade and Employment and stands ready to continue this engagement. We look forward to expanding upon our recommendations in the interest of Irish exporters and importers and the wider business community.

On behalf of the IEA,

Simon McKeever  
**Chief Executive**

**DATE:** 27.07.22





# Irish Hotels Federation

Submission to the:

Department of Enterprise, Trade and Employment

Public Consultation on the Future  
Direction of Enterprise Policy

29<sup>th</sup> July 2022



## **INTRODUCTION**

The Irish Hotels Federation (IHF) welcomes the opportunity to engage with the Government in relation to the future strategic direction of Enterprise Policy in the context of the many challenges facing businesses, including those within the tourism and hospitality industry.

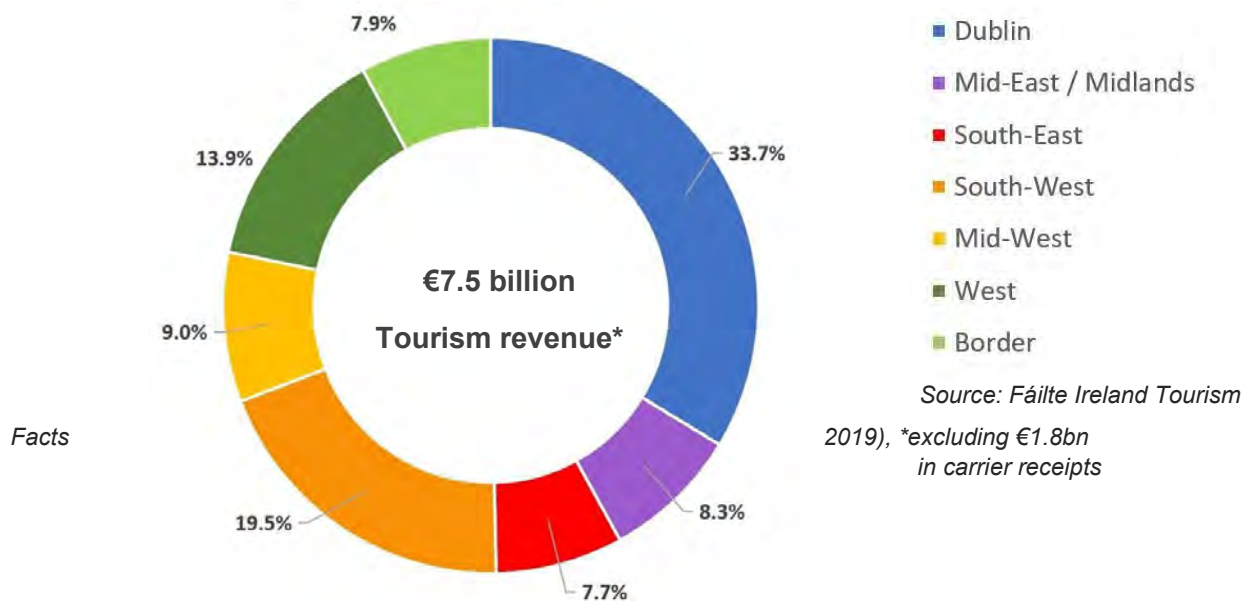
Founded in 1937, the IHF is the national representative organisation of the hotel and guesthouse sector in Ireland, representing the interests of over 900 businesses. As a key stakeholder in Irish tourism which embraces hospitality, we work with our industry partners to ensure the right conditions are in place for tourism to grow and prosper, thereby contributing to recovery and job creation in the economy.

Tourism is one of Ireland's largest indigenous industries and is essential for Ireland's economic wellbeing. It is a major source of employment generation across the entire country and is of enormous importance to many areas with an otherwise weak economic base. As a result, tourism development has a very positive influence on regional development by helping to diversify employment options and stabilise rural and regional populations.

Irish tourism is now coming out of an exceptionally challenging two years, during which time hotels lost €5.3 billion in revenue while overall tourism revenues fell by €12.2 billion. Government supports were vital to the survival of many businesses, and our industry is now looking to recovery and sustainable long-term growth. This is of critical importance given the role played by our sector as an integral part of the infrastructure within the Irish economy, supporting domestic and international tourism and leisure, events, foreign direct investment, indigenous industry and communities throughout the country.

The overriding policy objective for our industry now is to rapidly restore tourism activity and employment to 2019 pre-Covid levels as a baseline for future growth. In 2019, tourism revenues of €7.5 billion were recorded (excluding €1.8 billion carrier receipts) of which €5.5 billion came from overseas visitors, €400m from Northern Ireland visitors and €2 billion from the domestic market. Tourism accounted for 4% of GNP and generated €2 billion in tourism tax revenues.

### **Regional Share of Tourism Revenue Pre-Covid (2019) (excluding €1.8bn in airline carrier receipts)**



While we are seeing a welcome recovery in tourism, this is being boosted significantly by a number of anomalous short-term factors including very high levels of pent-up demand, a temporary increase in consumer spending power in the form of personal savings and exceptionally high levels of displaced business from 2020 and 2021 which many hotels are currently catering for.

A key challenge facing our industry is the escalating cost of doing business which is having a detrimental impact across all areas of hotels' operations. The economic environment for our industry is also likely to be quite different from October onwards and into 2023 as we deal with a number of pressing challenges ahead – including:

- heightened uncertainty around inflation
- escalating business costs
- increasing risk of a global downturn and further supply chain disruptions
- damage to consumer sentiment
- the backdrop of the continued war in Ukraine
- BREXIT

It is clear that enormous difficulties lie ahead as we seek to recover from the worst economic shock in living memory, facing into yet another exceptionally challenging economic environment. It is therefore vital that the Government remains focused on ensuring the right conditions are in place to deliver the long-term sustainable recovery of our industry and the restoration of livelihoods supported by our industry.

#### **GOVERNMENT ENTERPRISE POLICY FOR TOURISM**

Given the vital economic role played by Irish tourism, it is essential that our industry remains at the heart of Ireland's national enterprise policy with the right focus and measures in place to harness the industry's full potential as an engine of long-term economic growth.

The development of a comprehensive and coherent enterprise policy should recognise tourism as an important indigenous export sector of Ireland's enterprise economy. Tourism has the potential to deliver a greater contribution to economic growth, particularly in respect of spatial distribution, regional economic, social and environmental development. A medium to longer term policy

framework would improve the prospects for investment in the sector and provide a stronger context to reframe Ireland's tourism growth to better realise its potential to contribute greater economic, social and environmental benefits.

Long-term strategies and policies focused on encouraging enterprise and entrepreneurship across the tourism sector will:

- Position tourism as a more attractive investment (indigenous and FDI) proposition
- Increase the productivity and competitiveness of the sector
- Deliver sustainable good quality jobs
- Facilitate integrated regional and national economic development within the wider economic policy framework
- Provide greater transparency on the sector's performance and Government interventions with improved policy monitoring and evaluation

**Investment in skills and training** – Sustaining and supporting the skills base for tourism will require a targeted Government approach with dedicated funding and resources for training and skills development, including funding for apprentice off-the-job training and resources for training and hiring of new entrants in the hospitality sector.

Fully funded training should be made available through the Education and Training Boards (ETBs) and Skillnet Ireland to meet the immediate training requirements of thousands of hospitality enterprises across the state. The National Training Fund currently has a surplus of €1 billion, and while it is acknowledged that the fund must hold reserves, there is an urgent need in the case of the hospitality sector for ring-fenced funding to meet the immediate crisis in our industry.

Targeted funding is required for new skills development within the hotels sector, including in the areas of sustainability and digitalisation. This should be supported also by targeted business grants for hotel investment in digital capacity and technologies.

To support proper planning for skills development, we are calling on the Government to commission a detailed study of the present and future skill needs of our industry. The last detailed study of the hospitality sector was in 2015 by the Expert Group on Future Skills Needs (EGFSN). In particular, accurate data and metrics are required to assist the Education and Training Boards, Technical Universities and Skillnets in supporting us with this mammoth task ahead.

**Sustainability** - Hotels are among the largest consumers of energy within the tourism industry. Given their scale and the structure of operations, they are ideally placed to make a substantial contribution toward Ireland's national carbon emissions targets. There is a real desire across our sector to embrace further measures in line with the Government's Climate Action Plan. The Government has a critical role to play in supporting enterprises within our sector to meet their sustainability goals, for example through a part-funded national hotel retrofitting scheme.

**Competitiveness** - We are an island destination and face some unique challenges in terms of access and competitiveness. Business costs in Ireland are relatively high in a European context. And core tourism and hospitality input costs are often among the highest in Europe. For example, labour costs in Ireland are near the top of the European 'leader board'.

A greater focus on cost competitiveness by the Government is therefore key for tourism enterprises, including Irish hotels and guesthouses. In this regard the 9% tourism VAT rate is a critical policy measure which supports tourism enterprises and enhances our international competitiveness. A commitment to its retention would provide greater certainty to enterprises and assist ongoing recovery and future growth with our sector.

The current 9% is the appropriate rate in the context of the EU. The 13.5% rate which operated previously is among the highest in the EU and is not what an economy with a high relative tourism share in employment requires. Of the 27 EU countries, the VAT rate on accommodation is lower than 9% in nine countries, is 9% in six countries and exceeds 13.5% in only one EU country: Denmark. As can be seen on the following page, Ireland's current 9% VAT rate is in line with our main European competitors. Far from being an exceptional measure, the majority of countries operate a low VAT rate on accommodation. Any increase in Ireland's VAT rate would therefore put us at a serious competitive disadvantage.

**Table 3: European VAT rates on accommodation, 2022**

Country	Rate (%)	Country	Rate (%)
Luxembourg	3	Slovenia	9.5
Switzerland	3.7	Czech Rep.	10
Romania	5	Finland	10
Hungary	5	France	10
Belgium	6	Italy	10
Portugal	6	Spain	10
Germany	7	Austria	10
Malta	7	Slovakia	10
Turkey	8	Iceland	11
Poland	8	Norway	12
Bulgaria	9	Latvia	12
Cyprus	9	Sweden	12
Estonia	9	Croatia	13
Lithuania	9	Greece	13
<b>Ireland</b>	<b>9</b>	U.K.	20
Netherlands	9	Denmark	25

*Source: Hotrec, EU Commission*

**Tourism Economic Research** – Resources should be provided to prioritise the introduction of a Tourism Satellite Account within the Central Statistics Office (CSO) in order to better inform future taxation and economic policy by providing a full economic analysis of tourism activity and its contribution across each county.

The Government should task the Economic and Evaluation Service to undertake regular economic analysis of the tourism sector to include a cost/benefit assessment of the impact of Government investment in tourism. This would provide data and information which would enhance the quality of public policy decision-making and provide data on the true economic role of tourism.

**We believe that a concerted focus by Government on delivering the above policy measures supported by strong coordination across relevant departments will provide the best possible conditions for the recovery of Irish tourism and sustained growth by enterprises across the wider industry, including hotels and guesthouses.**

#### **FOR FURTHER INFORMATION**

We look forward to continuing to work closely with the Government to support Irish tourism and are available to discuss the above measures in further detail.



**Draft**  
**IITD Submission**  
**Public Consultation–July 2022 White Paper on Enterprise**

## **Introduction**

The Irish Institute of Training and Development (IITD) is pleased to make this submission on the future direction of Enterprise Policy in Ireland. The submission focuses on the availability of the right skills and talent to drive enterprise growth and employment. IITD is the professional body representing members concerned with human resource training and development in Ireland. The IITD has over 2,000 members involved with human resource training and development, working in business, industry, consultancy, voluntary, community, education, and the public sector.

After two difficult years due to the effects of the pandemic, the Irish labour market has recovered well, albeit sectors such as tourism, hospitality, and travel are still slowly recovering. However, there are growing economic concerns regarding inflation and energy and commodity costs, not least because of the war in Ukraine. To establish its niche as a high-performing and innovative country, Ireland must continually improve the skill capability of its workforce. In the current labour market context, continuing investment in quality training and education will ensure that enterprises remain competitive and employees' skills are "future-proofed". The demand for upskilling and reskilling continues to grow. Primary drivers include technological change, the transition to a low carbon economy, health and social care needs, investment in housing and infrastructure, Brexit, changing work practices, and the growth in remote working.

The key proposals made in this submission by the IITD are outlined as follows:

### **1. Invest in SME workforce development to boost productivity and innovation**

The IITD supports an increase in investment from the National Training Fund towards co-financing in-company training, particularly within SMEs, to boost productivity and innovation. SMEs represent 99% of enterprises in Ireland and employ 70% of the workforce. As identified by the OECD, the capacity of indigenous firms to adopt new technologies is affected by relatively weak managerial skills and the low participation of employees in lifelong learning activities. The OECD emphasises the need to improve the financial skills capability of small business owners and managers. There is a need to invest in low-qualified workers whose jobs are most at risk from automation. Upskilling workers at lower skill levels can help fill higher-skilled positions. The IITD supports Future Jobs Ireland's aim for a doubling of participation in lifelong learning by 2025. The achievement of this target will require a substantial increase in investment within enterprises.

### **2 Improve enterprise digital capability**

New technologies offer opportunities for enterprises to develop new business models providing innovative products and services. Occupations are becoming more knowledge and digitally based, with an increasing need for training in applying key enabling technologies, including artificial intelligence, robotics, data analytics, biotechnology and cyber security. Raising digital skill capability will improve employees' job security and support the transition to new technology and ways of working. The successful adoption of new technologies depends upon the design of human-technology interfaces and the upskilling or reskilled of workers in advance of such changes.

### **3 Increase work-based learning opportunities**

The IITD supports investment in education, training, and employment support for young job seekers within the range of new apprentices and traineeships. This includes increasing the uptake of new apprenticeships and improving alignment across the 58 apprenticeship programmes. Providing work-based learning opportunities for apprentices and FET trainees is essential for applying practical skills and developing social and collaborative

skills. The quality of the design, development and delivery of work placement opportunities can be improved through collaboration between enterprise and education and training providers. Work placement programmes designed with the input of employers lead to better employment outcomes for participants.

#### **4 Upskilling/reskilling to support the transition to a low-carbon economy.**

Government Climate Action measures, new EU environmental regulations, and consumer preferences for eco-friendly products and services are impacting job-skills profiles across the economy. The European Green Deal plans to make the EU climate neutral in 2050 with zero net emissions of CO<sub>2</sub>. Achieving this target will require action by enterprises in all sectors, including investing in environmentally friendly technologies, cleaner forms of private and public transport, decarbonising the energy sector, and ensuring buildings are more energy efficient. The transition towards a low-carbon and circular economy is expected to affect employment positively. Job gains can be expected in renewable technologies, eco-construction, lean manufacturing, and recycling. The new Government's Circular Economy Strategy estimates that a 5% improvement in Ireland's rate at which materials are recovered and fed back into the economy would result in savings of €2.3 billion annually and create the opportunity for significant job creation and quality work at all skill levels. Around 80% of the environmental impacts of a product are determined in the design stage. Rethinking design can help change the way products are made and used.

#### **5 Skills to drive Ireland's international trade performance**

International trade and investment underpin 1.3 million jobs in Ireland - just over half of all employment. Ireland's exports in 2021 were €451 billion, while imports were €391 billion. The open nature of the Irish economy means that proficiency in international trade skills is vital for our competitiveness and regional development. The need is to ensure a talent pool with the right skills, including cross-cultural fluency and foreign language proficiency, for businesses to trade internationally and attract inward investment. Irish enterprises need to continually upgrade their trade skills to take advantage of the recovery in global trade. The consistent quality supply of essential food and medical supplies during the pandemic highlights the importance of supply chain and logistics activities. International marketing and selling, supply chain, distribution, and logistics skills are crucial to driving global trade and employment opportunities. 80% of Irish manufacturing output is exported by road, sea, air, and rail modes, including much of the 1,000 multinational companies' production. Around 108,000 people are employed in transport and distribution occupations.

#### **6 Boost regional skills and entrepreneurship capability**

IITD supports the emphasis on skills development and entrepreneurship within Regional Enterprise Plans. Regions that boost their supply of skills and talent are more competitive and attract inward investment. The proposition for inward investment and innovation within regions is improved by the availability of a skilled labour pool. Strengthened engagement between higher and further education and training institutions and Enterprises is essential for shaping the required level and nature of skills supply to drive regional enterprise growth and inward investment. Skilled workers are mobile and choose where they live and work based on the quality of life factors and career advancement opportunities.

#### **7 Support working and learning opportunities**

There is a consensus that remote working will become a central feature of the future of work beyond that caused by the disruption caused by the pandemic. A conducive environment for remote work is essential to facilitate its increased uptake. The IITD has responded to the growing demand to provide training support for organisations, managers, and individuals to deal with remote working challenges.

Remote work can widen the talent pool across Ireland, stimulate regional growth, lessen accommodation pressures in urban areas and promote better work/life balance. It can increase the number of small businesses providing technology-driven services online such as e-health, e-education sales content, and design services.



COVID pandemic workplace restrictions resulted in a sudden disruption, with many workers by necessity moving into a remote working role without any assessment of their suitability and necessary induction.

## **6 Innovate in the design and delivery of learning provision**

There is greater scope to adopt user-friendly digital technology and tools for teaching and learning, including virtual and augmented reality and simulators. FET technology-enhanced learning can be tailored to suit learners' and employers' needs. This includes blended instructor-led classroom training, virtual instructor-led training, and integrated project-based learning. Individuals learn in many different ways, both formal and informal. This can be considered in shaping the design and delivery of the training. Self-learning skills are critical competencies for lifelong learning, including the ability to self-assess skills and knowledge to progress within a current job or transfer to another. Training formats can be modular and flexible to fit work schedules and family responsibilities. There is potential to utilise industry-recognised micro-credential digital badges for formal and informal learning. For formal education, credit can be awarded based on its contribution to a unit standard or part qualification. This can facilitate the building up over time of "stackable" credentials that count towards a higher accredited qualification. Relevant "nuggets of learning" can be delivered comprising either new or adapted modules from existing programmes.

## **Conclusion**

The IITD is pleased to make the above submission and would be delighted to expand upon any aspect of the above proposals if required.

End

Sinead Heneghan  
CEO  
Irish Institute of Training and Development

July 2022



Enterprise Strategy Unit,  
Department of Enterprise, Trade and  
Employment, 29th July 2022, July  
2022.

### **Irish Medtech Association Submission to the Consultation on a White Paper on Enterprise**

#### **Irish Medtech Association vision for enterprise policy**

Ireland's globalised economy has demonstrated its agility and resilience in recent years with the life science and healthtech industries are playing a lead role in growing the economy while improving lives through innovation. The lifesciences (healthtech) sector is responsible of over €105bn in exports, with over 84,000 people directly employed. Ireland's global medtech hub alone spans 450 businesses, including 9 of the world's top 10, which employ 42,000 people. The industry here is not only making an international impact as a leading location for FDI investment but is demonstrating its prowess as a location where start-ups can scale.

To sustain our hard-won competitiveness and position ourselves on the world stage as champions in the evolving world of health innovation and drivers of growth we need the right industrial policies which promote a more coordinated and strategic way of thinking.

Internationally, the medtech and healthtech industries are being transformed by game changes spanning:

- **Healthcare:** Health, advanced therapeutics, and customer trends •  
**Technological:** Healthtech, convergence, and disruptive technologies
- **Socio-political:** International trends, and sustainability.

Given the evolving global health ecosystem, Ireland needs to take action to define its future role, cement its success and establish its strong position globally. To reflect this the Irish Medtech Association set out a new vision for Ireland will be strongly positioned as a global leader in innovative patient-centred medical technology solutions, helping to set the future global healthcare agenda, with a proven ecosystem that is a major contributor to the economy.

#### **Approach to enterprise policy**

International best practice has demonstrated a **new approach to industrial policy** to foster growth by creating the conditions for competitiveness to benefit from opportunities and overcome challenges presented by these global game changers.

Clusters are increasingly created to connect key supports and stakeholders with the right governance to promote both vertical and horizontal collaboration. Notable examples include, France, Israel, and the United Kingdom, which are all investing heavily in the life sciences and health technology industries at a national level to accelerate the transformation of healthcare to deliver better outcomes,

while growing the economy. This shift in industrial policy highlights both the opportunities, but also the **cost of inaction** as our competitiveness risks being eroded without decisive action to reap the benefits of playing to our strengths.

Clusters are underscored by a system of governance which facilitates a combination of vertical/horizontal cooperation, along with cross-sectoral and cross-regional collaboration, thereby facilitating integration into global value chains. This is focus of the European Commission's "European Cluster and Industrial Transformation Trends Report" which suggest that by organising clusters European industries can become more globally competitive by increasing SME participation, fostering international research linkages, and entrepreneurship, to modernise industries while moving up the value chain.

It takes many actors, playing critical roles to ensure a fully functioning ecosystem - and each ecosystem is unique. However, startups are the nuclei of innovation and progress, whilst they only represent less than 10% of our ecosystem in terms of exports and jobs. To help startups evolve into high growth firms, creating favourable business environments alone is insufficient according to OECD research on "Entrepreneurial ecosystems and growth-oriented entrepreneurship". **Distinctive supportive environments** that are proving to be successful include a mix of: established businesses, serial entrepreneurs who share their expertise and reinvest resources, and an accessible information rich environment. Other key players are investors, large firms, and service providers. **A whole government, holistic approach to policy is needed to bring together all stakeholders and relevant Government Departments across the ecosystem with assessments to identify strengths and weaknesses.**

### Key enablers

- **Innovation with impact:** Medtech is characterised by a constant flow of innovations and is arguably the most innovative sector in Europe. Ireland becoming a leading innovation performer must be central to our enterprise policy. If Ireland is to continue to compete in a much more complex evolving healthcare ecosystem, a significant ***step-change from the current innovation policy is essential***. More needs to be done to support innovation differentiation, with better access to end-to-end funding and investment to take products through the demanding product lifecycle. Significant investment is required across the entire value chain from product, process, services and beyond. Investment in **Industry 5.0**, underscored by enabling technologies such as **digitalisation, cloud, AI and 3D** are essential.
- **Talent to Thrive:** Ireland is the largest employer of medtech professionals, per capita, in Europe thanks to our talent pool of third level graduates and access to industry-led training through Skillnet Ireland. Talent will determine our success as a future location for business. ***An intense focus on talent policy is needed, covering education, skills, life-long learning and migration***. Innovative talent development models, such as the new consortia led apprenticeships needs to be accessible and financially viable for all enterprises. Strategies should do more to foster collaboration between education providers with industry to ensure fit-for-purpose. In tandem, Ireland needs investment in "hard" infrastructure such as housing, childcare, broadband and transport, to ensure Ireland continues to be an attractive location to work and live.
- **Competitiveness of our ecosystem:** Firstly, to maintain our attractiveness, we need to ensure that at an EU level the Medical Device Regulation and IVD Regulation have the right infrastructure to overcome notification bottlenecks and ensure patient access to life improving medtech. The long term impact on innovation and patient access in Europe cannot be underestimated, and radical intervention is required now. We urgently need an all-encompassing EU Commission led ***Medtech/Healthtech Regulatory Roadmap for Europe*** to support new innovative health technologies onto the EU market. Secondly, we should focus on driving ***sustainability*** across our business model, not just in terms of maximising returns but in generating returns in a way which balances economic, environmental, social and governance (ESG) goals. Thirdly, more be done to maintain our hard won competitiveness in the face of an evolving global business environment by providing greater ***incentives locally***. Incentives such as

the “R&D Tax Credit” and “EIS” and others, need to work for business and differentiate us globally. It is crucial maintain real control and coordination of our own cost base in the new enterprise strategy.

- **Excellence through collaboration:** Industry lines are increasingly blurred with many healthcare solutions stemming from convergence in the life sciences, health technology, and digital health industries. A national life sciences/healthtech strategy is needed at Government level to enable the ecosystem to achieve it’s potential, with greater cross-stakeholder cooperation to improve healthcare and deliver economic prosperity.

### **Irish Medtech Association call for a national strategy**

The need and benefit of undertaking a global outlook for life sciences and health technology has been greatly emphasised by the Covid-19 pandemic. The far-reaching impact has seen national governments and international businesses respond at a pace and through collaborative means never seen before.

**We are calling on the government to develop a national industrial life sciences and health technology strategy that reflects international best practice in industrial policy by embracing clustering.** This should be led by the Department of Enterprise Trade and Employment, with engagement and support from other relevant Government Departments. A similar model to Ireland’s Industry 4.0 Strategy 2020-2025. The Department needs to appoint appropriate resources at the Department to oversee and implement same. An appropriate representative forum needs to be established to support and input into same.

The life sciences (biopharma, medtech, and digital health) industries have demonstrated their value in improving lives and stimulating sustained economic growth even in the face of global challenges. Nevertheless, to achieve these industries potential and solidify our position as global leaders we need a coordinated, and focused industrial policy to surmount rising obstacles. We need to broaden our base from manufacturing and supply chain, to include also creating an environment where homegrown startups and SMEs flourish.

### **Recommendation**

- The Government develop a national industrial life sciences and health technology strategy led by the Department of Enterprise Trade and Employment, with the support from other relevant Departments within Government.
- Appropriate resources should be appointed to implement the strategy and lead this new “office” to champion research, innovation, and the use of technology to transform health and care services globally.
- Review global best practice in national ecosystem development as a mechanism for strategy/ecosystem development such as the MIT REAP Regional Entrepreneurship Acceleration Program (MIT REAP).

### **Purpose**

- Coordination structure over the state-funded resources dedicated to biopharma, medtech, and digital health startups and businesses.
- Ensure clarity and coherence of the resources and supports available for the development, and commercialisation of digital health solutions and disruptive innovation from the biopharma and medtech sectors, and innovation which occurs through the convergence of same.
- Support partnerships and cooperation amongst life science stakeholders including industry, academia, regulators, NGOs, and health systems.
- Foster collaboration between policymakers, business, and clinicians to identify unmet clinical needs and facilitate the effective adoption of innovation and digital health solutions and services into the health system, as well as make Irish health system a testbed for digital health innovation, further strengthening our value proposition.

## Goals

- To stimulate businesses to develop biopharma, medtech, as well as digital health products and solutions in Ireland to make an impact globally.
- To become a recognised global leader in differentiated biopharma, medtech, and digital health innovation underscored by strategic convergence.
- To facilitate the current and future workforce to develop the skills to drive disruptive innovation in the biopharma and medtech sectors, as well as deliver digital health products and solutions.
- To establish a world class business environment for biopharma, medtech, and digital health, which is underpinned by an appropriate regulatory, legal, standards, and internationally connected ecosystem.
- To accelerate the digitalisation of Ireland's health system to provide more personalised care that empowers patients, supports health care professionals, and delivers value-based outcomes

International trends and research support the case for clustering as a means to drive more strategic industrial policy. We believe that if we do not adopt a similar approach, we risk losing our hard won competitiveness and falling behind in our attractiveness as a location to do business.

We look forward to hearing from you.

Kind regards,



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# INOU Submission on the development of a White Paper on Enterprise

IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED | [www.inou.ie](http://www.inou.ie)  
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## Introduction

The Irish National Organisation of the Unemployed (INOUE) welcomes the opportunity to engage in the consultation on the development of a White Paper on Enterprise.

*“The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all. We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society.”*  
(INOUE Mission Statement)

The organisation has almost two hundred affiliated organisations and six hundred individual members. We work at the local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

The Department’s letter to the INOU noted that *“The White Paper will seek to articulate what needs to be done differently to realise the vision of a resilient, inclusive, and sustainable enterprise growth model for Ireland in the future, while remaining true to what currently works well for enterprise in Ireland.”*

While the public consultation document stated that the White Paper will explore several high-level policy questions including: *ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development; enterprise policy support for the Sustainable Development Goals; and the levers and mechanisms to deliver on enterprise policy objectives.*

## Inclusive Entrepreneurship

In preparation for an OECD workshop on inclusive entrepreneurship training held in April, 2022 the table in the Appendix was created. It brings together key commitments / actions in a range of policies aimed at Travellers, women, unemployed people and people with disabilities, and was used by the INOU to reflect on the OECD’s question: *are key Government policies / strategies supporting inclusive entrepreneurship?*

In the follow-up document to this meeting the OECD noted that *“Inclusive entrepreneurship policies seek to give everyone an opportunity to create a successful and sustainable business, regardless of their gender, age, place of birth, work status or other personal characteristics. Expanding entrepreneurship can create jobs, fight social and financial exclusion, leverage technologies and help respond to economic challenges. One of the most important tools used by governments to make entrepreneurship more inclusive is entrepreneurship training since there are important entrepreneurship skills gaps across the population.”*

It will be absolutely critical that the White Paper on Enterprise commits to the development and realisation of inclusive entrepreneurship and that existing actions and commitments are strengthened and met. The development of an inclusive enterprise policy would also be in keeping with SDG 10 which focuses on *reducing inequalities* and aims to *reduce inequality within and among countries.*

## Sustainable Development Goals (SDG)

Of particular importance for the INOU is SDG 8 which focuses on *decent work and economic growth* and aims to *promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*. In 2020 the INOU ran a project on Decent Work<sup>1</sup> and amongst the matters raised are ones that are pertinent to the development of this White Paper, including:

- *Some of these issues arise from the challenges of low population density, but concerns were articulated that there is no plan to keep rural Ireland working, to decentralise jobs and industry. Participants felt that enterprise opportunities need to be shared around rural Ireland and not just centralised in Dublin, as one participant said: “it’s time to spread the joy”. (p19)*
- *Other participants felt that social enterprises are very suitable for Travellers. It was noted that there are social enterprises that are Traveller-lead and have proved successful around the country, for example, Kingdom Furniture (Kerry), BounceBack Mattress Recycling (Galway), and that this should be explored further. (p22)*
- *Important to provide work opportunities for people who may face very considerable challenges in getting employment, could be part of Corporate Social Responsibility.*
- *Need to map the jobs that will be obsolete, identify their replacements, ensure people are given the opportunity to reskill to avail of emerging opportunities.*
- *Green jobs should be an integral part of Ireland’s enterprise strategy, building on the country’s natural strengths, and addressing our climate responsibilities justly. (p36)*

## Levers and mechanisms

At the *Dublin Regional Enterprise Plan to 2024 - Stakeholder Consultation Workshop* held in September, 2021 one of the breakout groups focused on the strategic objective to *Facilitate every individual to realise their full potential through engagement in economic activity*. Most of the actions discussed at this workshop could be adapted for other parts of the country and the realisation of an inclusive enterprise policy including:

- Action 1: Dublin to become a ‘City of Inclusion’
- 
- Action 2: Develop a ‘Knowledge Hub’ website - information and signposting on pathways to employment for marginalised and disadvantaged communities
  - Action 3: Drive a strong promotional campaign on Employer Awareness
  - Action 4: Implement ‘Neighbourhood Economics’ concept - Community-led social enterprises to offer space for artisan enterprises & entrepreneurs to establish; sharing space, skills and ideas.

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<sup>1</sup> Report available at [https://www.inou.ie/assets/files/pdf/inou\\_decent\\_work\\_report\\_web.pdf](https://www.inou.ie/assets/files/pdf/inou_decent_work_report_web.pdf)



- Action 5: Provide access to the Google Professional Certificates initiative and / or with other partners, provide Digital Literacy and other IT related training to marginalised and disadvantaged communities.

In their March 2022 report, *Experiences and Perceptions of Discrimination In Ireland*<sup>22</sup>, the Department of Children, Equality, Disability, Integration and Youth noted that *Unemployed adults reported the highest level of discrimination on average, ranging from 22% in 2010 to 30% in 2019. This was approximately twice the level of discrimination reported by individuals ‘in employment’, ranging from 11% in 2010 to 17% in 2019.* (p8)

Self-employment can be an important access point to the labour market for people who face exclusion and discrimination in trying to get a job. An unemployed person in receipt of a Jobseeker’s Allowance payment can apply for a Back to Work Enterprise Allowance (BTWEA). According to the Central Statistics Office, in May 2022 there were 2,398 on the BTWEA and 375 on the Short-term Enterprise Allowance, a scheme that facilitates people to use their time on their Jobseeker’s Benefit payment to pursue self-employment. At present a participant could be on the BTWEA for up to two years. The INOU believes this should be increased to three years, with the participant receiving 50% of their social welfare payment in the third year.

In a White Paper dealing with enterprise policy in its totality such a change may appear too small to contemplate, but for the person who is facing barriers to employment because of their age, their ethnicity, where they live, the opportunity to create one’s own response could be life changing. It could also have a positive impact in the wider community as one person’s self-employment opportunity could grow into an enterprise that employs other people or inspires others to make such a move. To that end access to other supports and services available to micro and small enterprises will be essential.

*Thank you for your time and consideration*

<sup>22</sup> Report available at <https://www.gov.ie/pdf/?file=https://assets.gov.ie/219979/ff3348bc-ff10-4970-880f-ccd5294e43c6.pdf#page=null>

## Appendix

REPORT		
National Traveller and Roma Inclusion Strategy 2017 – 2021	Theme and Objectives	Actions



	<ul style="list-style-type: none"> <li>- Employment and the Traveller Economy</li> <li>- Entrepreneurship and self-employment opportunities for Traveller and Roma should be supported.</li> </ul>	<p>29. The Department of Housing, Planning, Community and Local Government, in conjunction with Local Authorities, will arrange for the inclusion in Local Economic and Community Plans of provisions for Traveller and Roma economy supports including general policies and programmes as well as group-specific (targeted) initiatives to support Travellers and Roma in enterprise, mainstream labour market and the Traveller economy.</p>
		<p>30. The Local Enterprise Offices (LEOs) are the “first stop shop” for providing advice and guidance, financial assistance and other supports to anyone interested in starting or growing their own business. A number of LEOs have undertaken targeted initiatives to engage with prospective entrepreneurs amongst the Traveller and Roma communities and other ethnic and minority groups. The LEO Centre of Excellence in Enterprise Ireland will promote best practice activities in this area amongst all LEOs nationally.</p>
		<p>31. SICAP Programme Implementers will ensure that Traveller and Roma participants availing of SICAP supports are made aware of the opportunities for local self-employment (which may include social entrepreneurship) and, where appropriate, receive training to enhance their skills to take up these opportunities.</p>
<b>National Strategy for Women and Girls 2017-2020: creating a better society for all</b>	<b>Outcome</b>	<b>Actions</b>
	Increased access to training opportunities for women	1.7 Fund the provision of locally delivered courses for women, comprising a series of training opportunities on self-development and work related skills, to assist a return to the labour market and promote entrepreneurship.
	Increased numbers of women engaged in entrepreneurship	1.24 Provide support for rural female entrepreneurs at start-up stage, e.g. through the ‘ACORNS’ programme
		1.25 Publicise and encourage participation by women in start-ups, including a targeted Competitive Start Fund.

		1.26 Support and publicise women specific entrepreneur awards and events.
		1.28 Support women in business networks to establish female specific peer learning.
		1.29 Provide funding for female entrepreneurship.
		1.30 Examine, as part of the mid-term review of the National Policy Statement on Entrepreneurship, measures that could ensure an increased number of women start and run their own businesses.
	Poverty reduction of female-headed households, including lone parent families	1.32 Reduce the gap in poverty rates between female headed households and male-headed households. Measures to be undertaken to include programmes to assist return to the labour market and encourage entrepreneurship.
		1.35 Promote awareness of and access to Department of Social Protection employment supports, in particular in the area of entrepreneurship (Back to Work Enterprise Allowance), via DSP Case Officers and promotional campaigns, as appropriate.
<b>Pathways to Work 2021-2025</b>	<b>Strand of Action</b>	<b>Commitment</b>
	Working for Jobseekers	10. Increase funding and places for enterprise start-ups by jobseekers with a target of support 4,200 jobseekers to start their own business (demand led)
	Working for All - Leaving No One Behind	67. Develop a Traveller and Roma Training, Employment and Enterprise Plan.
<b>Comprehensive Employment Strategy for People with Disabilities 2015-2024</b>	<b>Strategic Priority</b>	<b>Actions</b>
	SP2 - Provide bridges and supports into work	2.10 Support and promote self-employment as a viable option for people with disabilities, including equal access to mainstream supports and schemes. Disability proof Local Enterprise Offices' (LEOs) services.

		The LEOs should: Implement and promote their policies of providing inclusive, comprehensive services for people with disabilities, as per s.26 of the Disability Act 2005, in conjunction with their respective Local Authority.
		Provide staff with training to ensure they are skilled to provide inclusive services
	SP6 - Engage Employers	6.17 Review access to and marketing of Enterprise Ireland and Local Employment Office programmes to entrepreneurs with Disabilities
		Enterprise Ireland will review how to ensure employers are aware of needs and potential of employees with disabilities
		Engagement between Enterprise Ireland and the NDA's Centre for Excellence in Universal Design to examine routes to commercialising universal design product ideas from NDA's annual Design Challenge



**Irish Pharmaceutical  
Healthcare Association**

## **Response by the Research-Based International Biopharmaceutical Industry to the Public Consultation on the White Paper on Enterprise**

### **BACKGROUND**

We welcome the opportunity to respond to the consultation process for the White Paper on Enterprise. We acknowledge the Tánaiste, Leo Varadkar TD, for his leadership in taking this initiative. We are conscious that this submission is set against the backdrop of a war in Ukraine. Our industry's focus is on retaining the resilience of supply chains so that people in Ukraine, in Russia and in neighbouring countries continue to get their medicines. The industry's humanitarian response has so far included the donation of over 29 million doses of essential medicines and funding of more than €63 million to NGOs.

In this submission, we will outline where the industry, in Ireland and globally, is situated now, along with ideas and proposals which we hope the Government will deem constructive inputs.

Our industry in Ireland is experiencing a period of sustained growth. The global demand for medicines and vaccines, accelerated by Covid-19, means that manufacturing sites have been operating at or near capacity and more of them have been expanding. Figures from the Central Statistics Office show that the value of exports of medical and pharmaceutical products jumped by 63% in May compared with the same month a year ago. The sector made up 39% of total exports in May. The latest industry jobs tally, from IDA Ireland, is 42,000. Our value-add to the economy is in the tens of billions.

Research, conducted for us in recent weeks by pollsters Ipsos, shows that 53% of the public has a favourable opinion about our industry. That number has remained steady over the past two years. It is up almost 10 points since before the pandemic. We are trusted by 60% of people, almost twice the global average.

For the Government, the spike in demand and productivity, accelerated by Covid-19, has meant more revenues in the form of corporation taxes, payroll taxes and spending power. Overall corporation tax receipts in the first half of this year rose by €3 billion to €8.8 billion, according to the Government's Summer Economic Statement. Our industry was a key driver of that increase. We agree with the Government's assessment that the public finances must be resilient. The same goes for our industry whose strength now cannot be assumed to be there in the future. We must work together, industry and Government, in ensuring that we have the best possible conditions to draw jobs and investments in research and advanced manufacturing, and to get the best new medicines to patients when they need them.

Our industry fits the 'mega-trends' the Government has identified, given the scale and pace of innovation in medicines. Like other industries, we are buffeted by international policy developments and geopolitical events. These externalities are shaping influences on the operating environment. Our scientists tell us that we live in a 'biocentury', with the discovery of new medicines catalysed by the intersection of a better understanding of human biology and the new tools of technology, artificial intelligence and machine learning. The medicines of the future offer enormous upside - for quality of life, for length of life, and for jobs and investments. It is critical that we get the policy conditions right to take full advantage of innovation.



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Although our economy is strong now, the global outlook is uncertain, especially with inflation, war in Europe and the ongoing impact of Covid-19. Our industry's footprint is significant - but it must not be taken for granted. Product life cycles, industry consolidation patterns, the draw of emerging markets, skills readiness and sub-optimal speeds of adoption of new medicines in the health services are creating headwinds that could decelerate the pace at which the industry scales into the future. More partnership and structured dialogue between the State and our industry can yield growth opportunities for the country, as well as identifying risks such as a loss of competitiveness or a diminution in standards of care.

This submission sets out ways in which we can work together to achieve our shared potential.

### **PATIENTS' ACCESS TO INNOVATION**

We want an environment where medicines innovation, access and affordability co-exist. The environment for reimbursement continues to be a key factor for global decision-makers when weighing locations for investments in research and production. Ireland's record on reimbursement, both in process efficiency and funding, has been poor.

Although pre-dating the Government's most recent investments, the latest figures to 2020, gathered by health data analysts IQVIA, place Ireland 24<sup>th</sup> out of 35 countries in Europe reporting data for time to availability of 160 innovative new medicines. Ireland is four months slower to make new cancer medicines available to patients compared to the average across the EU27.

The public expects more. Forty-seven per cent of people believe access to new medicines is too slow, according to a recent survey we commissioned from Ipsos. In the same survey, a significant majority of people valued our industry's science and innovation, as well as our economic contribution.

There has been recent progress. A four-year Framework Agreement on the Supply and Pricing of Medicines has been operating since the start of the year. It is delivering to the State significant savings on older medicines so that investments can continue to be made in new medicines. This Government has provided €80 million for new medicines in the past two Budgets.

These steps will help to consolidate progress in bringing innovation to patients as fast as other countries in Europe with populations and standards of living similar to our own.

#### **1. Sustained, adequate investment in new medicines**

*The innovation pipeline is strong. Next year, our member companies intend to launch 30 new medicines. These can treat a range of serious medical conditions, including ulcerative colitis, heart disease, lung disease and many forms of cancer. The medicines would be available for the medical care of over 7,000 patients, helping to change their lives for the better. We estimate that the cost of these medicines in 2023 will be €35 million. That is our funding request for Budget 2023.*

#### **2. Reform the reimbursement process**

*There is a demonstrated need for a fitter, faster, more streamlined medicines reimbursement process. All sides have a role in enabling that reform outcome. Our tracking of the process this year shows, for example, that even after a Health Technology Assessment is completed by the*



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*National Centre for Pharmacoeconomics, it is taking over 12 months for a positive reimbursement decision and implementation for patients' access.*

### **SPURRING INNOVATION**

As policymakers review the operating environment for our industry under the EU Pharmaceutical Strategy, Ireland must strongly champion innovation as the basis for new jobs, investments, vaccines, treatments and cures. Research and development leads to innovation which leads to first-mover advantage in advanced manufacturing. This is the cycle that supports a jobs-rich industry in Ireland. The wrong policy moves now could damage the cycle of biopharmaceutical innovation. Already, it is at risk. In the 1990s, Europe was the primary destination for research and development. Now, the US occupies that position, with competition intensifying from Asia, US and the UK.

Europe, and Ireland, should aspire to become the home of research, of high-quality jobs and of fast access to innovation. Hundreds of new treatments have emerged from the Paediatric Medicines Regulation (2007) and the Orphan Medicinal Products Regulation (2000). Any moves to weaken these intellectual property rights risk damaging the innovation pipeline and the jobs bonus that goes with it. As the European Commission prepares to table a legislative proposal later this year, we urge these steps to spur innovation.

#### **1. Boost research and development**

*That means improving regulation, data and clinical trials. We must use new types of clinical trials and real-world evidence, have more dialogue between the regulator, the European Medicines Agency, and the inventor during the development of a treatment, and streamline the regulator's committee structure to enable faster decision-making. Having a proper data capture and analysis architecture for tracking and measuring health outcomes would create a foundation for personalised healthcare, optimise prescribing patterns and establish 'value' metrics for the pricing of medicines. We support the EU Pharmaceutical Strategy's European Health Data Space which would, it is hoped, create an interoperable data access infrastructure to facilitate secure analysis of data across Europe. We need incentives, at European level, for research in antimicrobial resistance. In Ireland, reforms in the clinical trials process, especially efficiency measures, funding and protected research time in hospitals, are needed to attract more research.*

#### **2. Build strategic autonomy**

*That means backing vital industries like ours. We should keep the jobs, research and manufacturing we have within our own borders, and draw new investments as global competition intensifies. Any policy change must strengthen the capacity of industry and public research bodies to develop more new medicines and vaccines. The intellectual property framework, which has worked well in finding answers for rare diseases, for diseases that affect children and for diseases like cancer, must be tailored to today's science. In part, that means maintaining eligibility criteria and thresholds for orphan incentives. Attracting private funding is vital for innovation. Certainty is key for investors whose risks, often, yield no reward.*

#### **3. Improve access to new medicines**

*Innovation without access is meaningless. The root causes of medicines access challenges are funding shortfalls and the capacity of a health system to adopt innovation at scale and speed. Linking intellectual property incentives to the launch status of medicines is wrong. The industry has committed to file for pricing and reimbursement in all EU countries within two years of*



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*central EU market authorisation. At the national level, we want to see faster decision-making by health systems on the adoption of new medicines.*

The decision of the World Trade Organisation in June for a TRIPS waiver on Covid-19 vaccines was disappointing. The cause of global Covid-19 vaccine inequity is not supply. Rather, the causes are logistics, administration and hesitancy. The EU has not yet settled on a position in relation to the possible extension of the waiver to therapeutics after six months. We urge the Government to resist that extension.

### **COMPETITIVENESS, JOBS AND SKILLS**

Our industry is distributed regionally, creating economic activity in communities. We have heritage in manufacturing that spans decades, moving from small-molecule production to advanced manufacturing and now into supply chain and manufacturing for advanced therapeutic medicinal products (ATMPs). A commitment to sustainable environmental practice characterises expansion plans in manufacturing, with wind and solar energy helping to power some sites. Our capacity to keep the production, research and commercial investments we have, and to attract new ones, will depend on how well we can compete in a volatile global trading environment.

These steps will help us to stay competitive for new investments.

#### **1. Protect global supply chains**

*Maintaining diverse global supply chains is vital. We source 76% of active pharmaceutical ingredients from inside Europe. The EU is the world's largest exporter of medicines, with a market share of 64%. We must avoid blunt-instrument policies like 'near-shoring' or 'reshoring' that would jeopardise supply chain resilience. When Covid-19 hit, borders closed, export restrictions arrived and air freight options disappeared. At the same time, demand for some medicines increased exponentially. The global supply chain, with significant parts of it based in Ireland, endured. Patients still got their medicines. As risks emerge over gas supplies, it is vital that, in prioritising our industry as part of the European Gas Demand Reduction Plan, protection is afforded to the entire medicines supply chain.*

#### **2. Build for skills and future science**

*Thousands of medicines are in development, biopharmaceuticals, technology and medical technology are converging, and production is digitalising. All that means new skills are needed to keep pace with innovation and a surging global industry. Artificial intelligence, the internet of things, genomics and cell therapy are part of a healthcare revolution. The accelerated co-design by industry and the State of academic and apprenticeship programmes that meet skills needs now and in the future is vital. The promotion of STEM, along with an interdisciplinary approach to education, is important for our schools. These are considerations for the forthcoming report of the EGFSN. NIBRT, the industry's bioprocessing training institute, is expanding, with a focus on next-generation biologics, digitalisation and ATMPs. Ireland is part of the World Economic Forum's Global Lighthouse Network. The Janssen manufacturing site in Cork is one of three global sustainability lighthouses. The Government should support moves to add more of Ireland's manufacturing sites to the WEF's Global Lighthouse Network, a collection of the world's most advanced factories adopting 4IR technologies.*





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### **ATMPs**

Advanced therapeutic medicinal products, otherwise known as cell and gene therapies, are usually one-time treatments that can add months, sometimes years, to a patient's life, replacing a lifetime of treatment. In cancer, haemophilia, SMA Type 1 and ocular diseases, cell and gene therapies offer significant clinical potential. mRNA, used by Pfizer and Moderna in their Covid-19 vaccines, has potential clinical application in the treatment of cancer and other infectious diseases. A limited number of cell and gene therapies are reimbursed for patients in Ireland.

Ireland can be a European leader for testing, manufacturing, supplying and adopting cell and gene therapies. There is significant potential for investing in allogeneic manufacturing, as well as establishing indigenous companies in the area. Through the global business service operations already located here, we can have a role in the digitisation of autologous cell and gene therapy supply chains. Cherrywood in south Dublin is to be the site of a 30,000 sq ft life sciences incubation and acceleration centre, with specialised laboratory, office and collaboration space for more than 100 people. In Dublin's Grange Castle, Takeda has opened a commercial-scale cell therapy production facility, supplying patients in Europe, the US and Canada. Gilead has opened a Global Paediatric Drug Development Centre of Excellence in Dublin's docklands. Pfizer's Grange Castle site is part of the global mRNA vaccine production cycle.

Ireland should build towards an infrastructure to support the location of cell and gene therapy investments across the lifecycle. We need to ensure that there is a national policy for adopting them in the health services.

These steps will help to ensure our potential in ATMPs.

1. A national ATMP adoption policy that draws together proposals for tackling the related strands of assessment, access and reimbursement.
2. Overhaul the information infrastructure to enable real-world evidence collection for targeted therapy areas.
3. Create centres of excellence at certain hospital sites, allied with investment in training and engagement for doctors and patients.
4. Targeted marketing for global industry investments in ATMP supply chain and manufacturing as part of our overall foreign direct investment strategy.

### **CONCLUSION**

Medicines innovation needs a champion in Government. The pace at which science is moving means new treatments, cures and vaccines are on the way, with significant upside for health outcomes and for jobs if we can integrate these new opportunities into our policymaking. Closer collaboration between industry and the State on the operating environment for medicines innovation and investments is the way forward. That happens in other countries in Europe. It has been a feature of our recent relationship through Brexit and Covid-19, as well as in drawing investments, planning for future skills needs and supplying medicines to patients. The opportunity now is to build a permanent bridge, through strategic dialogue, that cements the relationship between policymakers and one of the most consequential industrial sectors. We are ready to take the next steps on an exciting, collaborative journey.

ENDS



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26 July 2022

Consultation on a White Paper on Enterprise Policy

Dear Tánaiste

Directors: Karen Frawley, President, Peadar Andrews, Brian Brennan,  
Colm Browne, Oonagh Carney, Ian Collins, Amanda-Jayne Comyn, Maura

The Institute is a company limited by  
guarantee without a share capital (CLG),  
registered number 53699.

Immediate Past President: Sandra Clarke.

The Irish Tax Institute welcomes the opportunity to participate in your Department's consultation on the future direction of Ireland's enterprise policy which will inform the White Paper to be published at the end of the year.

Previous reviews of Ireland's industrial policy - the Telesis Report in 1980 and the Culliton Report a decade later – were undertaken at times of high unemployment and economic stagnation. The backdrop to your re-appraisal is unprecedented levels of employment, record beating export growth, and tax returns beyond all expectations.

Nonetheless, as you stated when you launched the White Paper, Ireland faces significant challenges in an increasingly difficult global trading environment. In this context, a reappraisal of enterprise policy is timely.

Ireland's extraordinary post-pandemic recovery was driven by the multinational sector. The super-productive global tech and pharma companies that have made Ireland their home, powered through the pandemic as demand for their goods and services ballooned. Immune from the impact of the public health crisis, they effectively insulated the economy and enabled its rapid bounce back.

And therein lies the inherent weakness of the Irish economy which the White Paper must address: the productivity gap between a remarkably resilient and profitable MNE sector and a comparatively underperforming domestic sector.

Member of the Confédération



Fiscale  
Européenne

## An Effective Tax Regime for SMEs

Over recent months, successive economic forecasters have identified Ireland's overdependence on its multinational companies for corporation tax and employment taxes, as a top risk to its economic fortunes.

The most sustainable strategy for mitigating this risk is to broaden the economic base by nurturing innovation, productivity, and competitiveness in the indigenous SME sector. Effective tax measures have a significant role to play in this endeavour.

While welcome changes have been made to some existing measures over recent budgets, they still fall short. Below, we summarise our recommendations for change to three tax measures which are particularly important to SMEs.

### R&D Tax Credit

In its report on SME and Entrepreneurship policy in Ireland, the OECD referred to the need to make the R&D Tax Credit more accessible to SMEs. In the Institute's [response](#) to the recent consultation by the Department of Finance on the credit, we set out detailed recommendations that would make it more effective in supporting SMEs. Chief among them is a call for legislative clarification to ensure that rent, a substantial expense for most SMEs, is a qualifying cost under the terms of the credit. A

change in Revenue's guidance in July 2020 significantly narrowed the circumstances in which rent may qualify, making the credit significantly less attractive for SMEs.

We also recommended condensing the current 3-year R&D Tax Credit refund to one year for all businesses or at the very least for SMEs. Accelerating the refund would provide valuable assistance to smaller companies that tend to be cash constrained.

To benefit small and micro businesses, the Institute believes a pre-approval process should be introduced for first time R&D Tax Credit claims. SME friendly guidance would also help to take the uncertainty out of the process for this sector.

### Key Employee Engagement Programme (KEEP)

In the current tight labour market, the KEEP should be inundated by small businesses seeking to improve their terms to help them retain key staff. In reality, a very limited number of companies avail of the scheme. As you said during your presentation to the IIEA in May, the scheme is not working.

In our [response](#) to the Department of Finance consultation on the KEEP last month, we recommended six key reforms which would enable the scheme to achieve its policy objective.

These are:

- Develop an agreed 'safe harbour' approach to share valuation and impose an appropriate sanction where there is an undervalue.
- Further amend the definition of a "qualifying holding company" to permit the group as a whole to be considered, rather than simply considering the holding company in isolation.
- Create liquidity in KEEP shares by allowing a company to buy-back KEEP shares.
- Simplify the qualifying share option limits for the KEEP by removing the annual emoluments cap.
- Allow continuity of relief should the SME undergo a corporate reorganisation during the period in which the KEEP share option rights are outstanding.
- Provide for 'roll over relief' of KEEP share options in certain situations.

### Employment Investment Incentive Scheme (EIIS)

Some welcome changes have been made to this scheme in recent Finance Acts but, like the R&D Tax Credit, it is complex and administratively burdensome for small companies. We have recommended further improvements to the EIIS, including:

- A carve-out from the connected party rule linked with a control test.
- A streamlined EIIS administrative process for small and micro companies.
- Removing the exclusion of holding company structures.
- Recognising additional exit strategies for EIIS investors.
- Committing appropriate and adequate resourcing to the administration of EIIS applications.
- Applying more proportionate monetary sanctions for administrative errors or the late filing of a return.
- Providing a 4-year holding period for all EIIS investments.
- Allowing the offset of capital losses.

- Broadening the scope of instruments through which start-up companies can raise funds using the EIS by amending the definition of eligible shares so that it blends the characteristics of equity and loans.

## CGT Rate

The tax that matters most to investors is Capital Gains Tax and our headline rate, at 33% is one of the highest in Europe.

Given the low level of CGT receipts in recent years – 2% of total Exchequer receipts in 2021 – it is reasonable to conclude that the current high rate is dampening transactions and growth in the SME sector. In our view, it is now time to re-examine this rate and our recommendation is that a rate of 25% should apply for active business assets.

## Attracting Inward Investment

Ireland's rapid economic progress over the last three decades is largely due to its success in getting some of the world's largest and most productive companies to locate here. As a small open economy, inward investment will continue to be critical to the country.

But with the scope for tax competition set to narrow under new international tax rules on a global minimum effective rate, the Government must find other ways to make our tax system more attractive to foreign investment.

In that context, it is essential the R&D Tax Credit is considered a “qualified refundable tax credit” for the purposes of the OECD Pillar Two Model Rules.

Given the mobility of R&D investment, this credit should be continually benchmarked against key competitor jurisdictions. Other countries are enhancing their R&D offerings, Ireland needs to follow suit.

## Simplifying Corporation Tax

Over recent years, the corporate tax code has become overly complex as a plethora of requirements have been bolted on to existing legislation to comply with EU Anti-Avoidance Directives and the OECD BEPS project.

A project to simplify the code would send a clear signal to outside investors that Ireland is a good place for business. The Institute set out detailed proposals for simplification in our [Submission to the Commission on Taxation and Welfare](#).

## Personal Tax

With the imminent introduction of a global minimum corporate tax rate, personal tax regimes and the cost of employment will become increasingly important factors in the investment decisions of international businesses.

This year, Irish taxpayers are paying personal tax at marginal rates of 48.5% on salaries above €36,800 and 52% on salaries above €70,044. Self-employed taxpayers are paying marginal rates of 55% on income above €100,000.

Amid increasing suggestions that PRSI rates may be increased, the Institute has warned in its [Pre-Budget 2023 Submission](#) that any such proposal must take account of the overall impact on the marginal tax rate and the cost for employers of employing people in Ireland.

The long-held position of the Institute is that all income earners should contribute to the Exchequer according to their means. We also believe that a broader mix of taxes would mitigate the current over reliance on economically regressive labour taxes and would make the system more robust in the event of economic shocks.

## Conclusion

There are some excellent long standing Irish global companies, particularly in the food and drinks, and construction sectors. In recent years, significant strides have also been made in the med-tech, pharma and digital sectors with record levels of exports by Enterprise Ireland assisted companies in 2021.

Yet the productivity and innovation gap between multinational companies and indigenous SMEs remains an issue that has bedevilled Irish industrial policy for 40 years.

In 2021, more than 25,000 new businesses were registered in Ireland. The role of Government is to harness this entrepreneurial energy by creating a supportive environment that enables entrepreneurs to build strong businesses and create good jobs.

To achieve that, the Institute believes a shift to a more supportive mindset is required across all of Government at official and political level, that enables decision-makers to engage positively with business and to understand that risk is an integral part of any enterprise and that those who take it must be rewarded.

We would welcome the opportunity to discuss the matters raised in this submission with you or your officials.

Yours sincerely



Karen Frawley  
Institute President



## ITIC response to consultation on Enterprise Policy July

29<sup>th</sup> 2022

### 1. Context – Tourism an economic activity

#### 1.1 Tourism, an engine for sustainable economic growth

Tourism is one of the largest and fastest growing sectors in the world economy, with international tourism growth consistently outpacing the rate of economic growth over the past 60 years. Tourism, the world's fifth largest traded services sector<sup>1</sup>, generates foreign earnings, drives regional development, directly supports a range of jobs across enterprise sectors and underpins many local communities.

#### 1.2 Tourism – a critical pillar of Ireland's enterprise economy

Tourism, an indigenous sub-set of Ireland's services sector has enjoyed rapid expansion to record levels in 2019, the eight consecutive year of growth.

**€9.5 billion annual earnings** predominantly from €5.6bn export sales in the country, plus €1.8bn fares paid by visitors to Irish carriers, while domestic visitor expenditure amounted to €2.1bn<sup>2</sup>. Tourism export earnings grew by 9.16% CAGR between 2013 and 2018.

**265,000 jobs** supported by tourism, having expanded at CAGR 2.15%, outpacing the growth (CAGR 0.25%) in overall employment between 2008-2018<sup>3</sup>. Tourism is critically important in areas with limited employment opportunities in alternative sectors.

**Over 20,000 enterprises** are engaged in the sector, almost exclusively Irish owned and operated. Micro and small enterprises dominate with few large enterprises.

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<sup>1</sup> UNWTO 2018 data

<sup>2</sup> CSO / Fáilte Ireland statistics

<sup>3</sup> CSO 'Accommodation & Food services' data as proxy



**Tourism critical to regional economic development** 70% of jobs in tourism are located in the regions, based on 60% and 85% of expenditure by out of state and domestic visitors respectively

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takes place. The South West, West and North West regions are most reliant on tourism with above average share of enterprises and employment<sup>4</sup>.

**Value added from export earnings.** 89% of tourism exports generate domestic value, compared with 81% for overall exports, with more than a third of the tourism value added coming from indirect impacts, reflecting the breadth and depth to linkages between tourism and other sectors<sup>5</sup>.

**€2.2bn Exchequer receipts:** €1.8bn through taxation of tourism expenditure plus fares to Irish carriers, accounting for 3.7% of all tax revenue<sup>6</sup>.

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## 2. Tourism – recovery, future challenges & opportunities

### 2.1 The pandemic impacts

The tourism industry was disproportionately impacted by the COVID-19 pandemic. Ireland is estimated to have lost an estimated €12bn in tourism receipts due to a particularly harsh regime of travel restrictions<sup>7</sup>.

Tourism businesses have survived thanks to an extensive suite of Government supports, including wage subsidies, business continuity grants, taxation warehousing and low interest loans. Despite the comprehensive state supports, the sector is struggling currently with reduced cash reserves, impaired balance sheets, and reduced ability to prepay debt and borrow. However, the pandemic has accelerated the transition to more sustainable business models.

### 2.2 Outlook for recovery and a return to sustainable growth

2022 is proving to be an atypical year for international tourism. A more rapid than expected return to pre-pandemic levels of travel is being driven by pent-up demand, increased household savings and deferral of trips previously booked – a unique post pandemic demand pattern. Ireland in common with several other destinations is currently experiencing some supply side pinch points, largely due to labour issues coupled with reduced accommodation and car rental capacities. With a deterioration macroeconomic environment, against the background of the ongoing conflict in

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<sup>4</sup> CSO & Failte Ireland data

<sup>5</sup> OECD Trade in Value Added (TiVA) framework, 2019

<sup>6</sup> Failte Ireland *Tourism Facts 2019*

<sup>7</sup> ITIC estimates

Ukraine and dampening consumer sentiment globally, 2023 is shaping up as a more challenging year, most likely pushing back full recovery to pre-pandemic levels of demand to 2025/’26.

Despite the short term headwinds, the medium to longer term trajectory is for continued growth in demand for international travel. Global travel and tourism sector (GDP) is forecasted to grow at an

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average 5.8% annual rate between 2022-2032, outstripping global economic growth. The sector is expected to create nearly 126 million new jobs within the next decade, or one in three of all new jobs<sup>8</sup>. The positive factors expected to drive the continuing upward growth include changing demographics, rising standards of living, improved connectivity, and technological innovations. The primary challenges include sustainability, destination investment, innovation and skills, which are likely to transform the face of tourism over the next 20 years.

The result is likely to be as yet unseen challenges and opportunities for Ireland with the potential to increase the sector’s economic importance as the enterprise landscape changes within the country. Exploring and planning for implications of the trends need to inform enterprise policy to shape the future for tourism. This will ensure that Ireland not only maintains its competitive positioning but grows the economic benefits. A key to achieving these benefits is the integration of tourism enterprises into the national indigenous economic value chains and enabling environments. Tourism, while exposed to a range of external impacts, has proven to be a resilient sector of the economy.

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### **3. Tourism and Enterprise policy**

#### **3.1 Challenges facing tourism enterprises**

Despite the obvious opportunities presented by the expected growth trajectory in international travel, tourism faces a range of specific challenges. These include the complexity of tourism policy development due to its cross-cutting, multi-level, and fragmented nature, and competing national policy priorities and budgetary constraints; and the exposure of tourism to external factors, including macro-economic conditions and natural disasters.

In common with other enterprise sectors, especially those composed primarily of SMEs, tourism enterprises face similar challenges. These include sustainability, transformative digitisation, access to finance and skills.

Of particular priority in the short to medium term to ensure that Ireland can remain competitive is the need to address the green agenda, ensure an adequate skills base in a tight labour market, and improve productivity.

Sustainable growth of tourism is expected to depend on enterprises

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<sup>8</sup> The World Travel & Tourism Council’s latest *Economic Impact Report (EIR)*

- adopting best practices to deliver their contribution to national targets on emissions and best environmental practices to safeguard the quality of the visitor experience;
  - success in recruitment, training, skills development, to deliver career opportunities and quality employment; and
  - improving productivity through investment, technology, management practices and access to new markets.
- 

### **3.2 Responsibility for tourism enterprise policy**

The horizontal cross-cutting nature of tourism represents a challenge as to the optimum placing of political and administrative responsibility for tourism within national government structures. While transport, heritage, culture, the natural environment, and sports each have a contributory role in the visitor experience, a review of international best practice shows that in more than half of OECD member states responsibility for tourism now resides within an economic ministry.

*“While frequently destination marketing and promotion is identified as the key role of government but on closer examination it is apparent as a country’s tourism industry matures that more successful destinations focus primarily on enterprise policy and strategies.”<sup>9</sup>*

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## **4. Conclusions**

### **4.1 Proposals for consideration in the development of Enterprise Policy**

The scale of the opportunity for Irish tourism warrants the integration of tourism in a national enterprise policy and strategies in pursuit of shared economic goals. The development of a comprehensive and coherent enterprise policy should recognise tourism as an important indigenous sector of Ireland’s enterprise economy. Tourism has the potential to deliver a greater contribution to economic growth, particularly in respect of spatial distribution, regional economic, social and environmental development. A medium to longer term policy framework would improve the prospects for investment in the sector.

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<sup>9</sup> OECD Tourism Trends & Policies 2020

- A unified national SME and entrepreneurial policy, together with a multi-pronged approach, is necessary to increase productivity in the sector. Tourism enterprises deserve a range of supports equal to that available to businesses in other sectors.
- Future enterprise policy and strategic objectives should include specific targets for tourism transitioning from visitor volume as a primary benchmark to value, including value added contribution.
- The tourism sector requires a new set of metrics to meet data gaps and measurement challenges to improve the monitoring of performance with a focus on measuring the economic contribution, including TSA, together with real time performance indicators.

- 
- Political leadership and administrative responsibility for tourism should transfer to an economic portfolio – currently the Minister / Department of Enterprise, Trade and Employment.
  - Should political responsibility shift to an economic portfolio then a constructive review of state tourism agencies’ role, functions, resources and delivery structures is timely. The changed and evolving trading environment warrants a re-evaluation to strengthen effectiveness and efficacy to enable industry to achieve its full potential.

#### **4.2 Projected benefits of a defined enterprise policy for tourism**

The formulation of coherent and comprehensive approaches to enterprise policy will provide a context to reframe Ireland’s tourism growth to better realise its potential to contribute greater economic, social and environmental benefits.

Long-term strategies and policies focused on encouraging enterprise and entrepreneurship across the tourism sector will

- position tourism as a more attractive investment (indigenous and FDI) proposition.
- increase the productivity and competitiveness of the sector.
- deliver sustainable good quality jobs
- facilitate integrated regional economic development and optimisation of synergies and complementarities for tourism across the national enterprise economy.
- provide greater transparency on the sector’s performance and Government interventions with improved policy monitoring and evaluation.

**For further information or clarifications:**

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ISME is grateful for the opportunity to respond to the Department in the formation of a White Paper on Enterprise Policy. The brevity of the submission (which is welcome) requires we adopt a thematic approach to our response; and we have identified 10 key themes.

- 1. Industrial policy.** Ireland needs to develop an indigenous industrial policy. We cannot assume that the foreign multinationals will always be the engine of our economic policy. The First Programme for Economic Expansion, 1958-1963 set a template for industrial development that ended protectionism, opened Ireland to international trade, and reversed a century of population decline.

However, the bifurcation in performance between FME and domestic SMEs in economic performance is no longer in doubt. The IMF's 2022 Article IV Consultation for Ireland<sup>1</sup> notes a 13.5% increase in GDP for 2021, but a 6% increase in GNI\*.

This must not be read as a criticism of our FDI policies. FMEs form a significant customer base for our SMEs, and contribute to Ireland's large corporation tax take. However, their contribution to the wider economy, workforce and society is limited. Recent research by the ESRI<sup>2</sup> (see tables below) shows the contribution to Net National Product by the indigenous enterprise sector to be 3.8 time that of the FME sector; and their employee compensation to income ratio is far higher.

TABLE 1 NNP AT BASIC PRICES, BEFORE ADJUSTING FOR THE STATISTICAL DISCREPANCY, € MILLION

Foreign MNEs	2013	2014	2015	2016	2017	2018
1. Compensation of employees	18,056	18,848	20,201	21,089	22,373	23,308
2. Gross operating surplus/mixed income	52,654	59,552	117,723	118,073	131,425	145,830
3. Consumption of fixed capital	14,710	16,135	42,730	49,244	57,244	62,279
4. (2-3) Net operating surplus	37,944	43,417	74,993	68,829	74,181	83,551
5. (1+2) Gross value added	70,710	78,400	137,924	139,162	153,798	169,138
6. (5-3) Net value added	56,000	62,265	95,194	89,918	96,554	106,859
7. Corporate taxes	3,329	3,427	5,202	5,615	6,258	7,936
8. Factor flows - profit repatriations (allocation of primary income flows)	34,615	39,990	69,791	63,214	67,923	75,615
9. (6-8) Contribution to NNP	21,385	22,275	25,403	26,704	28,631	31,244

Domestic	2013	2014	2015	2016	2017	2018
1. Compensation of employees	52,591	54,250	57,588	61,579	65,778	69,986
2. Gross operating surplus/mixed income	41,267	45,924	48,977	53,266	57,671	63,958
3. Consumption of fixed capital	11,829	12,548	13,603	14,512	15,832	16,989
4. (2-3) Net operating surplus	29,438	33,376	35,374	38,754	41,839	46,969
5. (1+2) Gross value added	93,858	100,174	106,565	114,845	123,449	133,944
6. (5-3) Net value added	82,029	87,626	92,962	100,333	107,617	116,955
7. Corporate taxes	955	1,206	1,689	1,758	1,959	2,485
8. Factor flows - profit repatriations (allocation of primary income flows)	0	0	0	0	0	0
9. (6-8) Contribution to NNP	82,029	87,626	92,962	100,333	107,617	116,955

<sup>1</sup> IMF Article IV Consultation Ireland

<sup>2</sup> [https://www.esri.ie/system/files/publications/QEC2020SUM\\_SA\\_FitzGerald.pdf](https://www.esri.ie/system/files/publications/QEC2020SUM_SA_FitzGerald.pdf)

Total	2013	2014	2015	2016	2017	2018
1. Compensation of employees	70,647	73,098	77,789	82,668	88,151	93,294
2. Gross operating surplus/mixed income	93,921	105,476	166,700	171,339	189,096	209,788
3. Consumption of fixed capital	26,539	28,683	56,333	63,756	73,076	79,268
4. (2-3) Net operating surplus	67,382	76,793	110,367	107,583	116,020	130,520
5. (1+2) Gross value added	164,568	178,574	244,489	254,007	277,247	303,082
6. (5-3) Net value added	138,029	149,891	188,156	190,251	204,171	223,814
7. Corporate taxes	4,284	4,633	6,891	7,373	8,217	10,421
8. Factor flows - profit outflows	34,615	39,990	69,791	63,214	67,923	75,615
9. (6-8) Contribution to NNP	103,414	109,901	118,365	127,037	136,248	148,199
10. Residual factor outflows excluding profit repatriations and redomiciled PLCs	1,022	-1,888	-3,176	-6,456	-1,327	280
11. (9-10) NNP adjusted for redomiciled PLCs	102,392	111,789	121,541	133,493	137,575	147,919
12. Redomiciled PLCs	6,492	6,852	4,662	5,781	4,458	5,002
13. (11+12) NNP	108,884	118,641	126,203	139,274	142,033	152,921
NNP adjusted for redomiciled PLCs	102,392	111,789	121,541	133,493	137,575	147,919
Foreign MNEs % of GVA	43	44	56	55	55	56
Foreign MNEs % of NNP adjusted	21	20	21	20	21	21

Source: CSO Institutional Sector Accounts, Non-Financial and author's calculations.

There is a significant concentration risk in our corporate tax base, and a real risk also that FME tax returns may prove unreliable and itinerant.

Despite there being an EU imperative to “think small first” via the SBA Principles,<sup>3</sup> we find that tax legislation and incentives such as SARP, KEEP, the R&D tax credit, and the Knowledge Development Box are written and optimised for large business, notwithstanding the tiny percentage of the business demography they represent. The SBA principles prioritise promoting entrepreneurship, reducing regulatory burden and red tape, promoting access to finance and to markets and internationalisation.

2. **SME learning deficit.** There remains a significant deficit in skills and knowledge among our SME owner and manager base. This is evidenced by the SME sector’s productivity shortfall, relative lack of innovation and digitalisation, deficit in export performance, the frequency of action against them by employees in and their inability to scale or develop to IPO stage. Looking at the Global Innovation Index 2021,<sup>4</sup> it is apparent that most of Ireland’s “Strengths” are features of our FDI base (c.0.2% of our business demography); while most of Ireland’s “Weaknesses” apply to the SME base (99.8% of the business demography). See the chart below.

<sup>3</sup> [Small Business Act for Europe 10 Principles](#)

<sup>4</sup> <https://www.globalinnovationindex.org/userfiles/file/reportpdf/GII-2021/country/Briefs/IRL.PDF>

### Strengths and weaknesses for Ireland

Strengths			Weaknesses		
Code	Indicator name	Rank	Code	Indicator name	Rank
2.1.3	School life expectancy, years	2	2.1	Education	69
2.3.3	Global corporate R&D investors, top 3, mn US\$	12	2.1.1	Expenditure on education, % GDP	86
3.3	Ecological sustainability	1	2.1.2	Government funding/pupil, secondary, % GDP/cap	89
3.3.1	GDP/unit of energy use	2	4.1	Credit	62
5.1.5	Females employed w/advanced degrees, %	9	4.1.2	Domestic credit to private sector, % GDP	85
5.3	Knowledge absorption	5	4.2.2	Market capitalization, % GDP	39
5.3.1	Intellectual property payments, % total trade	1	4.3	Trade, diversification, and market scale	81
5.3.4	FDI net inflows, % GDP	12	4.3.2	Domestic industry diversification	106
6.2	Knowledge impact	10	5.3.3	ICT services imports, % total trade	61
6.2.3	Software spending, % GDP	3	6.1.3	Utility models by origin/bn PPP\$ GDP	48
6.2.5	High-tech manufacturing, %	6	6.2.1	Labor productivity growth, %	92
6.3	Knowledge diffusion	1	7.1.3	Industrial designs by origin/bn PPP\$ GDP	63
6.3.1	Intellectual property receipts, % total trade	7	7.2.4	Printing and other media, % manufacturing	95
6.3.4	ICT services exports, % total trade	1			
7.3.1	Generic top-level domains (TLDs)/th pop. 15-69	12			

This absence of learning continues into the SME owner/manager sphere. In our view, we need a basic qualification in business management (such as the ISME Blue Cert<sup>5</sup>), rolled out to as much of the SME base as quickly as possible.

**The following three themes are inextricably linked in terms of treatment of the factors of production:**

- The capital investment environment** (incentives to invest in domestic business, capital taxes, access to credit etc) is poor in Ireland.

Aside from the deterrent effect a high CGT rate has on the purchase and sale of assets, ISME (conservatively) estimates<sup>6</sup> that the Exchequer is forgoing €500m revenue per annum by maintaining the third-highest CGT rate in Europe at 33%; we have recommended the introduction of a 25% rate.

Despite having a population only 5% larger than Ireland, Norway's Euronext hosted 67 IPOs in 2021. In Ireland, we had two. This suggests systemic problems in our publicly owned equity environment. The failure to provide a fertile IPO environment means that Irish businesses which scale are the subject of trade sales, usually to foreign buyers who take ownership of IP and good will.

This ongoing policy failure is depriving Ireland of a significant pool of indigenous wealth, and the Exchequer of hundreds of millions of stamp duty annually.

<sup>5</sup> <https://www.isme.ie/blue-cert-proposed-for-irish-sme-sector-2/>

<sup>6</sup> <https://www.isme.ie/wp-content/uploads/2022/06/ISME-Pre-Budget-Submission-2023.pdf>



- Employee reward.** Ireland needs to address the rewards environment for employees. While our marginal tax rates and social insurance contributions are low by international standards, our marginal taxes kick in at very low levels of income (below the average industrial wage) and our social insurance contributions are uncapped, despite benefits being capped.

Section 135 (3A) of the TCA 1997 needs amendment to address the penal tax treatment of management buy-outs, which encourages sale of businesses beyond employees to non-Irish buyers.

The Key Employee Engagement Programme (KEEP) has been a failure since launch as it has been too restrictive for SMEs. It needs substantial overhaul to make it work for unlisted businesses. The time limit attached to KEEP must be removed.

With the average price-earnings ratio on the Irish Euronext market at 17, Irish employees are being denied access to a significant source of wealth because so few Irish businesses list on the stock exchange. This is evidenced by a low rate of financial participation<sup>7</sup> by Irish employees. The Exchequer similarly loses out.

- Entrepreneur and employer reward.** Ireland needs to address the rewards environment for entrepreneurs and employers, and more actively encourage the formation of listed companies.

Despite inaccurate domestic spin to the contrary, it was noted at the OECD Inclusive Entrepreneurship Training Workshop hosted by DETE on 28<sup>th</sup> April that numbers of self-employed people are declining in Ireland, notwithstanding the fact we have twice as many business creators as the EU average (see slide below). The OECD figures suggest Ireland is “missing” some 115,000 entrepreneurs, of whom 90% are women.



<sup>7</sup> <https://www.worker-participation.eu/National-Industrial-Relations/Countries/Ireland>

6. **Life-long learning.** While Ireland’s educational performance at secondary/school-leaver level is relatively good; among our broader population, measured literacy skills of Irish adults remained close to the OECD average, and numeracy and problem-solving skills were significantly lower for all age cohorts.<sup>8</sup> Simultaneously, Ireland demonstrates the highest level of academic overeducation in the EU & UK,<sup>9</sup> with over 30% of fulltime employees overeducated, defined as “*the proportion of employees in employment whose ISCED level of schooling lies one level or more above the occupational mode.*” This suggests we need to pivot our educational effort towards skills, vocational education, and life-long learning.

We believe the national universities are prioritised for spending ahead of the technical universities. Given their greater geographic spread, we would like the TUs prioritised for expenditure on subject areas like marine technology, biogenics, renewables, recycling systems, rainwater recovery, energy generation etc., and providing technical training for businesses in the mechanical, electrical, and internet of things spaces. Businesses need upskilling in the circular economy such as plastics to fuels, biomethane, hemp, sustainable construction, etc.

Fraunhofer-Gesellschaft provides a useable model for this.<sup>10</sup> Educational institutes working in related subject areas cooperate in Fraunhofer Groups and foster a joint presence on the R&D market. Fraunhofer-Gesellschaft already has a footprint in Dublin, and the Fraunhofer model should be much more widely used.

7. **Enterprise Supports.** Government supports for large enterprises (c.700) tend to be good. Micro businesses and start-ups (c.257,000) tend to have lower levels of support, although the LEO network actively supports the former.

There is a more significant perceived deficit in supports for established enterprises with between 10 and 250 employees (c.21,000),<sup>11</sup> the business demography which is more likely to scale. For the reasons set out in Theme 1, we believe this cohort of the business demography must be prioritised above FDI in the White Paper.

8. **The business cost and competitiveness agenda remain largely unresolved.** While there are higher cost economies in Europe, they are not located on peripheral islands, limited to air and sea access only. Ireland needs to adapt its cost and competitiveness agenda to economic realities, and must address unacceptably high costs in accommodation, insurance, energy and services. On a like-for-like basis, Ireland’s business costs **must be lower** than those of our competitors.

The cost of professional services, particularly legal services, is high. Despite partial and questionable assertions from the legal lobby to the contrary,<sup>12</sup> legal costs remain

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<sup>8</sup> [OECD Economic Survey Ireland 2020](https://www.oecd.org/economic-survey/ireland-2020/)

<sup>9</sup> <https://docs.iza.org/dp10678.pdf>

<sup>10</sup> <https://www.fraunhofer.de/en/institutes/institutes-and-research-establishments-in-germany/fraunhofer-groups.html>

<sup>11</sup> <https://www.cso.ie/en/releasesandpublications/ep/p-bd/businessdemography2020/>

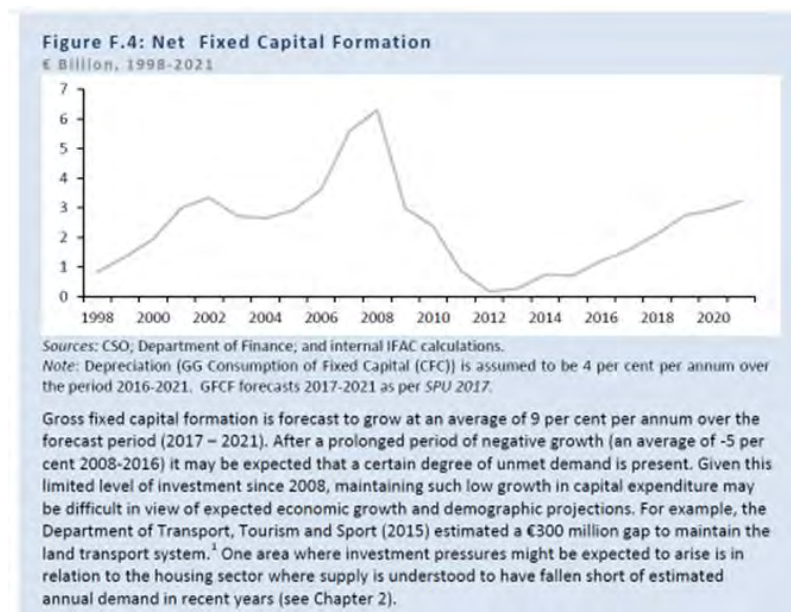
<sup>12</sup> <https://www.lawlibrary.ie/evreport-3/>

prohibitively high,<sup>13</sup> free speech, investigative reporting and public interest investigation is restricted by our defamation laws,<sup>14</sup> and the time taken in court hearings is too long, and lengthening.<sup>1516</sup>

9. **The public capital formation environment** (short, medium and long-term infrastructure) has improved, but key infrastructure is not being built in adequate time. Our urban areas require high-volume public transport solutions that are taking decades to progress beyond even the planning stage. Our energy-generation and storage systems are lagging the demand forecasts for the medium term. Our potable and waste-water infrastructure remains severely under-developed.

While net fixed capital formation has been increasing steadily since 2012 (see charts below) we remain concerned that current expenditure within the public sector trumps all other demands, and crowds out capital expenditure needed for an expanding population. Preliminary results for Census 2022<sup>17</sup> suggest Ireland (26 counties) has breached the 5m threshold for the first time since 1851.

We therefore share the concerns expressed by IFAC in their Pre-Budget Statement 2022<sup>18</sup> about the trajectory of current spending, and we recognise it impacts all areas of Irish society and the economy, including enterprise policy.



<sup>13</sup> <https://www.justice.ie/en/JELR/Pages/PR20000298>

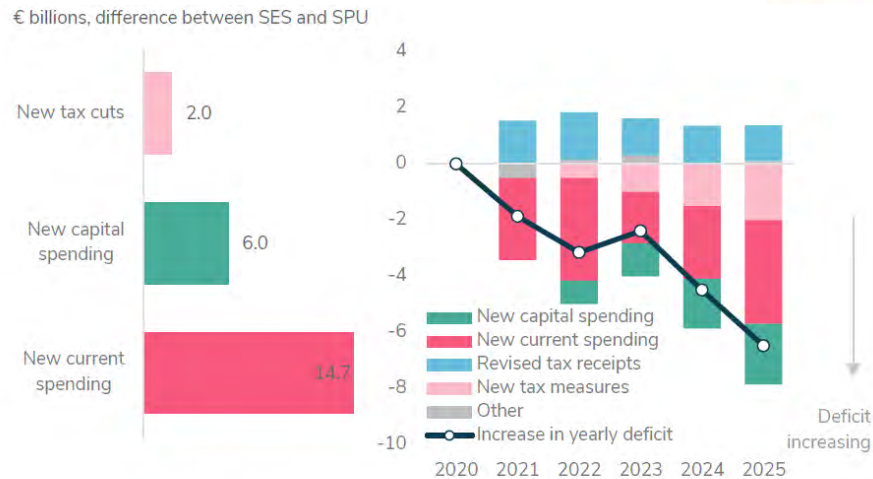
<sup>14</sup> [https://ec.europa.eu/info/sites/default/files/20\\_1\\_194011\\_coun\\_chap\\_ireland\\_en.pdf](https://ec.europa.eu/info/sites/default/files/20_1_194011_coun_chap_ireland_en.pdf)

<sup>15</sup> [https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland_en.pdf)

<sup>16</sup> [https://ec.europa.eu/info/sites/default/files/20\\_1\\_194011\\_coun\\_chap\\_ireland\\_en.pdf](https://ec.europa.eu/info/sites/default/files/20_1_194011_coun_chap_ireland_en.pdf)

<sup>17</sup> <https://www.cso.ie/en/releasesandpublications/ep/p-cpr/censusofpopulation2022-preliminaryresults/>

<sup>18</sup> <https://www.fiscalcouncil.ie/pre-budget-2022-statement/>



**10. Social Culture.** There appears to be a general consensus towards greater state spending, but no appetite for revenue-generation to support it. Furthermore, the tax system discriminates against business owners and the self-employed in a manner which asserts a negative view by the state of the wealth and employment creation sectors. This is inconsistent with a modern democracy, and must change. If we wish to increase state spending, citizens must be willing to pay for it. We must discuss how the Exchequer will fund it, and who will pay. Ireland’s tax take is already over-concentrated among a small cohort of FMEs and high-income earners. Politically, we must have an ability to discuss this issue in a mature fashion, which links risk, reward, and effort.

Similarly, the partnership process in Ireland has traditionally involved Government discussing employment issues with big business and big unions. This is acceptable once it does not produce binding outcomes for parties who are not involved. Unless its recommendations are non-binding, any revival of social partnership which does not involve the SME sector will be unacceptable to employers.

The existence of a vibrant, profitable and expanding indigenous enterprise base is essential to all economic and political interests in Ireland; but perhaps counter-intuitively, it is most important to those who wish to see a “bigger state” and more public spending.

ISME,  
17 Kildare Street,  
Dublin 2.  
28<sup>th</sup> November 2022

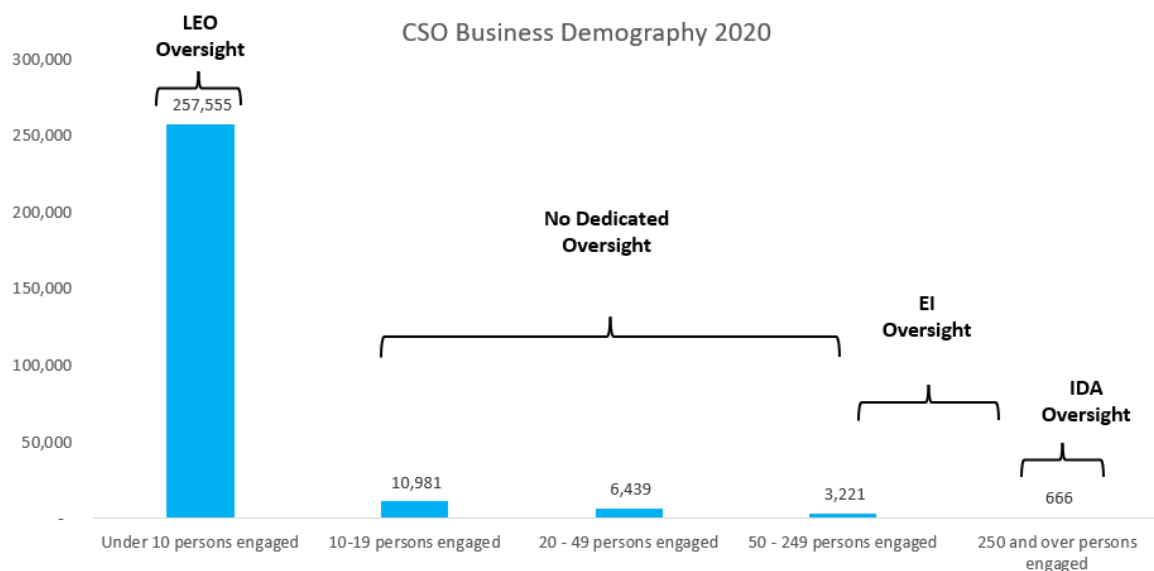
Leo Varadkar TD,  
Department of Business, Enterprise and Innovation,  
Kildare St.,  
Dublin 2.

Dear Tánaiste,

Further to our response to your Department’s consultation, we would like to set out four broad strategic objectives the we believe the White Paper should address, summarised as follows:

1. We need an agency dedicated to industrial policy oversight of the small and medium enterprise sector.
2. Competitiveness remains a persistent barrier to the performance of indigenous businesses in particular.
3. Indigenous enterprise policy must be formulated to deliver on strategy set out in the White Paper.
4. Regulation and legislation must be right-sized and appropriate for the SME sector, and not written with large, quoted foreign multinationals solely in mind.

**Firstly, as outlined in ISME’s pre-budget submission in 2021, we believe an agency dedicated exclusively to steward the needs of small to medium enterprise is required in Ireland.** While the existing agencies are excellent and valued in the services they currently provide, the division of responsibility between IDA, EI and LEOs leaves approximately 21,000 domestic enterprises in the small and medium demography without dedicated oversight of structured support. We are not prescriptive as to how this is achieved, only that it is delivered.



We (broadly) consider the enterprises in the 10-250 employee bracket to be the most likely to scale. With very few exceptions, domestic small and medium enterprises are neither scaling nor listing, and those few which do scale are most regularly purchased by non-Irish entities.

Despite a large footprint of high-technology foreign multi-nationals in Ireland over the past half century, we have seen (with a very few exceptions) little migration of skills and intellectual property into the domestic economy. This is further evidenced by the inability of Ireland to produce domestically-owned enterprises of global scale. Near-peer economies such as Denmark, Finland, Israel, Norway, Sweden and Switzerland have all grown at least one domestic enterprise of global scale. While a larger country, South Korea's focus since its founding has been on family-oriented businesses in the technology sector, which has produced a number of global technology and manufacturing leaders.

Ireland is good at supporting start-ups via the LEO network; it is good at supporting high-performance exporters via EI, and it is good at supporting multinationals via the IDA. It is the "bit in the middle" where we are weak, but conversely where Ireland has the highest potential for advancement. This demands a strategic focus.

**Secondly, while the NCPC has now added productivity to its agenda, competitiveness remains an issue for domestic enterprise in particular.** We need to benchmark the key variables in our domestic factors of production (labour, capital, land, and entrepreneurship) against peer countries, especially small exporting economies, on an annual basis. Some key themes emerge within the competitiveness:

- While the CSO's "Econometric Analysis of the Public-Private Sector Pay Differential" suggests there is no public/private sector pay gap, the CSO's own quarterly earnings figures show a material and substantial pay gap between public and private sector irrespective of enterprise size; and European meta-studies show that this differential is not repeated in peer EU countries. Since the public sector has traditionally benchmarked its pay against large business (although it now exceeds that) we now see a two-tier payroll structure in Ireland, one for the public sector and FMCs; the other for the remaining 60% (approximately) of workers in the wider economy. This is socially and politically undesirable.
- The public desire for the benefits of a "social wage" cannot be completely outsourced to the private sector. Employers will provide for a higher minimum wage, for statutory sick pay, for pensions auto-enrolment, for domestic violence leave and for those other benefits which the Oireachtas wishes to accrue to workers. But as we do so, the cost of labour within the economy increases. While little acknowledged here, Ireland is a high-wage economy,<sup>1</sup> consistently with the third or second-highest minimum wage in the EU,<sup>2</sup> while also having the joint-highest consumer prices in the EU<sup>3</sup> with Denmark. Political acknowledgement of these facts appears impossible. If we are to avoid pricing Irish labour out of EU markets, we will require the social wage to deliver more for Irish workers via the social protection system. A significant amount of the wage pressures facing Irish employers is due to the increasing cost of rental accommodation, and many employers are filling that gap by renting or buying accommodation themselves. Yet as ISME has pointed out many times, the contraction in the supply of rental accommodation is a decade-long phenomenon which has tax and regulatory policy at its core.<sup>4</sup> The

<sup>1</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Wages\\_and\\_labour\\_costs](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Wages_and_labour_costs)

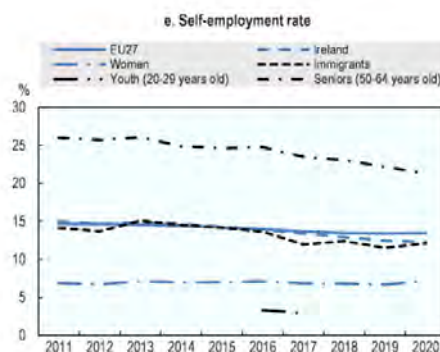
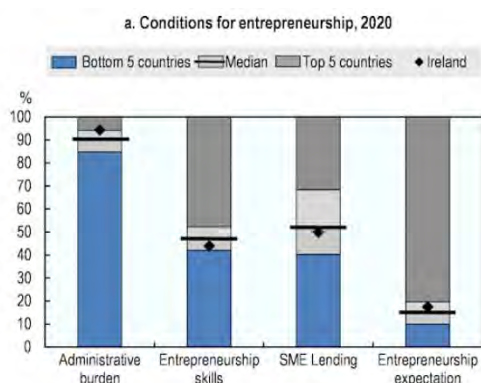
<sup>2</sup> [https://ec.europa.eu/eurostat/databrowser/view/earn\\_mw\\_cur/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/earn_mw_cur/default/table?lang=en)

<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative\\_price\\_levels\\_of\\_consumer\\_goods\\_and\\_services](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative_price_levels_of_consumer_goods_and_services)

<sup>4</sup> <https://isme.ie/2022/05/12/isme-expresses-concern-at-rent-inflation-report-and-the-impact-for-small-employers/>

availability of affordable housing is arguably the single biggest challenge facing the state, yet the recent Commission on Taxation and Welfare<sup>5</sup> baldly stated *“The Commission recommends that tax incentives should not be used in order to stimulate the supply of housing.”*

- While Government is considering the “carrying capacity” of the Irish economy in terms of stock of housing, public transport, health, education etc., we cannot afford to increase the stock of public goods at any cost. The public service must deliver efficient, affordable services. For example, the 73% differential in the cost of nursing home care<sup>6</sup> between the public and private sectors is intolerable. If we attempt to increase Ireland’s carrying capacity with this degree of inefficiency, we will simply bankrupt the Exchequer.
- The cost of both capital goods and capital itself is significantly higher here relative to our near peers. The cost of credit is too high, the availability of credit to SMEs is constrained, and new lending to SMEs is muted and declining.<sup>7</sup> The taxation of capital gains is high by peer standards. The costs of capital asset inputs such as steel, prefabricated windows and doors, plumbing and electrical parts remains stubbornly higher than those in other EU countries but small construction companies lack the buying power to import them.
- Entrepreneurship in Ireland fares relatively poorly relative to peers. The OECD states<sup>8</sup> that *“eliminating these gaps in entrepreneurship activity rates would result in an additional 115,000 entrepreneurs. About 90% of these “missing” entrepreneurs are female, 33% are over 50 years old and 33% are immigrants.”* In particular, per the charts below, the OECD notes a higher than average administrative burden, a lower level of entrepreneurial skills, and more expensive lending than OECD norms. Our rate of self-employment is also falling faster than the rest of the EU, especially among seniors. Our taxation system discriminates against the self-employed<sup>9</sup> and our pensions system imposes limits upon them that do not apply to the public service.<sup>10</sup>



<sup>5</sup> <https://assets.gov.ie/234316/b4db38b0-1daa-4f7a-a309-fcce4811828c.pdf>

<sup>6</sup> <https://nhi.ie/discrimination-in-funding-of-nursing-home-care-laid-bare-by-department-of-health-analysis/>

<sup>7</sup> [https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/business-credit-and-deposits/2022q1\\_trends\\_in\\_sme\\_and\\_large\\_enterprise\\_credit\\_and\\_deposits.pdf?sfvrsn=f087961d\\_3](https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/business-credit-and-deposits/2022q1_trends_in_sme_and_large_enterprise_credit_and_deposits.pdf?sfvrsn=f087961d_3)

<sup>8</sup> <https://www.oecd-ilibrary.org/sites/71b7a9bb-en/1/3/4/15/index.html?itemId=/content/publication/71b7a9bb-en&csp=d8d0020b2c4308e7c5bf88c928ccd139&itemIGO=oecd&itemContentType=book>

<sup>9</sup> [https://www.citizensinformation.ie/en/money\\_and\\_tax/tax/income\\_tax/universal\\_social\\_charge.html#l62fd2](https://www.citizensinformation.ie/en/money_and_tax/tax/income_tax/universal_social_charge.html#l62fd2)

<sup>10</sup> <https://www.revenue.ie/en/jobs-and-pensions/pensions/tax-relief-for-pension-contributions.aspx>

- Our CGT regime encourages passive investing in listed FMCs while discouraging domestic investment in (higher-risk) Irish enterprises via the 33% CGT rate, which is the fourth highest in Europe.<sup>11</sup>
- According to the Council of Europe Commission for the Efficiency of Justice Report, our legal system has only a sixth of the judges that the typical European country has, but has twice as many lawyers.<sup>12</sup> As noted by successive EU Semester Reports,<sup>13</sup> Ireland suffers excessively high legal costs for excessively slow delivery of justice, and requires “*ongoing modernisation measures – as part of the Courts Service long-term strategy for ‘supporting access to justice in a modern, digital Ireland’ – including electronic filing, establishing a case management system, and putting in place courtroom technology.*” The Implementation Plan on Civil Justice Efficiencies and Reform Measures<sup>14</sup> published by the Department of Justice permitted its membership (with a majority of current or former fee-earners) to recommend non-binding guidelines only to address high legal costs. This absurd recommendation must be rejected in its entirety in favour of the minority report produced in that implementation plan.
- This antiquated legal system encourages rent-seeking and unethical behaviour among its participants, leading to unaffordable levels of liability and professional indemnity insurance in the state, as well as an inability to construct housing, transport, energy or environmental infrastructure without lengthy, costly delay. Historical “upward-only rent reviews” remain in place for older leases, many of which are held by the state or local authorities, while our commercial rates structure dates back to 1898 and charges business on an open-market rather than a site valuation basis. While we tout our common-law system in the interest of attracting commercial litigation here, the capriciousness with which our courts disregard the decisions of higher courts is anathema to the principles of common law and makes the legal environment here unpredictable, risky and expensive.

**Thirdly, indigenous enterprise policy must be strategy-based.** There is broad economic consensus on the need to reduce reliance on the FMC sector and the large flow of corporation tax<sup>15</sup> from it; and ensure a robust indigenous enterprise sector. However, our taxation and industrial policy does not follow in tandem. When the Programme for Economic Expansion<sup>16</sup> was laid before the Oireachtas in 1958, it was no mere academic pamphlet. It was a template for a radical economic pivot towards an open, trading economy, willing to attract foreign multinational enterprise to the country and eliminate protectionism. Ireland’s population decline was immediately arrested following the rollout of recommendations in the program, and barring one small dip in the 1991 census, our population has grown every year since 1961. This year’s Enterprise White Paper must be equally radical, and like its 1958 ancestor, must be the strategic blueprint to drive policy change across multiple Government departments.

While the OECD has identified our “missing entrepreneurs” versus peer economies, no one is asking why this is happening. The White Paper cannot merely express a desire to focus on indigenous enterprise, it must identify specific taxation, employment, educational and financial measures to achieve desired outcomes. Therefore we believe that the White Paper should not merely pose the questions below, but should propose policy prescriptions to address them:

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<sup>11</sup> <https://taxfoundation.org/capital-gains-tax-rates-in-europe-2021/>

<sup>12</sup> <https://rm.coe.int/cepej-fiche-pays-2020-22-e-web/1680a86276>

<sup>13</sup> [https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland_en.pdf)

<sup>14</sup> [https://www.justice.ie/en/JELR/DOJ\\_CJERM\\_2022.pdf/Files/DOJ\\_CJERM\\_2022.pdf](https://www.justice.ie/en/JELR/DOJ_CJERM_2022.pdf/Files/DOJ_CJERM_2022.pdf)

<sup>15</sup> <https://www.fiscalcouncil.ie/fiscal-assessment-report-may-2022/#SummaryAssessment>

<sup>16</sup> <https://opac.oireachtas.ie/AWData/Library3/Library2/DL006590.pdf>



- Where are our “missing” female and senior entrepreneurs?
- Why are they leaving entrepreneurial activity?
- Why are so many of our indigenous businesses failing to scale?
- Of those indigenous enterprises which do scale, why are so many of them disposed of to foreign rather than domestic acquirers?
- Why do so few indigenous enterprises list, relative to near peer European countries?

**Fourthly, regulation and legislation must be “right-sized” and appropriate for indigenous enterprise.** The EU Small Business Act, and our own Regulatory Impact Analysis (RIA) guidelines indicate that SMEs must be considered when introducing new policies. This does not occur, and SMEs find that new policies or regulatory requirements tend to be “right-sized” for large enterprises, despite the fact they make up only 0.3% of Ireland’s business demography. This failure is at least partially explained by the State’s failure to engage with the SME sector in its LEEF structures: If one only engages with big business, legislative output will suit big business. Where new regulations/legislation are deemed necessary, Government should follow the “think small first” and “one-in-one-out” principles.

Right-sizing policies for SMEs requires that the White Paper revisit the following:

- Entrepreneur relief is too tightly restricted to owner-managers and discourages external and serial passive investors from the possibility of a lower CGT rate.
- Despite increase in the standard-rate cut-off to €40,000 in Budget 2023, the marginal rate still kicks in at €5,324 below the average industrial wage (Q2 2022).
- The KEEP scheme was not written with SMEs in mind and remains too complicated and restrictive for use.
- The definition of “basic research” is so onerous in qualification for the R&D tax credit<sup>17</sup> that it discourages SMEs from applying for it. The administrative blockers for businesses in claiming the R&D tax credit must be removed. Limitations on outsourcing in the R&D tax credit regime restrict collaboration among Irish businesses and between businesses and third-level institutions. These restrictions do not exist under the OECD Modified Nexus rules and should be removed.
- The Knowledge Development Box (KDB) remains in need of reform and simplification for SMEs.
- Ireland has few individuals who have funds to invest in business through the Employment and Investment Incentive (EII). SMEs are too reliant on the pillar banks, and need a more diverse range of finance options. The split relief concept reduces the attractiveness of the EII and should be removed. EII rules require the investor to hold less than 30% of the company’s shares, denying relief to the founder shareholder. This restriction should be removed.
- The Start-Up Refunds for Entrepreneurs (SURE) scheme should be extended to include new business founders who were previously self-employed and are starting up another business.
- Dividend income is taxed at high marginal personal tax rates of up to 55%, which does not encourage equity investment in Irish business.

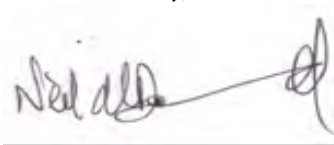
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<sup>17</sup> <https://www.revenue.ie/en/tax-professionals/tm/income-tax-capital-gains-tax-corporation-tax/part-29/29-02-03.pdf>

Whitaker's Programme for Economic Expansion was a remarkable success, and was the beginning of the end for Ireland as the "poor man of Europe." However, the current economic data expose the limitations of a policy so focussed on non-domestic enterprise. The gulf between our modified GNI and our GDP is now so large that the former is but 54% of the latter.<sup>18</sup> We know of no other country with so large a gap between GNI and GDP. Beyond corporation taxes and high salaries, little else of this high GDP figure (which is close to the GDP if Israel) leaks into the domestic economy. Yet we measure State expenditures "as a percentage of GDP" and we pay our EU remittances based on GDP. This would be tolerable if there were signs of convergence between the two. There is not. GDP continues to soar ahead, while GNI expands at half the rate or less, increasing the annual divergence between the two. We believe 2023 will exacerbate the bifurcation between them.

In summary, we must grow the wealth-generating capacity of the domestic economy, and the Enterprise White Paper must set out the strategic roadmap to do so.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Neil McDonnell', written over a horizontal line.

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**Neil McDonnell**  
**Chief Executive**

Copy: Paschal Donohoe TD, Minister for Finance  
Michael McGrath TD, Minister for Public Expenditure and Reform  
Damien English TD, Minister of State, Department of Enterprise Trade and Employment  
Dara Calleary TD, Minister of State, Department of Enterprise Trade and Employment  
Dr Orlaigh Quinn, Secretary General Department of Enterprise Trade and Employment  
Pauline Mulligan, Department of Enterprise Trade and Employment  
David Hegarty, Department of Enterprise Trade and Employment  
Declan Hughes, Department of Enterprise Trade and Employment  
John Hughes, Department of Enterprise Trade and Employment  
Dermot Coates, Department of Enterprise Trade and Employment

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<sup>18</sup> <https://www.cso.ie/en/interactivezone/statisticsexplained/nationalaccountsexplained/modifiedgni/>

## Jennifer Rothwell Design

Submission to the Enterprise Strategy Unit,

I am delighted to see that the government is conducting a public consultation on the future of Enterprise Policy. See my submission below.

There is a large gap in government support when it comes to the Irish textile, craft and design industry and increased funding needs to be given to the DCCI and to the Leo 's independently and not via Enterprise Ireland. Too much money is been given out through consultancy and more funds should be made available directly to designer/makers (overseen and managed by DCCI/Leo's) that can be used for more practical uses for the companies growth for example to buy manufacturing machinery or to help hire new staff to support new sales growth etc . Proper funding is needed to support Irish Design and Craft companies and sales growth and expansion - which if given will result in creation of employment and financial gain to the Irish economy. Similar to the Irish Food Sector like supports given to food companies by the highly successful Bord Bia

The following initiatives need to be implemented to ensure the design and craft industries growth, sustain current jobs, create employment and contribute to the future of the Irish economy.

Irish Design and craft companies that have the potential for real growth need to be selected, funded and support for a period of 3-5 years in order to make a real difference

1. 3-5 year company growth and strategy - Funding overseen by DCCI
2. Domestic and international sales agents who have an established clientele buyer connections need to be hired to oversee companies sales growth and to open new markets for new sales and distribution.
3. Independent PR and Marketing with international high end luxury expertise in promotion of brands globally results in the selected brands being recognised internationally. In return increasing online sales and brand awareness.
4. Financial advice and support - independent Financial planning and growth planning, helping companies to access lines of credit, manage cash flow and reach yearly sales targets. An established company with experience in Design and Craft Industries.
5. Introduce Technology that drives efficiency, transparency, visibility and sustainably to increase company productivity and profitability.

During Covid 19 we have seen a big drive to make and buy local this trend will continue and there is huge potential for the Irish Design and Craft industries growth now and into the future. It is great to see results of the LEO campaign "Look for Local" showing that 80% Irish consumers are more likely to shop local through online portals. We need the reintroduction of domestic manufacturing via supports to establish manufacturing production facilities so Irish designs can manufacture within Ireland thus more sustainable. Kudos to the DCCI on the success of the #MADELOCAL initiative and campaign through DCCI which attracted 3.9 million impressions reaching 8.5 million consumers in the run up to Christmas was also a wonderful initiative.

Ukraine has a long tradition of textile manufacturing, with Ukrainian nationals arriving in Ireland there is a great opportunity to utilize the highly skilled workers in the textile industry that could be part of a new centre of excellence for digital manufacturing hub. A high percentage of whom would be highly skilled tailors, cutters and seamstresses. Embracing new digital printing technologies over traditional screen printing partnered with a high quality finishing by way of sewing with machines. As a result, a centre of excellence for digital manufacturing hub will create a "reshoring of production" ready for market in short time scales. This service would be available to all designers and companies that want to manufacture locally and in Ireland. The positive spin off effects include lower carbon due to reduced transportation, less high minimum production that inherently produces excess waste. Promotion of digital textile printing in line with new technologies, sustainability and the green

Jennifer Rothwell has an in -depth international expertise and knowledge of the production systems. A centre of excellence for digital manufacturing hub in Ireland would create employment for skilled refugees, add revenue to the Irish economy while also supplying much needed printing and manufacturing facilities for all designers in Ireland. For your reference <https://www.sqetch.co/clothing-manufacturers-in-ukraine/>

Pre Covid 19 and present, Irish design and craft makers are struggling to stay in business and are being crippled by the highest Tier (rate 5) of 23%. Money owed in Vat constantly puts designers and craft makers into overdraft, thus affecting cash flow and in turn putting businesses survival into jeopardy. The design and craft industry is like a mouse on a wheel going one step forward and two steps backward. The burden of an extremely high vat rate makes it impossible for the sector to grow let alone create employment. FYI, In the National Museum of Ireland (Collins Barracks) walls it is written that the VAT increase to 21% was the reason that fashion designer Ib Jorgenson (who manufactured in Ireland) went out of business, resulting in the loss of his staff totally nearly 50 at the time. An absolute disgrace and an example of how it is impossible for Irish design and craft businesses to survive let alone thrive when burdened with such a high vat rate.

The following other initiatives need to be implemented to ensure the design and craft industries growth, sustain current jobs, create employment and contribute to the future of the Irish economy.

- **Reduction in the Vat rate** in the Design/Craft industries, which is currently at the **highest tier rate 5 at 23%** to a 9% or ideally 0%.
- **Inclusion in the Arts Council** for textile, design and craft makers. The circus and architecture are included, why not design and craft makers.
- **Vacant property initiative** to create creative clusters. Which ties in perfectly into the **rural and community development plan**. Incentifying craft and design studio's to open up for business in rural Ireland is a win-win. Revitalizing local towns and businesses and also giving tourists an authentic Irish Craft experience. Tourists are seeking out indigenous Irish design and craft that is Made in Ireland. The **Made in Ireland Campaign is also sustainable and supporting and empowering this sector will help reduce Ireland's carbon footprint in line with the UN Sustainable Development Goals**.
- The loss of quality production and skills as a key issue for the fashion industry, new manufacturing facilities and apprenticeship sewing and cutting training need to be set up to help support the needs of new entrants to the industry and established designers. We need to promote and support manufacturing on the Island of Ireland. **Apprenticeships similar to the dual system in Germany** should be implemented in Ireland.
- A centre of excellence for Digital Manufacturing Hub needs to be established.

- **More access to finance** from banks for working capital.

**We need to Foster/Spearhead the Made in Ireland campaign both nationally and internationally**, resulting in the “Made in Ireland” brand being recognized worldwide as high end quality products which incorporate innovative design excellence. Creating high domestic and international consumer demand. We are renowned for the arts, music, literature and more recently food. Why not Irish craft and contemporary Irish design. To increase **Made in Ireland #MADELOCAL** design and craft sales both domestically and internationally. Brand Ireland and the Made in Ireland campaign in the design and Craft sectors has amazing potential but strategic plans need to be put in place now in order for it to reach its full potential. There is huge potential in this sector in particular in tourism retail and export sales if investment and support is given now. We need to **emulate the success of the Made in Italy, Made in Britain And the Made in the USA** campaigns promoting Irish design and fashion as high quality innovative design excellence. See example of research below: “Made in Britain ” Part of promoting ‘Made in Britain’ is the need for the government and industry to do more to help showcase the UK as a center of excellence, not just in technology and innovation but also craftsmanship, customer service and heritage. Manufacturing here can capture the traditions of the past and use the technology of today. Investment in manufacturing must be made. Other countries value and support their indigenous craft and design industries and it is well overdue that we do the same here in Ireland.

Read more at: <http://www.yourbetterbusiness.co.uk/how-made-in-britain-is-reinvigoratingour-fashion-and-manufacturing-industries/#o8MM5iXPLceBVofV>.  
<https://www.drapersonline.com/insight/comment/brexit-minister-fashion-can-help-us-build-a-truly-global-britain?blocktitle=comment&contentid=19577>

Many Irish fashion and design graduates work as creative directors, designers and marketing directors at several of the world’s leading fashion brands. Their value is lost to the Irish economy. Giving Irish design and craft graduates employment opportunities here in Ireland is a must in order to create the foundation for a successful Made in Ireland campaign. It breaks my heart to see Irish design talent have to emigrate and leave the country, as we should be creating employment opportunities here so we keep the talent in Ireland. Let’s keep the amazing design talent on the island of Ireland in Ireland and leave a legacy for the ongoing development of the design and the Irish manufacturing sector. Several years ago I was chatting to Greg Swift the CEO of the Dublin City Local Enterprise Board and he was saying how a few years ago Irish food was on the same level as Irish Fashion. Look at Irish food now, it is renowned internationally. The same can happen with Irish Design and Craft, all we need is some support and the belief that it can happen and succeed. **Let’s Love Irish Fashion, Design and Craft too!**

Anxiety has increased in Ireland expediently during Covid. It is proven that Craft is good for your mental health, engaging with the arts and crafts boosts mental wellbeing. Craft has long been used to help with anxiety. It also brings people and communities together! see link for more details <https://www.craftscouncil.org.uk/stories/4-reasons-craft-good-your-mental-health> also see <https://www.craftscouncil.org.uk/stories/can-craft-help-solve-mental-health-crisis> Thus by supporting this industry you are in turn reducing anxiety and mental health issues in Ireland which has a domino effect and can also help with suicide prevention etc. People are happier and healthier when they create!

I greatly admire President Higgins achievements for the Arts as Minister for Arts, Heritage and the Gaeltacht with his vision and immense commitment to the Arts, He transformed the Film industry through a range of initiatives from tax incentives to training and the re-establishment of the Irish Film Board, ultimately encouraging investment and creating thousands of jobs. I am passionate about helping reignite the Irish textile, fashion and craft industries. I have been campaigning for this since 2010 to representatives at all the following

agencies EI, LEO, and DCCI. I am delighted that Rosemary Steen is leading DCCI and is making great positive changes within the organization. However her hands are tied due to lack of funding. May I reiterate the large gap in government support being given to DCCI when it comes to the Irish textile, craft and design industry. Increased funding needs to be given directly to DCCI to help the sector's not just to survive but for it to thrive!

Yours sincerely,

Jennifer

Jennifer Rothwell Design

## White Paper on Enterprise Policy – Johnson & Johnson (J&J) Submission

On an industry wide basis, the life sciences sector employs 50,000+ people in Ireland and is responsible for 32% of Ireland's GDP.<sup>1</sup> In 2021, basic pharmaceutical products were the single most valuable sector of Ireland's industrial production, accounting for 43.6% of total production, with a net selling value of €58 billion. By way of comparison, last year in the EU27 the pharmaceutical sector accounted for 4.1% of net-selling value on average.<sup>2</sup> Meanwhile, Irish exports of medical and pharmaceutical products increased by 58% in the year to April 2022, reaching a value of €7.1 billion and representing 41% of Ireland's total exports.<sup>3</sup> 60% of Ireland's final manufacturing exports are now part of global supply chains, this is one of the highest ratios in the world and is largely thanks to output from the MedTech, technology, and pharmaceutical sectors.<sup>4</sup>

The life sciences industry is of critical importance to Ireland's economic success. The evolution of Ireland's industrial policy should strive to find the optimal environment for the life sciences sector, given the criticality of this sector to the Irish economy.

As part of the 'Attracting Life Science Investments in Europe'<sup>5</sup> report, an initiative supported by Johnson & Johnson, outlined below are key factors which contribute to a country or a region's success in attracting life sciences investment:

- A high quality education system with sufficient availability of life science graduates;
- A strong academic research environment with the necessary funding of excellent research;
- The availability of technology transfer mechanisms allowing academic research to develop into commercial products and solutions that are based on solid interactions between the public and private sectors;
- A medical and health environment that integrates public and private research, such as for translational medicine and clinical development of new treatments;
- A comprehensive national industrial policy that allows for the recruitment of skilled staff to manufacture and to export;
- A healthcare investment policy which embeds digital health, innovative medicines and medical technology;
- A strong EU industrial policy that strategically invests in innovation for industry and infrastructure;
- A framework that encourages investments in innovation;
- A flexible and speedy regulatory framework combined with a solid healthcare budget that allows for fast uptake of new technologies including digital solutions;

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<sup>1</sup> The Irish Times, "[Ireland Has a Strong International Reputation for Life Sciences](#)". December 2021.

<sup>2</sup> Central Statistics Office, "[Irish Industrial Production by Sector 2021](#)". July 2022.

<sup>3</sup> Central Statistics Office, "[Goods Exports and Imports](#)". April 2022.

<sup>4</sup> Ibec, "[Manufacturing Today, Tomorrow and Beyond](#)". November 2021.

<sup>5</sup> Sebio Health Policy Consulting, "[Attracting Life Science Investments in Europe](#)". June 2021

- An effective and efficient healthcare system that allows for quality of care at acceptable costs for society.

This success can only be achieved by having a clear and long-term vision of how these building blocks fit together to create an environment for life sciences competitiveness, where Ireland not only attracts FDI but also has the best chance of retaining it.

In 2019, the Government launched ‘Ireland for Finance’, a whole-of-Government strategy for the further development of the international financial services sector in Ireland to 2025. The strategy is updated every year through annual Action Plans.

**J&J would welcome the development of an Action Plan for the Life Sciences sector. Similar initiatives have already been undertaken in the UK<sup>5</sup>, Denmark<sup>6</sup> and France<sup>7</sup>.**

Like ‘Ireland for Finance’, ‘Ireland for Life Sciences’ could be structured around the four pillars of:

1. *An operating environment pillar* to ensure the policy, culture and legislative conditions underpinning life sciences will support growth;
2. *A technology and innovation pillar* to provide a collaborative approach to addressing emerging challenges and opportunities into technological developments;
3. *A talent pillar* to ensure Ireland continues to have an appropriately skilled workforce;
4. *An outreach pillar* to ensure Ireland’s life sciences offering is communicated to all current and future investors in Ireland.

To consolidate and secure Ireland’s competitiveness in this critically important sector of the economy, Government must identify and respond to the evolving challenges, strengths and weaknesses that industry faces from a policy perspective. We believe the below policy priorities to be the most important factors to be considered in any future enterprise strategy:

## **1. The Domestic Enterprise Landscape:**

J&J welcomes the ambition of the revised National Development Plan, along with the other regional investment plans that aim to enhance the domestic enterprise landscape and the infrastructure underpinning it. However, there are issues with the domestic enterprise landscape on occasion when multinational companies face lengthy delays in the delivery of key infrastructural projects.

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<sup>5</sup> UK Government. [Life Sciences Vision](#). June 2021.

<sup>6</sup> Government of Denmark. [Agreement on a Strategy for Life Science](#). May 2021.

<sup>7</sup> Government of France. [Healthcare Innovation 2030](#). June 2021.



**Reform of the planning system, particularly through any measures that will ensure projects of national interest are delivered in a timely fashion, is important.**

**The current delays in granting of licenses by the EPA (which we understand are potentially due to internal resourcing challenges), puts Ireland behind timelines experienced in other jurisdictions.**

Businesses operating in Ireland also face unavoidable fixed costs to operate, and as Ireland has long been described as a high-cost economy, these high costs limit how competitive Irish firms can be in international markets. Insurance costs are just one of the key business costs outlined in the NCPC Ireland's Competitiveness Challenge 2021 report.<sup>9</sup>

**To support the competitiveness and productivity of businesses operating in Ireland, continued focus is needed from Government to reduce the cost of insurance for Irish businesses.**

## **2. The Availability of Skills and Talent:**

To continue attracting investment into Ireland, we must ensure there are adequate levels of high-calibre and specialised talent to fill jobs.

IDA Ireland's half-year report recorded a record level of investment for the first six months of 2022, with 18,000 associated new jobs.<sup>8</sup> While this a significant achievement, the National Competitiveness and Productivity Council's recent Bulletin stressed that one of the main challenges for Ireland's competitiveness is "the availability of talent to meet critical skills gaps." It is one of the three priority areas for policy action that will be addressed by the NCPC in the Competitiveness Challenge in September 2022.<sup>9</sup>

J&J is very supportive of the new Department for Further and Higher Education, Research, Innovation and Science (DFHERIS) as well as their many skills initiatives, especially the National Apprenticeship Alliance. However, the large number of stakeholders involved within the skills ecosystem (including the National Skills Council, nine Regional Skills Fora, the Skills and Labour Market Research Unit in SOLAS, the Expert Group on Future Skills Needs in DETE, the National Training Fund Advisory Group in DFHERIS and Skillnet Ireland)<sup>10</sup>, makes it difficult to ascertain the scope of each group.

**There is an urgent need for a national end-to-end skills strategy for the life sciences industry, that will identify the next generation skills required to support Industry 4.0/5.0 and translate this into delivering programmes focused on forging stronger**

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<sup>9</sup> National Competitiveness and Productivity Council. "[Ireland's Competitiveness Challenge 2021](#)" September 2021.

<sup>8</sup> IDA Ireland. "[IDA Half Year FDI Results Highest Ever](#)" July 2022.

<sup>9</sup> NCPC. [Bulletin 22-3 IMD World Competitiveness Rankings](#). June 2022.

<sup>10</sup> DFHERIS. [Skills Strategy and Architecture](#). April 2022

collaboration between academia, industry (including life sciences & tech) and Government.

We would also welcome the establishment of one single Government body with responsibility for all national skills policies.

### **3. The Green & Digital Transitions:**

As environmental factors become increasingly important in determining a country's attractiveness, Government should prioritise the decarbonisation of gas and the development of a national thermal heat strategy to enable advancement in the green hydrogen space.

**J&J is a member of the Enterprise Digital Advisory Forum (EDAF) which aims to assist Government in the digital transition. This public-private model could be replicated for the green transition. J&J already provides thought leadership for industry initiatives like the Ibec Energy & Climate Committee and AmCham's Sustainability Taskforce and would be willing to participate in any future green initiatives.**

Two of J&J's Irish sites have been awarded Global Lighthouse designation by the World Economic Forum in recognition of their leadership in using Industry 4.0 technologies to transform factories, value chains and business models. One of the sites also has an additional Sustainability Lighthouse designation.

We welcome the Government's objective to be an 'island of innovation' but note that in 2021 Ireland's position fell in the Global Innovation Index for the second year in a row. Ireland ranks 11<sup>th</sup> out of 39 European countries and lags in the human capital and research, creative outputs and market sophistication pillars.<sup>11</sup>

Similarly, Ireland's performance declined in the European Innovation Scoreboard. Ireland is in the 'Strong Innovator' category, but all efforts should be made to join Belgium, Denmark, Finland and Sweden in the 'Innovation Leader' category. To improve performance, Ireland needs to improve on Government support for business R&D, business R&D expenditures, employment in innovative enterprises, sales of innovative products and environment-related technologies.<sup>12</sup>

**Ultimately, to excel in the digital transition Ireland must meet its target to invest 2.5% of the value of the domestic economy in research and innovation. Government should also maintain and build on the supports that work like R&D Tax Credits and the cluster approach to FDI, all the while protecting the IP framework.**

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<sup>11</sup> World Intellectual Property Organisation (WIPO). [Global Innovation Index 2021, Ireland](#). September 2021.

<sup>12</sup> European Commission. [European Innovation Scoreboard 2021](#), Ireland. June 2021.

## B. Keenahan

As an ordinary citizen of Ireland, I would like to express my views on the country's enterprise policy.

Probably the single greatest things to happen the Irish economy in my opinion is the arrival of the large multinational companies to our shores. Google, Facebook, LinkedIn etc. Have been the means through which eye watering amounts of wealth has flowed into the country. Its a huge credit to the government and the IDA for attracting and retaining these corporations. The problem is, in my opinion, we have become too reliant on these handful of tech giants. We need to de-risk the economy by not putting all of our eggs in one basket.

My suggestion for diversifying the economy is to become the Saudi Arabia of renewable energy and become an energy exporter. We live in one of the windiest counties in the world, we are the least densely populated country in Europe - tons of space for solar panels, and we have an Atlantic Ocean that has an infinite amount of wave energy on our doorstep that just needs to be captured.

Focusing on renewable energy will have other political benefits such as achieving carbon emissions targets, and having more control over our energy prices and not being at the peril of Putin or any other country or regime.

Regards



R. Kelly

A chara,

This government has been ignoring the reality of SARS-COV-2 the disease caused by COVID-19.

Aka sars-2.

SARS. Not a cold. SARS.

It is subjecting the citizenry of this country to a mass disabling event when it's entirely possible to vastly reduce transmission without resorting to lockdowns.

It has been scientifically clear for 2 years that it is an airborne virus.

This means that it gathers in unventilated spaces like smoke.

NPHET gave the wrong advice throughout its existence in the face of this evidence.

HSE still give misleading advice that washing hands is an effective way of protecting against this airborne virus.

Studies have shown it is thousands of times more likely that you will be infected via breathing in virus laden aerosols.

Please Listen to Professor of Physical Chemistry (UCC) John Wenger who sits on the new public health advisory board.

No one now seriously denies that this is the case.

As Prof. Kimberly Prather, Distinguished Chair in Atmospheric Chemistry  
Scripps Institution of Oceanography  
Dept. of Chemistry and Biochemistry, said -

"if you're at an event and 80% of people are getting infected it's not from sharing the same salad fork."

The HSE has updated some communications to include the importance of ventilation.

But it does not communicate the PRIME importance of it.

Ventilation improvements

Publicly viewable CO2 monitors

Mechanical Heat Recovery ventilation systems

FFP2 mask mandates on public transport and health care settings

And in schools at least in times of high prevalence.

Or at least some guidance that if you want to protect your child, your family and other children and their families then it would be highly advisable to wear an FFP2 mask. Not a surgical mask. Not a cloth mask. A well sealed FFP2 or FFP3 mask.

All teachers and principals should be keenly aware that indoor group singing is the single most effective way of spreading this virus.

All things asst Prof Orla Hegarty B.Arch. MRIBAI RIBA (UCD) advised government on long ago.

It's completely undeniable now that her advice was absolutely correct.

Effective HEPA filtration units should be in every classroom in the country.

FFP2 mandates should be in place at least to react to early indications of a surge. Which we could do a lot better at if we had effective testing strategies and randomized surveys like ONS and ZOE in the UK.

Especially at times like right now when 1 in 21 is currently infected in the UK according to the ZOE survey which is known to be accurate and reliable. We have the same hospitalisation rate per capita so it seems reasonable to assume it is the same ratio here.

It is to our shame that we have to rely on British agencies to work this out.

We have no randomized surveys like this to anticipate surges.

We failed to react to this current BA.5 surge. Just as we ignored the BA.2 surge.

There are already warnings of another variant with a frightening growth advantage over BA.5.

BA.2.75

We need to get our act together.

The evidence continues to amass daily of the reality of this virus being far from just a cold.

Omicron has not been mild. Look at what it did in Hong Kong.

Covid has brain damaging impacts, reassuringly known as brain "fog".

Significant brain shrinkage has been shown in even mild cases in the parts of the brain associated with taste and smell.

Cognitive decline has been observed in people with mild cases.

Loss of sense of smell and taste are an early sign of Alzheimer's and Parkinson's.

There are studies showing similar damage to Alzheimer's in the brains of people who have had only mild initial infections.

I am referring here to studies published in Nature and Science the most reputable scientific journals in the world and they have been reported by major international news outlets over the past few months, BBC, Guardian, NBC, ABC Australia but strangely never by RTE.

This is widespread.

And most people will be unaware it is happening to them.

There will be an increase in car accidents, workplace accidents etc.

The effect on the economy of long COVID will be devastating.

How can the plan be to just ignore this reality.

How can the plan be to just let the nation's children get infected over and over again with this virus?

The latest evidence shows that each reinfection results in WORSENING risk of Long COVID outcomes. And that vaccination while saving many lives in the short term only reduces risk of long covid by 15%.

And that BA.1 infection offers little to no immunity from BA.5.

There are also studies suggesting that COVID damages the immune system's response against other viruses.

This is DISASTROUS news.

Dr. Patrick Soon-Shiong warned on his interview on CNN that this virus has similarities to HIV and he worries that it will cause future cancer.

He is not the only expert who has voiced these concerns but he is a well respected billionaire who made his fortune inventing effective cancer therapies and new medical technologies and now owns the L.A. times so perhaps he might have some success in persuading governments to face reality.

Is this a risk we are really willing to take?

We must do everything possible to reduce transmission.

- FFP2 masks
- HEPA filters
- Publicly viewable CO2 monitors
- mechanic heat recovery ventilation systems

Communication of the current risk level.

Communication that COVID is airborne so hand washing is of little use against it (but is advisable for other bacteria and viruses which we may be more at risk of now due to immune system damage from COVID)

Communication that a positive antigen test means you are infectious.

Therefore you should not go back to work/school if you are still testing positive even after 7 days because you will infect others. Under current policies we are forced to go back after 7 days and encouraged not to test at all.

Proactive policies that communicate the current level of risk so that elderly and vulnerable people know that they are at risk.

For example currently there is a new more transmissible, more immune escaping variant peaking. Yet very few people are aware. 1 in 20 are currently actively infectious. BA.5 has caused a high death rate in Portugal. Which is better vaccinated than Ireland. Positivity rate here on the small sample of tests we do carry out is 41%.

The elderly and vulnerable should be aware of these facts when they board buses thinking they are protecting themselves with loose fitting non airborne grade masks and are surrounded by people not wearing masks at all. Perhaps to go to medical appointments where they will sit for hours in unventilated waiting rooms.

Everyone should be aware that they too are at risk of long COVID but the current messaging is that only the weak are at risk.

This is not good enough.

Living with COVID is a DISASTROUS fallacy.

Mise le meas

[REDACTED]

Corcaigh

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## **Public consultation re: White Paper on Enterprise**

We welcome the opportunity to make a submission to this consultation on the future direction of Enterprise Policy in Ireland. The submission has been compiled by Prof. Helena Lenihan (Professor of Economics), Dr. Kevin Mulligan, and Dr. Mauricio Perez-Alaniz (Postdoctoral Researchers). We are based at the Department of Economics, Kemmy Business School, University of Limerick. We are all members of the ‘Economics of Innovation and Policy’ research cluster/group (see: <https://www.ul.ie/business/kbs-research/research-clusters/economics-of-innovation-and-policy>), and are currently working together on a Science Foundation Ireland (SFI) funded project, under SFI’s Science Policy Research Programme (Grant number 17/SPR/5328).

Of the eight bullet-points highlighted in the Public Consultation document, our submission focuses on two of them:

- The levers and mechanisms to deliver on enterprise policy objectives.
- Skills and talent availability to support enterprise development.

Our submission is evidence-based. We build primarily on our own research, which uses Ireland as a laboratory, and on other relevant international studies.

The Irish enterprise policy landscape has shifted from interventionism and market-fixing rationales, towards more systemic approaches. For Lenihan (2011, p. 323), this new approach to enterprise policy focuses on “promoting and shaping externalities and capabilities. At its core are R&D, innovation and education. It encapsulates a shift from direct intervention towards creating an enabling environment for small firms and entrepreneurship”. These issues should continue to be centre-stage in any future enterprise policy. Moreover, as noted by Ipinaiye et al. (2016) when analysing the drivers of SME growth in the Irish context, the above requires a holistic approach. Enterprise policy, when at its best, combines policy interventions aimed at shaping the environments in which firms locate, with targeted firm-level supports to enable them (regardless of their size) to prosper. Such a strategy is key to support firms’ productivity, internationalisation and employment; particularly as the enterprise base moves towards digitalisation and decarbonisation.

There is an ever-increasing demand on limited public resources. Therefore, the need to ensure that public resources used to support enterprise development result in value for money, coupled with continuous policy improvements, is urgent. To achieve this goal, enhancing the way in which current enterprise policy interventions are evaluated is paramount. The impact of enterprise policy instruments may take time to unfold, and snapshot evaluations are unlikely to provide insights into important policy impacts. There is little point in evaluating and reporting impacts if the evaluation methodologies are not sufficiently robust and sophisticated. There is also a need for more appropriate longitudinal datasets, which are maintained over time, and that permit the application of robust evaluation techniques.

Our work currently centres on understanding the processes of Research and Development (R&D) and innovation in firms, and how this relates to enterprise policy. A focus on firm-level R&D/innovation is imperative for a successful enterprise policy, as they are key drivers of firm performance, economic growth, productivity, and a thriving society (Lenihan 2011; Mulligan et al. 2022). In the Irish context, our research highlights that R&D policy instruments have been highly effective at building up the core elements which make firms in Ireland competitive. This past success suggests how future enterprise policy can achieve its goals by 2030. In what follows, we present key insights arising from our research based on Ireland, and other relevant international studies:

- (a) Firms may under-invest in research activities, which are essential for long-term competitiveness, and prioritise immediate financial returns through development (Arora et al. 2018). Such a strategy may maximise short-term gains, but makes firms vulnerable to future competition. Mulligan et al. (2022) demonstrated that collaborating with SFI-funded research centres increased firms' overall R&D, and re-orientated their R&D towards more research as opposed to development. This is particularly important, as firm-level research is a crucial source of radical innovation, which makes a major contribution to enterprise development.
- (b) R&D grants and R&D tax credits are the two largest policy instruments to support R&D/innovation in firms in Ireland (Lenihan et al. 2020). Lenihan et al. (2022) analysed the impact of these policy instruments on firm-level R&D and firm performance (i.e. employment, sales, exports, value added), both in domestically-owned Irish firms, and the subsidiaries of foreign-owned multinational firms based in Ireland. Findings demonstrate that both policy instruments play a crucial role in driving firm-level R&D, in both firm-ownership types. Moreover, this policy-driven R&D is associated with knock-on firm performance impacts in both Irish-owned and foreign-owned firms.
- (c) Ireland will receive €989 million in EU grants over 2021-2026, to support national recovery from the Covid-19 pandemic (European Commission 2022). The recovery plan which underpins this funding, includes a reduction in the use of R&D tax credits. However, Lenihan et al.'s (2022) findings suggest that this may be somewhat premature, given that R&D tax credits have significant firm-level impacts.
- (d) Irish enterprise policy focuses strongly on domestic firms, which are predominantly small-sized (<50 employees). Several international studies show that SMEs typically have limited financial resources for R&D/innovation (Czarnitzki & Hottenrott 2011; Ponikvar et al. 2018). Given that SMEs account for the vast majority of the enterprise base in most countries, focussing public financial support for R&D/innovation in this group of firms is important. However, as demonstrated by Perez-Alaniz et al. (2022a), non-financial issues such as lack of sufficient skills in SMEs' human capital bases, and unfavourable market dynamics for R&D/innovation, are also important obstacles. Studies by Lenihan et al. (2022), Perez-Alaniz et al. (2022a), indicate public financial support for R&D/innovation can enable such firms to develop R&D/innovation experience. Mulligan et al. (2022) also demonstrate that SFI research centre collaborations help firms build R&D capacity.
- (e) There is a need for more holistic policy interventions, to promote the development of R&D/innovation skills and experience in small-sized firms. Lenihan et al. (2019) and

McGuirk et al. (2015), have proposed a unique set of policy instruments, which can support the development of what they term ‘Innovative Human Capital’ in firms. These studies extend the standard measures of human capital, which focus on education and training. Moreover, they highlight the importance of firms (particularly small-sized firms) and policymakers being able to identify and evaluate the competitive advantage of employees’ transferable and innovative characteristics. The Lenihan et al. (2019) study proposes a novel policy instrument, targeted at enhancing elements of human capital (motivationally-relevant elements such as: Employees’ job satisfaction, organisational commitment, and willingness to change in the workplace), that have largely been ignored to date. The White Paper might usefully consider such an instrument, given its focus on enhancing skills and talent availability to support enterprise development.

- (f) As noted above, firms in Ireland benefit from numerous policy instruments for their R&D/innovation activities. However, there is a risk that firms may use public support to carry out R&D/innovation activities that would have taken place without support. In the context of enterprise policy instruments in Ireland, Lenihan and co-authors demonstrate that this may result in deadweight spending effects, which refer to public funding displacing private investments by firms (Lenihan 1999; 2004; Lenihan & Hart 2004; Hart & Lenihan 2006). Perez-Alaniz et al. (2022b) show that firms in Ireland, especially larger firms ( $\geq 50$  employees), are likely to use internal finance for close-to-market, incremental R&D/innovation activities. However, public financial support for R&D/innovation may be needed for activities that are far-from-market, such as basic research, and more new-to-firm/new-to-market R&D/innovation activities. This is because such radical R&D/innovation activities carry higher risks than incremental R&D/innovation activities, and typically take considerable time to produce economic returns (Czarnitzki et al. 2011).
- (g) The climate challenge imperative, and the need to decarbonise production, represent key areas of concern for the White Paper. Firms face important knowledge obstacles when transitioning towards more environmentally-friendly production practices and business models (Horbach 2008; Hojnik & Ruzzier 2015; Stucki 2019). Many policy interventions targeted at achieving climate challenge goals focus on firms. However, enterprise policy should also focus on increasing the quality and volume of knowledge available to firms in the economy. As Garrido-Prada et al. (2021) demonstrate, public investments in environmental and energy R&D (which may target firms, and also research at universities and research centres), play a key role in driving the development and adoption of cleaner technologies and business models in firms. Public R&D spending on energy/environment can also alleviate the need for private investment, especially in smaller firms, which typically lack the necessary financial resources.

To conclude, firms typically interact with several enterprise policy instruments, as opposed to single policy instruments. This is known as the ‘policy instrument mix’ (Dumont 2017). Ongoing research from our research cluster/group will address this specific issue, focusing on a mix between R&D tax credits, R&D grants, and collaborative grants in Ireland. However, in addition to R&D/innovation supports, firms typically interact with other enterprise policy instruments. Analysing the mix between different instruments is paramount, given the holistic and systemic nature of enterprise policy. Effective enterprise policy can be guided by evidence-based evaluations. As such, access to high-quality government administrative datasets, that capture detailed information on the mix of policy instruments available to firms, is essential to enterprise policy development.

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B. Kennedy PhD

**Submission for White Paper on Enterprise.**

# Ireland a Centre of Excellence.

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## **Introduction.**

This proposal seeks to create a business and national culture in Ireland that differentiates it from other jurisdictions as the preferred location to operate in and from.

Organisations are becoming more and more conscious that the ethical expectations their customers have of them are as important as their ability to provide quality products and services. Organisations that meet or exceed these ever-increasing ethical expectations will prosper. Also important will be the culture/ethos of the country from which these organisations operate.

This is where Ireland Inc. has a role to play as a supportive partner to these businesses by explicitly providing an appropriate national culture/ethos that will be essential in attracting and retaining these organisations.

## **Background**

One could create endless lists of the possible challenges facing the country and our economy in the future. While it is perceived to be wise to plan for **what** might happen it is always an act of prophesy which all too often proves to be an unfulfilled one.

It is accepted that we live in a time of unprecedented uncertainty where prediction is a dying art. Rather than focusing of **WHAT** might happen it would be better to develop the culture and core skills so that we know **HOW** to deal with whatever transpires.

This separation of WHAT and HOW provides an opportunity for Ireland to become a world leader in best business practice. Best practice not focused on WHAT to do but rather on HOW to do anything.

Enterprises have developed various approaches to help them ensure that they consistently do the right things right. These initially focused on quality and have had many names ranging from: Quality Control, Total Quality Management, Quality Assurance.

Unfortunately, there has been much fragmentation over time as organisations developed: Quality, Environmental, Ethical and Corporate systems.

More recently the concept of Organisational Excellence has emerged as some overarching approach that is desirable but seldom fully understood.

Examples of these excellence based approaches are:

- 1) The European Foundation for Quality Management [EFQM] has its business excellence award.
- 2) The Malcolm Baldrige Award is given by the US president in recognition of performance excellence.
- 3) The Shingo Prize is awarded to organisations who display a sustainable culture of organizational excellence.
- 4) The Deming Prize recognises organizations that have implemented appropriate Total Quality Management systems.

It would appear that the term excellence will become synonymous with being the best way of HOW to do everything. It will signify to all interested parties that the best possible approach has been taken in the provision of the service, undertaking or product being offered.

This will translate initially into an enterprise, corporate and national 'slogan' as follows:

1. Increase competitiveness by practising excellence.
2. Grow market share by practising excellence.
3. Provide quality healthcare by practising excellence.
4. Doing business by practising excellence.

Slogans, however, are hollow and frequently rebound adversely on anyone falling short of them.

There have been a number of attempts to define what the term 'Excellence' means. The various models and prizes mentioned earlier have defined excellence in terms of core values or approaches. Unfortunately, these attempts have done little to help this noble aspiration to be widely understood and embraced by society at large as best practise.

Ireland now has the opportunity to grasp this challenge. Working in partnership with enterprises and education Ireland can make 'excellence' a widely understood methodology that is proudly practised throughout society and actively developed to meet changing circumstances.

Ireland should embark on creating a culture of excellence that permeates all aspects of society. Ireland can become a centre of excellence where excellence becomes the basis for the: definition, realisation, delivery and

evaluation of all human endeavours in all sectors of society. This will make Ireland the preferred location for 21<sup>st</sup> century ethically based organisations to operate in and from. This will not be easy but the reward will be enormous.

Industries, Institutions, Interest-Groups or individuals operating in or from this jurisdiction should be expected to contribute to the development and propagation of this national culture of excellence. In return these entities will be recognised as being committed to doing the right things right in a country where this is not only expected but supported at all levels.

### **Some milestones**

Building this national culture of excellence will not be easy and is a never-ending process of learning, refinement and revision to meet ever changing circumstances.

It is best approached in stages some of which are easier than others.

1: Ireland commits to work in partnership with enterprises to become a country where all purposeful activity is underpinned by the practise of excellence.

2: All entities operating in the state will be expected to cooperate in the development of this culture of excellence by actively engaging in its definition and propagation as the most desirable way of undertaking any activity.

3: The National Standards Authority of Ireland [NSAI] will act as a freely accessible national repository for all organizations operating in Ireland who will be expected to lodge and keep up-to-date the following:

Company name, location and main business.

Vision, Mission and Core Values

Quality, Environmental, Social and Governance Policies.

Commitment to excellence etc

One could argue that this information is available on most organisations websites but this national repository would be unique and a declaration of commitment to this great national undertaking. Overtime the NSAI could develop a standardised template for this information but this should not get in the way of collecting it now and making it freely available to all citizens and entities in an easily searchable format.

4: Ireland should host a regular international conference on excellence as best practise for all purposeful human endeavours. All entities based in Ireland including government and state bodies would be expected to support this.



5: Ireland to become synonymous with excellence and recognised as a country where excellence is endemic in its culture, taught in schools, understood, practised and regularly revised.

The national mantra, not just a slogan, that captures this would be as follows:

**‘To achieve quality outcomes we must practise excellence and design and maintain systems that are fit for purpose’**

This mantra leads one to ask the following questions:

Q: What is a quality outcome?

A: A quality outcome is achieved when the right things are done right.

Q: What is Excellence?

A: Excellence is the best way of sustainably achieving a quality outcome – defined below

Q: What is a fit for purpose system?

A: This is a complex mix of context, culture, climate and clients and can be developed if this proposal proceeds. – See references.

**What is Excellence?**

As stated earlier there have been many attempts at providing some structure for the concept of excellence in the organisational context but these have become very vague. Consequently, they not suited to the mass adoption and practise of excellence throughout society as advocated here.

Here is a suggested working definition of excellence that could be used to begin this journey.

*Excellence is an evolving methodology through which a quality/better outcome is achieved. It is based on voluntary on-going dialogue and agreement between the creators, consumers and complementors in the system, who define, realise, deliver and evaluate dynamic emerging expectations in an enlightened, effective, efficient, ethical, elegant and enjoyable manner.*

The only term needing clarification is complementors. These are regulators, financiers, etc these neither create nor consume whatever it is that is being delivered but are legitimate contributors to the system.

Excellence must become the desirable way, the ‘how’, everything is done. Ireland has an opportunity to explicitly make this our national philosophy and practice and require all enterprises operating here to do the same. This will not be easy and poses many challenges as we are all forced to practise what we preach.

Ireland can become synonymous with excellence, with best practise ingrained in society making it a much desired location for 21<sup>st</sup> century ethically aware businesses.

## Conclusion

Just as other countries have become known for their efficiency or high quality goods; Ireland can become known for its culture of excellence, a place where the right things are done right. Ireland becomes recognised as a country where best practice is an ongoing national endeavour embraced by individuals, interest-groups, industries and institutions.

This mutually shared goal and commitment to practise excellence will provide the culture of ongoing learning and cooperation as we all tease out what exactly this means.

It will also attract enterprises who will want to be part of this great social renaissance as peoples' expectations of them far exceed their ability to provide quality products or services.

21<sup>st</sup> century enterprises will also want to be also known as enterprises who practise excellence in country that does likewise.

[REDACTED]

## References:

Kennedy, B. (2020), "A 21<sup>st</sup> century appreciation for: quality, excellence and complex human adaptive systems", *The TQM Journal*, Vol. 32 No. 1, pp. 2-20. <https://doi.org/10.1108/TQM-06-2019-0169>

[REDACTED]



# Future Enterprise Policy Submission

29 July 2022



# Key considerations for Enterprise Policy White Paper

## Encouraging and supporting domestic entrepreneurship

A key tenet of Ireland's enterprise policy has to be to support domestic entrepreneurship. Given the uncertain global business landscape, it is more important than ever that indigenous Irish businesses and entrepreneurs are supported.

Entrepreneurs, both domestic and foreign, can and do move location based on the taxation environment. In our view, entrepreneurial investment can be significantly influenced by targeted, pro-growth tax policies including the following:

1. Measures to incentivise the investment of risk capital in SMEs. These include:
  - Enhancing the Employment Investment Incentive Scheme (EIIS) ▪  
Amending CGT rules to encourage investment in SMEs:
    - Introduction of a 20% rate of CGT for founders, private investors, VCs and other angel investors who invest in SMEs.
    - Enhancement of CGT entrepreneur relief by increasing the lifetime limit to €5 million and allowing passive investors

to avail of the relief. ▪ Introducing a reduced tax rate for dividends for entrepreneurs who would otherwise qualify for Entrepreneur Relief on a disposal of the underlying shares.

2. Measures to level the playing field for SMEs in attracting and retaining talent by:
  - Reforming the Key Employee Engagement Programme (KEEP).
  - Extending SARP to Irish indigenous businesses.

In addition to the above tax measures, the provision of affordable and accessible childcare is also crucial to supporting domestic entrepreneurship. From a business perspective, expanding our labour force is critical in a growing economy.

Access to funding should also be a key focus of future enterprise policy in Ireland. While the pillar Irish banks are active and offer competitive rates which are comparable to UK/German markets, there is a distinct lack of breadth in the lenders available in the Irish market. In our view, a high yielding solution to this issue lies with enabling cheaper costs of funds via alternative lending platforms. Therefore, providing alternative lenders with lower cost and more permanent capital should be a key focus in Ireland's future enterprise policy.

Limited competition in the market for both venture capital and private equity ("PE") is also a key issue which results in business plans being unfunded, entrepreneurs being under-incentivised and similar term sheets being offered to businesses by venture capital firms participating in Ireland.

Local PE firms are becoming less competitive when compared with other UK/European funders due to the generalist nature of Irish PE funds versus the sector specialist nature of UK/European firms. As this sector-specialist capital becomes less available to Irish business, the ability to scale jobs and expand internationally is hindered and the risk that Irish entrepreneurs sell businesses earlier is heightened. Therefore, focus should be placed on attracting more venture capital funds to Ireland, as well as more specialist

private equity funds. For example, a mechanism used in the past for this purpose was the Irish Strategic Investment Fund becoming a limited partner in such funds. Consideration should be given to developing a fund with the sole focus of investing in the highest caliber Irish businesses in order to drive jobs and exports whilst, importantly, also providing these entrepreneurs with the best possible liquidity options available (such as the proposed amendments to the CGT entrepreneur relief noted above).

### **Sustainability and the climate agenda**

The geopolitical issues that have emerged from the Ukrainian war have brought to the fore the county's overreliance on imported sources of energy and our need for food security.

These issues have emerged at a time when Ireland is striving to meet ambitious targets to limit climate change and achieve a goal of net zero emissions by 2050.

Ensuring that enterprises are powered by renewable energy sources is one of the most important and effective actions that the State can encourage in order to assist them in their decarbonisation journey.

The original Climate Action Plan 2019 included a target that 15% of electricity demand be delivered by renewable energy corporate power purchase agreements ("CPPAs"). Commercial procurement of low carbon solutions by large energy users, including through the use of CPPAs with renewable generators, can reduce risks and save money and carbon for companies, and can also contribute to accelerating decarbonisation and reducing costs for the wider economy.

The level of uptake of CPPAs would increase dramatically if policy was introduced to enable direct private wire connections, including legislation to permit connections from generation assets to corporates oversailing third party lands which is common in many other European countries.

The decarbonisation of enterprise requires investment in new and innovative renewable technologies across all sectors which will require new skills in order to implement the change required. To achieve this, Ireland needs to ensure

that our national skills and training mix is sufficient to support businesses in implementing this change – including but not limited to energy efficiency, renewable energy procurement, as well as ensuring enterprises both understand and are positioned to address the broader ESG agenda.

Tax policy can also be a powerful tool to promote sustainable behaviour by businesses and consumers. We recommend tax measures are introduced to encourage sustainable behaviour:

- Mobilise private finance for green investment. ■ Incentivise the development and use of green technology. ■ Support the adoption of more sustainable farming practices.
- Support investment in sustainable buildings. ■ Accelerate the transition to sustainable transport.

We would be happy to elaborate on the mechanics that could achieve the above.

### **Increased global competition**

The OECD BEPS 2.0 Pillar Two GloBE rules will fundamentally reshape the global tax landscape for the world's largest businesses. Ireland, as a small, open economy with a successful history of attracting and retaining substantial operations of many of these businesses, may be impacted by these measures to a greater extent than many other countries.

For Ireland to maintain its competitive position in the global tax landscape, it is necessary that Ireland's enterprise policy, supported by the tax system, continues to attract and retain multinational business to be based here. In this context, we propose that the following tax measures be considered to make Ireland more attractive for mobile talent:

- Reduce the tax on employment (by capping the income subject to PRSI).
- Enhance SARP by removing the earnings cap, increasing the value of the relief, and extending the period during which nonIrish domiciled employees can avail of SARP and complementary reliefs.

- Simplify the taxation of share-based compensation.

While the availability of the 12.5% rate of corporation tax is an important feature of the Irish tax regime, there are also other tax factors that will influence businesses' decisions to set-up operations and remain in Ireland, such as the ease and related cost of compliance.

In this regard, a key consideration of future enterprise policy should be introducing tax measures to simplify the tax regime to make it easier and less costly to conduct business in Ireland. Such tax measures may include:

- Simplify the corporation tax regime by:
  - Adopting a territorial regime
    - Introducing a foreign dividend participation exemption and a foreign branch exemption
    - Applying the 12.5% tax rate to gains arising on the disposal of trading assets
  - Adopt the minimum standard in transposing the Public Country-by-Country Reporting Directive
  - Establish an Office of Tax Simplification.
  - Remove obsolete tax measures.

### Measures to counteract inflation

Rising inflation has and will continue to hinder the ability of businesses to provide employment and contribute to the general prosperity of the country. In particular, inflation poses a significant challenge for many businesses who are unable to pass on the full cost of inflation to their customers. Even for those that can, such price increases will only prompt further inflation.

The tax regime has a role to play in helping to shield individuals and businesses from the full impact of rising inflation. We therefore recommend that a statutory mechanism be introduced to provide for an automatic increase in tax reliefs, bands and credits. By maintaining the "real" value of tax reliefs, bands and credits, businesses will be under less pressure to deliver pay increases to both attract and retain talent.

More broadly, the fiscal drag caused by inflation should be reversed by reintroducing indexation for capital gains tax purposes and increasing tax thresholds and exemptions to take account of inflation.

It is important that the costing of tax expenditures takes into account the broader impact on the economy to facilitate informed tax policy decisionmaking by the Government.

In addition to the above tax measures, the following options should also be considered by government to relieve inflationary pressure and mitigate wage spirals: ▪ Widen the scope and eligibility of the HSE GP visit card.

- Increase universal childcare subsidy. ▪ Make reductions to public transport fares permanent. In addition, the feasibility of free public transport at commuting times should be explored.
- Energy bills scheme whereby a credit is provided to businesses facing high energy costs, to be paid back over 5 years (similar in UK).
- Inflation-crisis loan scheme whereby low interest rates are provided for businesses to support them through the current period.

### Housing and Infrastructure

#### Housing

The housing crisis continues to be a defining challenge for the country, as it continues to adversely impact Irish communities and those living here. In addition, the availability of appropriate and adequate accommodation for mobile talent is an extremely important non-tax factor which affects the attractiveness of a location for businesses. In this regard, the following tax policy measures, which are aimed at increasing the supply of houses and reducing the cost of housing for people living here, should be considered:

- The VAT cost associated with the supply of housing be reduced.

- Various reliefs (indexation relief and CGT rollover relief) be re-introduced and reinstated to incentivise the use of land for residential purposes.
- The taxation of professional landlords be reformed to give Irish property investors a platform to participate in the Irish market, to help drive supply.
- Section 83D SDCA 1999 which provides for a repayment of stamp duty on land used for residential purposes should be extended beyond the end of 2022. In addition, the time allowed under that provision for the completion of residential units should be lengthened in recognition of resource constraints in the construction industry.
- The Help to Buy scheme should be extended beyond 31 December 2022.

### *Infrastructure*

Continued investment in our national infrastructure is of pivotal importance to our future Enterprise Policy. As well as being required in order to ensure our attractiveness as a place of doing business, infrastructure spend can also act as a counter cyclical hedge.

We must give contractors clear visibility on the pipeline of infrastructure projects to allow them to plan ahead and assume the risk of taking on new resources in a scarce labour market.

One of the cornerstones of Ireland's success in attracting investment has been the effective marketing of Ireland abroad. This must also be prioritised from an infrastructure perspective, as the marketplace for infrastructure capability in respect of large, complex and capital-intensive projects is global.

In addition to the provision of national broadband to rural Ireland, workable and livable towns and cities are crucial to ensure that the regions are attractive to the mobile entrepreneurs who create businesses.

Our National Planning Framework ("NPF"), Ireland 2040, speaks of the importance of: 

- Identifying locations where enterprises can access competitively priced development lands, utilities and commercial properties to the highest standards available internationally; and
- A holistic consideration of locations for new enterprises, based on the extent to which they are people intensive (i.e.

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employees/markets), space extensive (i.e. land), reliant on resources, dependent on the availability of different types of infrastructure, or dependent on skills availability.

Therefore, reforms in the Irish planning system must forward plan and facilitate the efficient realisation of this ambition for enterprise, thereby accommodating strategic employment growth at regional, metropolitan and local level.

### **General comment on costing of tax expenditures**

This submission makes recommendations in relation to a number of tax expenditures.

Currently, the costing of tax expenditures is estimated based on the tax foregone<sup>1</sup>. This method of costing and reviewing the impact of tax expenditures does not take into consideration the behavioural changes associated with these tax expenditures i.e., this costing and review process uses static, rather than dynamic, modelling.

We believe that using a dynamic model which takes into account these behavioural changes would provide a better picture of the impact of tax expenditures to the Irish economy and provide the Government with valuable information needed to make informed tax policy decisions.

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<sup>1</sup> Cost of Tax Expenditures as prepared by Revenue: <https://www.revenue.ie/en/corporate/documents/statistics/taxexpenditures/costs-tax-expendituresnotes.pdf>







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# Labour Party Submission to the Public Consultation for a White Paper on Enterprise Policy

**Aodhán Ó Ríordáin TD**

*Labour Party spokesperson on Enterprise and Trade*

**Ged Nash TD**

*Labour Party spokesperson on Finance, Public Expenditure and Reform*

**29<sup>th</sup> July 2022**

# Labour Party Submission to the Public Consultation for a White Paper on Enterprise Policy

July 2022

## The Challenge

The Labour Party welcomes this initiative as for some time we have been calling for the development of a new industrial strategy for Ireland. We are the party of the left that uniquely understands that to redistribute wealth, it must first be created and sustained. We believe in an entrepreneurial, regulated market economy where enterprise is supported, hard work is rewarded and the interests of working people – the real wealth creators – are secure.

We have repeatedly drawn attention to the risks and live threats to Ireland's industrial and job creation model. A robust, new strategy is required.

Our enterprise strategy should be designed to ensure Ireland lives up to its potential and dreams big. We are a party that was founded to ensure a better life for people at work and at home, to ensure people work to live, not the other way around.

**The key to this is an enterprise strategy directed at the concept of creation of a good life through 'a good job'.**

We need an economic plan driven by outcomes that will improve people's lives. We need an economy that encourages and supports innovative businesses that are good employers and socially responsible organisations. Good in terms of conditions and pay for those working in them, but also good for the climate and the global communities in which they operate.

Continuous economic progress is of limited use if a significant proportion of the Irish people find the cost of living in Ireland outstripping their ability to pay for basic needs such as Housing, Education, Healthcare, Food, Heat, Transport and Leisure.

Ireland's economic model faces several fundamental challenges that require us to think afresh about how this country earns its place in the world.

### **Labour wish to highlight three key challenges immediately facing us**

- We need to retain the strengths of the FDI sector in a new tax and trading environment but complement them with a dynamic indigenous sector.
- The cost and availability of housing is a chronic danger to our competitiveness but also fundamentally to almost all aspects of the functioning of our economic model and to address that high cost the existing developer driven housing model needs to be radically disrupted.
- We need to recognise the fundamental challenge posed by the need to decarbonise our economic activity and to repurpose activity to meet the global biodiversity crisis.

It is over thirty years since this country has had a fundamental look at our industrial strategy. We need to do so again as a matter of urgency. An expanded list of challenges and opportunities includes:

- A deteriorating climate which will transform global relations over the next thirty years. Successful economies in thirty years' time will not be climate laggards. Climate free riding is not a long-term strategy opportunity, rather it is a short-term distraction. Climate harm will be the most significant cause of economic disruption and political instability. Climate is an environmental issue, but it is also an economic issue, a foreign policy issue, an agricultural issue.
- A changing international tax and trading environment. Labour believes that Ireland is entitled to set a competitive tax rate that compensates for our size and physical location. However, we believe that the days when this in itself amounts to an industrial strategy are behind us. We will remain an open trading economy but sitting within the international taxation consensus, not outside, is strategically important.
- Increasing international moves towards taxation in the country of consumption rather than the country of production present a threat to corporation tax take but also a potential threat to FDI jobs.
- Brexit will continue to be a source of localised economic instability impacting not just Irish exporters but the stability of the UK economy itself. There will however continue to be opportunities to capitalise reduced access for UK based operations to the European Market.
- Deglobalisation poses a threat and an opportunity. We must position ourselves to ensure we gain more from the trend towards near shoring than we lose. There is an opportunity for Ireland as a stable democracy.
- Totalitarianism. The threat to the EU and indeed western democracy from right wing Authoritarian regimes both inside and outside the EU poses a significant long-term threat to our economic wellbeing. We must remain committed to the European project but with an emphasis for delivery for ordinary people and not just trading rights for corporations.

Globally there are increasing demands for an increase in the share of the benefits of economic activity available to labour and an increasing realisation that collective bargaining and union membership density are key to achieving that.

A new industrial strategy for Ireland needs to go beyond addressing the distribution of the proceeds of economic activity, critical though that is. We will only achieve a decent quality of life for all if we look fundamentally at how wealth and economic activity are generated.

It is essential that Irish enterprise policy recognises that a mature and healthy co-operative attitude between enterprises, trade unions and governments will be vital in the delivery of decent outcomes.

## Fair and Sustainable Economic Prosperity

The economy should be sufficiently robust to provide a stable and sustainable tax base to fund the public services that we all need and use. It should be clear that we are not interested in “economic growth” for growth’s sake, but we want sustainable economic development that achieves our social and environmental aims.

## A New Paradigm?

One thing is certain. The drivers of economic development in Ireland over the next fifty years will not be the same as the previous fifty. Holding out for too long against a global consensus on a fairer way to tax corporations while being one of the worst European performers on greenhouse gas emissions is not the way to secure continued economic progress. Policy direction should be subject to continuous critical review. It is essential that the White Paper recognises this challenge.

## Employment

Ireland’s employment rate is relatively low. (For people aged 20 to 64, Ireland’s employment rate is 73.4%, which is higher than the EU-27 average of 72.5% but lower than peer countries such as Finland (76.5%), Denmark (77.8%) or Sweden (80.8%).<sup>1</sup>)

Ireland has a substantial cohort of people who are long-term unemployed (1.6% in 2019).

Ireland has a very high proportion of “low wage” workers compared to EU norms. Today, low wage workers pay very little taxation, but still struggle to meet a high cost of living.

Many jobs and whole industries are precarious and will be increasingly precarious due to technological change and climate action.

## Climate change

The economies and societies that meet the challenge of climate change will define success in twenty years’ time. Countries that are “climate laggards” – like Ireland at present – will be less likely to attract trade or investment. Increased climate accountability will drive business and economic decisions. Ireland should lead on this.

Reducing and ultimately negating all greenhouse gas emissions will involve fundamental restructuring of the economy.

## Energy

Although wind power has long been identified as a major opportunity for Ireland, the sector in Ireland is relatively underdeveloped compared to European wind energy leaders such as Denmark.

There is a chronic underinvestment in Solar and other forms of renewable energy.

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<sup>1</sup> Eurostat (2020 data) [https://ec.europa.eu/eurostat/databrowser/view/tepsr\\_wc110/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/tepsr_wc110/default/table?lang=en)

Access to wind power is such that it reverses the historical disadvantage Ireland suffered in the industrial revolution by virtue of a lack of natural resources. How we invest and harness these resources, store them, and utilise them will be central to the challenge ahead.

Careful strategy will also be needed to ensure that the state generates sufficient tax revenue from privately owned wind power generation, in addition to direct profitability from state energy assets.

### Agri-Food

There is a broad recognition that the Irish agricultural model is not sustainable in the medium term and in its current form. Farmers have been encouraged to invest in a strategy that is no longer sustainable. A new farming model is urgently required to protect our watercourses from nitrogen and meet our carbon obligations and support rural communities. There must be a national conversation on what the future of Irish agriculture and food production will look like.

### Brexit

The full effect of the UK's departure from the European Single Market and Customs Union have been delayed and concealed due to the COVID-19 pandemic.

The consequential barriers trade with the UK, combined with less restriction on non-EU competition for the British market, will have a detrimental impact on the Irish agri-food sector in particular. While some Irish products may displace British goods in continental Europe, it remains to be seen if the same volumes of trade can be maintained. New barriers to trade with the UK will also affect imports to Ireland that are part of supply chains for construction as well as for finished products, some of which are exported. It will take time for supply chains to be reorganised. The lack of access to the EU market for British financial services may also be significant, as Ireland is highly reliant on UK insurance firms among other things.

There is a major threat of a trade war if Tory intransigence to the Northern Ireland protocol continues.

### Corporate Taxation and Foreign Direct Investment

Ireland adopted a position of encouraging foreign direct investment (FDI) through a favourable tax regime and an educated work force. Recent investment by technology companies has also been facilitated by various policies, including a benign immigration policy.

Any changes in the international taxation of corporate profits will have major implications. While the strength of the FDI sector has added to the robustness of the public finances during the COVID-19 crisis, we need to recognise that change is coming.

Small states like Ireland are entitled to use taxation as a policy instrument to compensate for disadvantages like scale and geographic location. However, Ireland

should be a full participant in changes in the international taxation environment that are fair and appropriate responses to changes in taxation patterns.

However, the realisation of the next phase in Ireland's transition requires major investment to modernise the whole economy, from infrastructure upgrades through to upskilling and innovation in all sectors.

To build a more robust domestic economy, we must overcome the challenge of growing an internationally traded domestic sector comprised of medium and large Irish companies. This requires recognition and acceptance of the need to invest at all levels – in greater adaptation, in innovation and technology, and in infrastructure. To invest, we need to maintain public revenues.

### Inequality

Ireland had the highest level of market income inequality in the OECD in 2017, before taxes and social transfer payments bring income inequality down to average levels.<sup>2</sup>

Home ownership levels are rapidly declining and high annual rent increases (even in controlled areas) make housing unaffordable to many.

Any new industrial strategy for Ireland must take account of the distribution of income and wealth, as well as regional disparities in economic prosperity.

### All Island Economic Model

There are obvious benefits to the development of strong all-island economic links. The development of further shared infrastructure and greater volumes of trade are of mutual benefit. A cursory examination of the issues and opportunities shows that an all-island approach can be positive for the whole island if political challenges can be overcome.

### The Indigenous Economy

Scaling up indigenous companies is a fundamental challenge facing our economy.

Many of the reasons why we enjoy advantages in attracting the multi-national sector should also apply to indigenous industries. Our focus on education, investment in research and development and our migration policies all play a role.

Scaling up enterprises from “small” to “medium” is a key challenge, linked not only to growing and finding markets for their products but also to management structures, the availability of skilled workers, access to finance and premises, and financial incentives to scale up rather than sell out.

### Financial Services

There is a need for a much more strategic approach to banking, including ensuring that some retail and business banking remains committed to the ambitious and sustainable

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<sup>2</sup> <https://stats.oecd.org/viewhtml.aspx?datasetcode=IDD&lang=en>

development of Ireland's economy. More consideration must be given to the introduction of a public banking model.

### Social Enterprises and Co-operatives

There is an increasing understanding of the importance of social enterprises. We need a renewed emphasis on Co-operatives with appropriate economic and legislative supports.

### Refocusing the State

One of the outcomes of the pandemic has been to restore the economic centrality of the state as an actor in our economy, vindicating economists such as UCL Professor Mariana Mazzucato.<sup>3</sup>

The growth in public spending in Ireland is likely to result in a permanently higher level of public spending. We need a more prominent role for the Irish state in the economy, not least in relation to the largely private markets for housing, childcare, as well as the split public-private markets for healthcare and public transport. Climate action is also likely to drive additional state intervention in the economy.

Improving the state's capacity for action in the economy is a central challenge. Despite the good elements that already exist, much more innovation and strategic thinking is required to envisage the role of the state.

Deep consideration must be given to the fostering of next generation commercial semi-state companies to embed the functions of the 'entrepreneurial State' and to meet the challenges of the future.

### An Era of Investment

Climate preparedness, upskilling and infrastructure modernisation are among the key challenges facing the Irish economy. Achieving these aims and managing the elevated levels of debt Ireland faces coming out of the pandemic require a consensus on our priorities going forward. Labour believes that we are entering an era of investment in which economic competitiveness will be driven by productivity and innovation, and not a race to the bottom through tax cuts.

### Embracing Industrial Strategy Anew

The entire Strategic vision for Enterprise Ireland, Science Foundation Ireland, the NTMA and the IDA needs to be refocused with sustainable development at its core. Developing and implementing a new strategy for sustainable prosperity must become the overriding priority for these organisations. We should have the courage and the foresight to reject unsustainable or detrimental investment.

The next thirty years will be dominated by the climate and biodiversity issue and Ireland, for many reasons, is well placed to lead.

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<sup>3</sup> <https://www.ucl.ac.uk/bartlett/public-purpose/mariana-mazzucato>



Labour believes in a new industrial strategy driven by the State in cooperation with entrepreneurs and innovators to tackle the biggest economic and policy challenge in our global and domestic history. Our goal must be to create an economy successful enough to provide us with the resources to fund the adaptation and social services our people deserve.

ENDS

*)Submission from Local Enterprise Office Network to  
White Paper on Enterprise*

## **1.1 Introduction**

Local Enterprise Offices provide advice, information and support to those starting up or growing a business in Ireland. With 31 dedicated teams across the Local Authority network, Local Enterprise Offices (LEOs) offer a wide range of experience, skills and services. LEOs:

- drive the development of local enterprise, putting local micro and small business at the heart of job creation
- drive and support business start-ups and promote a ‘can-do’ business culture
- Increase the job potential of new and existing micro and small businesses
- Increase the number of innovative businesses with potential to export
- Provide a proactive response to the needs of our clients.

The **Local Enterprise Office Network** makes this short submission in response to several of the high-level policy questions outlined in the Public Consultation document. This submission is informed by our experience base of working with micro enterprises across the Country.

- **The domestic enterprise landscape in which businesses seek to grow in Ireland**

It is essential that enterprise policy is cognisant that the start-up and micro-enterprise sectors have specific support needs that are most appropriately met at the local level. Support pathways must be articulated that are responsive to the needs of businesses at various stages of their development and these pathways must be clearly communicated. Local Enterprise Offices should be considered as a portal or springboard to accessing the most appropriate support for early-stage companies whether that support be training, mentoring, capacity building or financial. The enterprise ecosystem and landscape, however, is quite crowded, with multiple offerings of support – both soft and financial – on offer to start ups and small enterprises. There needs to be clarity around which organisations provide what kinds of support to businesses at various points along the ‘enterprise continuum’ and this needs to be reflected in national enterprise policy.

### **Enterprise space**

Consideration should also be given to measures to support the development of appropriate physical enterprise space for small manufacturing companies to complement the current considerable policy focus on providing options to facilitate remote working. The needs of early stage and scaling manufacturers are not currently being met by commercial property developers which erects significant barriers to local enterprise development and job creation. There are a range of policy measures that might be considered from assistance with making serviced sites available to the provision of ready-to-occupy commercial units.

- **The twin green and digital transitions which all enterprises must address**

LEOs are at the forefront of working with micro-enterprises to drive green and digital transitions. Often this interaction is at the initial stages of a business' engagement with these transitions. While 'softer' mentoring and awareness raising supports are important at the beginning, it is important to recognise that many micro-enterprises are very limited in their capacity to financially invest in the kind of business model adaptation or technology integration required to realise efficiencies or have a significant decarbonisation impact. In this context consideration should be given to having a full suite of financial supports in place across the full transition. There may be merit to specific tax measures to incentivise micro-enterprise investment in these areas.

- **Ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development**

Enterprise policy should underpin efforts to address challenges and opportunities on a regional basis to foster a collaborative and dynamic regional model of supporting enterprises to start, grow and scale. In this regard the Regional Enterprise Plans are a proven mechanism to support regional and sectoral strengths and comparative advantages. These include regional clusters and the potential associated with the development of the marine and offshore renewable energy. Such opportunities will require significant infrastructural investment which is most appropriately addressed on a regional level. While national competitive funding calls have merit, consideration should be given to the provision of ring-fenced funding to support this kind of regional-impact investment and to whether specialised staff might be put in place at the regional level to facilitate regional potential.

- **Skills and talent availability to support enterprise development**

The LEO's Student Enterprise Programme is now into its 21<sup>st</sup> year of giving 2<sup>nd</sup> level students the opportunity to establish their own micro enterprise and introduces the concept of self-employment to young people in a practical way. Notwithstanding this, there is significant potential associated with promoting entrepreneurial behaviours at 2<sup>nd</sup> level and with a greater focus on entrepreneurial education at 3<sup>rd</sup> level. The entrepreneurship module and internship placement programme mentioned in the *Report of the SME Task Force* can help to provide critical skills for start-ups and established micro-enterprises (which often struggle to attract graduates). The newly established Technological Universities can help deliver on this agenda throughout the country. Graduates can play a critical role in driving micro-enterprise competitiveness by bringing essential financial, digital and decarbonisation approaches and skills.

W. Lorimer

Dear Sir/Madam,

thank you for seeking input towards your enterprise strategy in the coming years.

My working background has primarily been in the medical device sector and I have managed 2 successful companies in this space and over the past 10 years worked with 3 Enterprise Ireland backed companies developing their international sales.

I see 2 key objectives to focus on during the next number of years:

1. Take care of the good work that has been done in recent years in focusing on the key business sectors that Ireland is known for. If not already being done, this primarily entails carrying out an annual Strengths, Weakness, Opportunities and Threats (SWOT) analysis of those key market sectors - agriculture, IT software & hardware, medical devices, pharmaceuticals and tourism etc.

2. Develop new initiatives. Where Ireland does not appear to be doing enough is in the green economy. Ireland is very well placed for a number of reasons to lead in this fast developing and very significant market sector.

Geographically the country is well positioned to be a 'front runner' is leading the world in the development of wind and wave power and in how to squeeze out the best solar power in a generally dull climate.

Internationally, Ireland and the Irish are seen as a reliable business partner. Clear vision from government coupled with improved levels of business management in the country are vital in succeeding in the future.

Kind regards,



N.B. An acknowledgement of this mail would be appreciated.



## **Public Consultation – White Paper on Enterprise**

### *Submission on policy questions to be addressed*

*29 July 2022*

The Marine Renewables Industry Association (MRIA) represents the principal interests in Ireland engaged in Offshore Renewable Energy (ORE). For further details, please go to the Association's web page, [www.mria.ie](http://www.mria.ie).

#### **1. Background**

MRIA welcomes the *Public Consultation - July 2022 White Paper on Enterprise Policy* which is particularly relevant as Ireland's journey into Offshore Renewable Energy gathers pace. Ireland is among the most energy insecure countries in Europe with a heavy dependence (depending on weather conditions, which affects existing terrestrial wind power) on imported coal (for the key Moneypoint generating station) and gas (more than 50% now imported and this may rise to as much as 90% by 2030 due to increasing electricity demand and the run down of the Corrib field). In addition, our traditional energy feedstock is under pressure arising from national and EU targets to reduce carbon emissions and the impact of the war in Ukraine.

Accordingly, the Government has set ambitious targets to decarbonise the electricity system (up to 80% of electricity to be sourced from renewable sources by 2030) and this inter alia involves the deployment of at least 5GW of offshore wind capacity by 2030. The Government has stated ambitions to develop at least 30GW of ORE capacity (of Floating Wind technology but there may be a Wave element too) off the west coast alone in the 2030s. Moreover, our neighbours have extensive plans for ORE with the UK planning to add 50GW offshore by 2030. A comprehensive effort is underway to prepare the way for Irish offshore renewable energy including new legislation (the recent Maritime Area Planning Act); new institutions (the Maritime Area Regulatory Authority); etc.

#### **2. Economic development and ORE**

The one element of Government that has not signalled significant commitment and policy changes to match the ORE challenge is the development element – Department of Enterprise, Trade, and Employment and its agencies. The key agencies – Enterprise Ireland and IDA Ireland - have focused their attention on preparing their client bases for decarbonisation (e.g., of their products) notwithstanding commendable efforts by Enterprise Ireland to open and promote ORE opportunities. The agencies at corporate level, and their parent Department, have not yet grasped the *industrial challenge and opportunity* of climate change, particularly in ORE where Ireland has the leading European offshore wind

resource<sup>1</sup>. This position is reflected in the draft terms of reference for the proposed White Paper. They display no ambition for Ireland to develop an industrial sector to support planned local climate change related developments and to grow a position in selected areas in global markets. These views particularly apply to ORE but may resonate in other areas of renewables as well.

The policy development failure to date stands in contrast to the effort over the years in a variety of other fields. These include the development of the IFSC; the comprehensive sectoral policy development and implementation in areas as diverse as the mushroom and pig sectors, biotechnology, software, local sourcing for multinationals etc. Each of these developments was accompanied by initiatives which were unique at the time. For example, a Biotechnology Programme in Advance Technology, involving at one stage c600 researchers in the universities, was established by a predecessor agency of Enterprise Ireland and it was the foundation stone for our thriving national biotechnology industry today. A further example was the establishment within IDA (and later transferred to Enterprise Ireland) of a National Software Directorate led in turn by leading figures in the nascent software sector who were contracted for fixed terms to help formulate policy and to raise awareness of 'software's' potential.

### **3. Stages of industry - ORE development**

There are three stages to the execution of ORE projects - Development (where Ireland already has a number of excellent companies such as XOCEAN, Green Rebel, etc.), Construction and Operations and Maintenance (O&M).

There will be two steps to the execution of Irish ORE. First, the so-called Phase 1 and Phase 2 ORE projects, which should at least match the 5GW by 2030 target, will be focused on 'Bottom Fixed Wind' (BFW) technology, although there will be some Floating Wind (FLOW) provision. BFW is now a mature sector where opportunities for established Irish firms or new entrants to engage in construction (e.g., to manufacture turbine towers) will be limited although there may be opportunities in high value-added development areas such as engineering design, project management and, also, operations and maintenance. Irish industrial participation overall may be quite limited particularly because of the time frames involved in deploying the early ORE projects.

The second phase will deal with the 'Enduring Regime' projects which will take off towards the end of the 2020s and will be aimed at the Government's target of 30GW of Floating Offshore Wind off the west coast; there will also be opportunities in Wave and Tidal Energy<sup>2</sup>. The market at home and abroad by that stage will extend beyond domestic requirements to electricity exports and to hydrogen applications.

These second phase opportunities will be based on emerging technologies (FLOW and Wave) where there are no dominant manufacturing or services 'players' at this stage and

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<sup>1</sup> And wave resource. Wave energy is at the development stage and will reach commercial and technical viability in the 2030s

<sup>2</sup> We have a promising Tidal energy devices and components sector which will be focused on export markets but which has a limited domestic tidal resource

where Ireland's ORE resource (in the Celtic Sea and the Atlantic) combined with our excellent ORE R&D infrastructure (e.g., the National Ocean Test Facility in Cork) provide a major opportunity to develop an early lead - based on FDI, adaptation of local companies and new domestic start-ups - to supply the local market and, in particular, to build a significant position in global markets notably in high value added areas. It is notable that the UK, which is a 'veteran' of ORE, has built a significant supply chain with major job creation investments by e.g., GE and Siemens but this is still regarded *as inadequate by both the ORE sector and by local communities*. There is tension between ORE and local communities and between ORE and Government in Scotland, which is a policy and technical leader in ORE, over a perceived failure by ORE to source 'local content' and to create jobs. The UK has taken various steps to address these twin challenges of easing community relations and developing the local supply chain which may provide a useful reference point for Ireland – a key initiative is the *Offshore Wind Growth Partnership*<sup>3</sup> under the *Offshore Wind Sector Deal*<sup>4</sup>. Moreover, the UK Government has also established a fund to support innovative technology development in Floating Wind<sup>5</sup>.

#### 4. Challenge

The challenge for the planned Enterprise White Paper, specifically in regard to ORE, is to set out a national ambition, and a framework to attain it, to support the ORE sector. The choice ultimately is either to adopt a 'laissez faire' approach (the de facto current position) whereby the enterprise side of Government confines itself to raising awareness among its clients of ORE or a proactive, ambitious approach which seeks both to facilitate the implementation of the national ORE policy and to build a position for Irish industry in the higher value-added part of the global supply chain, particularly in the new technologies. A continuation of the current laissez faire approach will hinder the wider national decarbonisation effort as supply chains elsewhere will be stretched due to local ORE targets (e.g., the UK) and may contribute to social tension in Irish coastal communities affected by ORE but without a significant local 'payoff' in terms of job and wealth creation.

Key features of the framework referred to above would include:

1. A 'map' which matches Ireland's industrial base to the national ORE targets and to international opportunities. This exercise would be the foundation stone of our ambition and should identify existing capabilities and gaps in our national capacity and identify those areas where existing local firms could participate and those areas where new entrants (either local start-ups or FDI) will be needed
2. Policy initiatives to adapt local firms to the ORE future, support local start-ups and attract FDI. One small example of an initiative would be to provide an 'accelerator' to support the commercial development of start-ups in this technologically demanding industry
3. A requirement for cross Government engagement in designing the framework, particularly including joint work by IDA, Enterprise Ireland (and SEAI). It may prove desirable to allocate responsibility for ORE business development exclusively to

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<sup>3</sup> <https://owgp.org.uk/>

<sup>4</sup> <https://www.gov.uk/government/publications/offshore-wind-sector-deal/offshore-wind-sector-deal>

<sup>5</sup> <https://www.gov.uk/government/news/60-million-boost-for-floating-offshore-wind>

Enterprise Ireland in light of the local wind and wave resource and the initial focus on local market opportunities. A useful precedent lies in the food industry where Enterprise Ireland has responsibility for the sector, including in respect of FDI.

#### **5. Additional policy question**

The policy questions addressed in the White Paper should include:

- A national ambition and associated fulfilment framework for industry to support ORE





## Submission to the 2022 Public Consultation on a White Paper on Enterprise

### Introduction

Meta welcomes the opportunity to make a submission to the Department of Enterprise, Trade and Employment on the future direction of Enterprise Policy, in the context of its preparation of a White Paper.

Meta is the parent company formerly known as Facebook. Meta's presence in Ireland includes our International Headquarters in Ballsbridge, Dublin; our Data Centre in Meath and our Reality Labs office in Cork.

Meta rebranded in October 2021 to better reflect the company's focus on utilising Immersive Technologies to build for the Metaverse.<sup>1</sup> At Meta, we consider the Metaverse as the successor to the mobile internet. It is a set of digital spaces, including immersive 3D experiences, that are all interconnected so you can easily move between them.

Meta is not alone in building for the Metaverse. A wide range of technology companies - from players like Microsoft and Disney, to Irish companies like Engage VR and Piranha Bar - are already building experiences and products for the Metaverse. Early versions of it exist in the virtual worlds of games like Roblox, Minecraft and Fortnite. It incorporates Immersive Technologies like virtual reality (VR) and augmented reality (AR) that, while still young, have been in use for some time.

### Opportunities

Today, VR and AR are used primarily for gaming. Many of the benefits that technologists envision - such as in education, healthcare and commerce - will be unlocked by advances that are still to come.

Immersive Technologies promise to make learning more active and to remove one's geographic location as a barrier. We will be able to learn in 3D - bringing the study of history, for example, to life in ways white boards and flat screens never could. For example, a student in Cork could step back in time to Dublin's Four Courts on the eve of their destruction to explore the Public Record Office by exploring the Virtual Record Treasury,<sup>2</sup> while a student in Galway could visit Stonehenge or the Pyramids of Giza as they would have been at the time of the druids and pharaohs.

Another area where Immersive Technologies have the potential to be transformative is healthcare. There are endless possibilities for training healthcare professionals - from

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<sup>1</sup> <https://nickclegg.medium.com/making-the-metaverse-what-it-is-how-it-will-be-built-and-why-it-matters-3710f7570b04>

<sup>2</sup> <https://www.gov.ie/en/speech/ba0dd-taoiseach-micheal-martin-at-launch-of-the-virtual-record-treasury-of-ireland/>

practicing surgeries without risk to patients or training first responders without putting them in dangerous situations. Indeed, the Royal College of Surgeons in Ireland uses VR for training of emergency doctors in trauma situations.<sup>3</sup> Recent studies have also looked at the ways virtual reality can be used for pediatric pain management<sup>4</sup> and as an intervention technique for those suffering with depression.<sup>5</sup>

Augmented reality also has the potential to be transformative. There are many examples: saving lives by showing people the location of nearby defibrillators; assisting surgeons during operations; helping new mothers with breastfeeding; helping patients better describe symptoms; helping nurses find veins more easily; showing people how drugs work in 3D; and helping medical students visualise anatomy.<sup>6</sup>

## **Economic Impact and Skills**

As more and more people use the internet and connections have become faster and more accessible, businesses and organisations of all sorts have increasingly gone digital to reach them, a trend that accelerated dramatically during the pandemic. Indeed, the shift to remote work has enabled employers and employees to adapt new methods of technologies. Today, the widespread use of digital tools by businesses of all shapes and sizes means the digital economy is absolutely central to the global economy.

In 2021, the global mobile ecosystem directly employed more than 12 million people, plus another 14 million indirectly through adjacent industries.<sup>7</sup> The Metaverse economy will not only include the industries that will create its infrastructure, including hardware, software, payment systems, and broadband providers, but also sectors like e-commerce, education, gaming and more which will provide goods and services associated with it. When social spaces are created in the Metaverse, people will need to be employed to manage and maintain them, just as they are in the physical world.

A new generation of entrepreneurs will emerge as the Metaverse economy develops, for example a fashion designer or clothing retailer could benefit by making their outfits available to be tried on in a virtual fitting room. There is also a huge opportunity for developers, not just for the large developers building for the Metaverse today, but for a new generation of independent creative professionals who will be able to access the tools necessary to create awe-inspiring spaces and experiences.

A report produced for Meta by the independent economic consultancy Analysis Group has estimated the global Metaverse economy could add \$440 billion (1.7% GDP) to the European economy over the next decade.<sup>8</sup> The Metaverse has the potential to help unlock access to new creative, social and economic opportunities.

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<sup>3</sup> <https://www.skillnetireland.ie/wp-content/uploads/2022/04/The-Irish-Immersive-Economy-report.pdf>

<sup>4</sup> <https://stanfordvr.com/pubs/2017/immersive-virtual-reality-for-pediatric-pain-patients/>

<sup>5</sup> <https://stanfordvr.com/pubs/2020/case-report-virtual-reality-behavioral-activation-as-an-intervention-for-major-depressive-disorder/>

<sup>6</sup> <https://medicalfuturist.com/augmented-reality-in-healthcare-will-be-revolutionary/>

<sup>7</sup> <https://www.gsma.com/mobileeconomy/wp-content/uploads/2022/02/280222-The-Mobile-Economy-2022.pdf>

<sup>8</sup> <https://www.analysisgroup.com/globalassets/insights/publishing/2022-the-potential-global-economic-impact-of-the-metaverse.pdf>

A report prepared by Skillnet and Eirmersive in 2022, found that the Irish Immersive Technology sector is worth over €43 million, with huge future potential and employs over 750 people in Ireland.<sup>9</sup> According to a survey referenced in the report, 63% of respondents expect their Immersive Technologies business to grow in the next 12 months.<sup>10</sup>

## Seizing Opportunities

Around the globe, Governments are beginning to realise the potential of Immersive Technologies and the benefits to their economies.

In South Korea, the Government is working on a Metaverse Strategy and has made an investment of approximately \$177.1 million. It is a strong commitment to exploring the opportunities of Immersive Technologies.<sup>11</sup>

The Government of Dubai has recently launched the Dubai Metaverse Strategy, which aims to create 40,000 jobs and add \$4 billion to Dubai's economy in the next five years.<sup>12</sup>

While in the UK, a public consultation has just closed on a UK capability in Cyber-Physical Infrastructure to help unleash innovation, including in the area of Immersive Technologies.<sup>13</sup>

## Positioning Ireland as a front-runner

There are two distinct strengths which Ireland can leverage in order to best realise the potential of the Metaverse.

The first, is that Ireland is well served by the internally recognised expertise and insights of the SFI research centres, focused on strategic areas. A number of these conduct fascinating applied research in the area of Immersive Technologies, such as at ADAPT and INSIGHT, to name just two.

The second is that of Ireland's world-leading reputation in the creative sector. Indeed, the creative sector is already making use of Immersive Technologies, such as in animation and gaming.<sup>14 15</sup>

Meta strongly believes that there is an opportunity to establish an Immersive Technologies Taskforce which would bring together experts in Ireland's academic institutions and the professionals across Ireland's creative and technology sectors. The Taskforce would conduct a deep exploration and analysis of the Irish market; scope out the potential benefits to the Irish economy and the skills required to continue building strong indigenous companies and attract FDI with a focus on Immersive Technologies.

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<sup>9</sup> <https://www.skillnetireland.ie/wp-content/uploads/2022/04/The-Irish-Immersive-Economy-report.pdf>

<sup>10</sup> <https://www.skillnetireland.ie/wp-content/uploads/2022/04/The-Irish-Immersive-Economy-report.pdf>

<sup>11</sup> <https://www.cnbc.com/2022/05/30/south-koreas-investment-in-the-metaverse-could-provide-a-blueprint.html>

<sup>12</sup> <https://www.thenationalnews.com/business/economy/2022/07/18/dubais-new-metaverse-strategy-to-add-4bn-to-economy-and-create-more-than-40000-jobs/>

<sup>13</sup> <https://www.gov.uk/government/consultations/enabling-a-national-cyber-physical-infrastructure-to-catalyse-innovation/enabling-a-national-cyber-physical-infrastructure-to-catalyse-innovation-consultation-document-accessible-webpage>

<sup>14</sup> <https://irishadvantage.com/app/uploads/2022/02/Digital-Entertainment-Report-FEB22.pdf>

<sup>15</sup> <https://www.siliconrepublic.com/careers/tech-jobs-ireland-film-mullingar>

In the long-term, a holistic Immersive Technology Strategy is required to set out Ireland's ambition in this fast-developing sector and position Ireland as a front-runner.

## **Conclusion**

Meta Ireland is incredibly important to our overall operations and in building the Metaverse. Our teams at our Reality Labs office in Cork are investing time into cutting-edge research and developing new technologies that will help build devices for the Metaverse.

We look forward to working with stakeholders across the globe to assist them in realising the potential of Immersive Technologies. We think the opportunities could be truly transformative in public policy areas such as education and healthcare, while also offering a benefit to local economies.

This wave of innovation presents a unique opportunity for Ireland. Meta believes that the establishment of an Immersive Technologies Taskforce, leveraging Ireland's unique strengths, would be an ideal platform from which Ireland could explore this potential.

As the Department considers the future direction of Ireland's enterprise policy and looks toward 2030, now is the time to position Ireland as a front-runner in Immersive Technologies.



# Ireland 2025: Inclusive Recovery through Digital Leadership

Microsoft Ireland  
Microsoft European Government Affairs (EGA)

November 2020

Tech Fit 4 Europe

# Inclusive Recovery through Digital Leadership

As Government looks to secure Ireland's economic recovery, while simultaneously positioning the country to seize medium term opportunities from the green and digital transitions, it is timely to place technology at the heart of economic planning. If Ireland wants to build an inclusive and sustainable recovery, one that drives productivity and competitiveness, digital technology solutions need to be embedded across its economic architecture. And if Ireland is going to maintain its position as a dynamic, export-oriented economic leader, that can support a strong society, it needs to accelerate its embrace of digital solutions and technologies.

A year is a long time in the digital age. While it was always expected that 2020 would see further integration of digital technology into our daily lives, in line with recent trends, nobody predicted that this year would see such a significant step-change in our relationship with technology. Technology has played a critical role in protecting lives and livelihoods during the pandemic, supporting large numbers to continue to work, enabling business continuity, and facilitating connection when we have needed it most. The pandemic has transformed our collective attitude to technology in a very real way, tangibly demonstrating how it can benefit everyday life.

Ireland has an opportunity to build on this momentum, as it plans for sustainable recovery and in its response to the twin challenges of the digital and green transitions. At European level, the ambition is clear; to make this Europe's Digital Decade. How can Ireland help drive this EU-level ambition? By adopting a strong, clear, digital leadership approach to all relevant issues. Microsoft is committed to delivering 'Tech Fit for Europe', as our policies and values align in so many ways, with Ireland positioned to be to the fore in that developing partnership.

The days of the 'traditional economy' and the 'digital economy' are ending. Today there is, in reality, just 'the economy' – and it is increasingly digital in nature. Ireland's economic recovery in the short-term, and its enterprise and jobs potential in the medium term depends hugely on our ability to fulfil our global leadership potential. Ireland has a relatively narrow window of opportunity in the coming two to three years to realise these ambitions.

In this paper Microsoft looks at concrete steps Ireland can take to turn an ambition - to become Europe's digital leader by 2025 - into a practical reality, transforming Ireland's society and economy on the way.



# Table of contents

<u>INCLUSIVE RECOVERY THROUGH DIGITAL LEADERSHIP</u>	<u>2</u>
<u>IRELAND 2025: WHY PURSUE DIGITAL LEADERSHIP?</u>	<u>4</u>
<b>RECOMMENDATIONS:</b>	<b>5</b>
<u>IRELAND 2025: POLITICAL AND POLICY CONTEXT</u>	<u>7</u>
BECOMING TECH FIT FOR EUROPE	8
<u>DIGITAL LEADERSHIP: IMMEDIATE OPPORTUNITIES TO BOLSTER INCLUSIVE RECOVERY</u>	<u>9</u>
SUPPORTING A GREEN RECOVERY	9
DIGITAL SKILLS AND STEM EDUCATION	10
DIGITAL HEALTH: SLÁINTECARE ACCELERATED	11
CLOUD SERVICES	12
CYBER SECURITY	13
EUROPE FIT FOR THE DIGITAL AGE	14
<u>DIGITAL LEADERSHIP: TRUST IN THE DIGITAL ENVIRONMENT</u>	<u>17</u>
ARTIFICIAL INTELLIGENCE	17
DATA PROTECTION: PERSONAL PRIVACY	18
LAWFUL ACCESS: FIGHTING CRIME AND PROTECTING PUBLIC SAFETY	19
ONLINE TRUST AND SAFETY	19
<u>CASE STUDIES</u>	<u>21</u>
AIRBAND	21
LABOUR MARKET PULSE	21
UCD DIGITAL POLICY STUDIES	22
SOLAR ENERGY FOR IRISH SCHOOLS	22
DREAMSPACE	23
OIREACTAS	23
HSE SENIOR MANAGEMENT DASHBOARD	24
<u>RESOURCES</u>	<u>25</u>
<u>2019 INDECON REPORT ON MICROSOFT IRELAND</u>	<u>27</u>

## Executive Summary

# Ireland 2025: Why Pursue Digital Leadership?

With the remarkable cluster of tech companies and world-leading research located in Ireland, there is a unique opportunity for the country to emerge as Europe's digital leader. This is particularly opportune now as Irish and European policymakers are seeking to foster a green recovery, and when tech policy is at the centre of the European agenda.

Countries that compete with Ireland are also embracing digital approaches and solutions as they look to chart their economic recovery. If Ireland is going to maintain and grow its position as a dynamic, export-oriented economic leader that can support a strong society, it needs to accelerate its embrace of digital solutions and technologies. It is timely to reinforce Ireland's enterprise model and the very successful Irish FDI message of 'Tax, Talent and Track Record' with additional attributes such as digital policy leadership, innovation and transformation.

By embracing digital policy leadership, Ireland can unlock immediate opportunities to bolster the recovery while enabling new and better services for citizens, increasing competitiveness, boosting productivity, and delivering the jobs of the future. A renewed and urgent focus on subjects like digital skills, cloud services, digital health solutions and cyber security presents immediate opportunities for Ireland to drive economic recovery while firmly establishing its digital leadership credentials.

Equally, issues ranging from artificial intelligence and data protection to lawful access and online safety, present ongoing opportunities for Ireland to demonstrate effective leadership and a coherent whole-of-government approach to digital and technology policy, while working to build greater trust in the digital environment.

There is a window of opportunity for Ireland to set out its stall to be the true European leader on the development of the new digital architecture that will shape and form the future economy, society and the world of work. Ireland has the industrial, academic, and political capacity to make this happen. In the coming years, with support across government and from wider society, Ireland can build a new architecture that is human centred, progressive and world leading.

The Programme for Government agreed in June 2020 included a welcome commitment by the new Government to publish a National Digital Strategy for Ireland. A new National Digital Strategy provides an opportunity for Ireland to set out a clear goal to become Europe's digital leader, to elaborate a plan on how to achieve this, and to articulate how it will be citizens and society that will enjoy the benefits of this transformation.

By taking such an approach, Government would be sending an important signal to the public, to the technology sector, to the EU and to Ireland's European partners. Crucially, it would send out a strong message about Ireland's competitiveness and productivity ambitions for its indigenous and international enterprises, as well as for its delivery of improved public services.

Ireland's economic recovery in the short-term, and its enterprise and jobs potential in the medium-to-long term, depends on our ability to realise the global leadership potential that we possess. So too, our ability to transform the services we provide to the public is intrinsically linked to grasping the digital opportunities to hand. Microsoft is keen to play its part in helping Ireland realise this potential and it is in this context that we have published this paper.

Below we set out a list of key recommendations. Further recommendations are contained in individual sections of the document. Central to many of the recommendations is the concept that data driven, evidence-based policy and decision making can drive material benefits and gains for the economy, and our society.



## Recommendations:

### 1. National Digital Strategy

Publish an ambitious National Digital Strategy: set out how Ireland will unlock the benefits of technology for society and citizens; send a strong signal on digital transition to the entire economy, to Ireland's tech sector, and to the public sector; and position Ireland to become a digital leader. For government this means that important public policy decisions will be driven by evidence based and data driven insights, resulting in better outcomes for government and citizen alike.

### 2. Green Recovery

Leverage technology to build a post-pandemic recovery that is digital, green, jobs rich and inclusive; include a specific focus on digital technology in both the forthcoming National Economic Plan and the next Climate Action Plan.

### 3. Digital Skills and STEM Education

Step up cooperation between the public and private sectors, and support greater collaboration with the private sector, to bring an expanded coordinated national approach to digital skills development, STEM education and lifelong learning.

### 4. Digital Health: Sláintecare Accelerated

In line with the Sláintecare programme for the transformation of Ireland's health and social care services, build on the accelerated digitalisation implemented in the health system this year, in response to COVID-19, to address the ongoing challenge to drive improvements in service delivery in the context of constrained budgets and resources.

### 5. Cloud Services

Harness the full potential of cloud services to help deliver improved public services; direct the Office of Government Procurement to establish a framework to make it easier for public sector bodies and public cloud service providers to engage in the provision of new services; accelerate the transition of public sector bodies to the Public Cloud under the planned new eGovernment and Public Sector ICT Strategy and announce an investment programme to support transition.

### 6. Cyber Security

To continue to build confidence and trust in digital solutions and technologies, accelerate implementation of the new National Cyber Security Strategy; continue to significantly increase funding and staffing for the National Cyber Security Centre; strengthen public-private cooperation on cyber security; and reinforce Ireland's engagement on cyber at international level.

### 7. Europe Fit for the Digital Age

Leverage Ireland's role as a digital hub and European HQ for technology companies to position it as a lead partner in delivering on the objectives of Europe's Digital Strategy: *Shaping Europe's Digital Future*; ensure Ireland is a leading contributor in the debates on digital sovereignty and strategic autonomy; actively engage on key files including on the Digital Services Act, AI and its regulation, and on lawful access to data for law enforcement purposes; and assume a role as a transatlantic bridge and key partner in managing relationships between Europe and the US.

## 8. Trust in the Digital Environment

Commit to a coordinated suite of actions to reinforce trust in the digital environment and establish Ireland as a global leader through actions such as:

- Artificial Intelligence: set out a clear statement of intent outlining Ireland's determination to be a leader in AI and its regulation; outline structures and timelines for delivering on this ambition in the planned AI strategy;
- Privacy: continue to support the scaling up of Ireland's Data Protection Commission and pursue alignment with GDPR for proposed EU rules on privacy in electronic communications;
- Lawful Access: demonstrate leadership domestically and at EU level by advancing modern legal frameworks that enable lawful access to digital data for the purposes of fighting crime and protecting public safety, while safeguarding fundamental rights, the rule of law and due process, to protect citizens and maintain trust in technology;
- Online Safety: seize the opportunity of the forthcoming Online Safety and Media Regulation Bill for Ireland to play a leadership role, within the framework of European law, to develop international best practice on regulating for online safety.

## Ireland 2025: Political and Policy Context

Technology has played a critical role in protecting lives and livelihoods during the COVID-19 pandemic. **It will be key to ensuring a green recovery and accelerating digital transformation in Ireland in the period ahead.** As Government looks to secure Ireland's economic recovery, while simultaneously positioning the country to seize opportunities from the green and digital transitions in the medium term, there is an opportunity to place technology at the heart of our economic planning. Indeed, as host to a remarkable cluster of tech companies and world leading research, Ireland has a unique opportunity to emerge as Europe's digital leader.

A year is a long time in the digital age. The speed and magnitude with which the COVID-19 global health pandemic arrived caught us all by surprise, leaving governments, businesses and individuals struggling to adapt. While it was always expected that 2020 would see further integration of digital technology into our daily lives, in line with recent trends, nobody predicted that this year would see a step-change in our relationship with technology.

While the pandemic initially exposed gaps in our preparedness to work remotely and access services online, it is clear that over the last nine months technology has enabled us to support livelihoods, business continuity and social connection when we've needed it most. **The pandemic has transformed our collective attitude to technology in a tangible way, demonstrating how it can benefit everyday life. From remote working and learning to virtual medical consultations, digital services have allowed us to stay connected while staying safe.**

In the wake of the pandemic, a crucial priority must be getting people back to work. We urgently need to focus our collective effort on supporting the people worst impacted by the pandemic to re-enter the labour market. In today's world this means equipping them with digital skills. Another top priority must be accelerating the green transition. We must do more to leverage the power of technology to protect our planet, while ensuring that the footprint of technology itself is minimised.

The Government has recognised the changing nature of work, accelerated by the pandemic, whereby flexible working and working from home will play an increasing role in the future economy. The Government's December 2019 Flexible Working consultation was a positive step in this regard. Notably, the consultation built on the strategic commitment under Future Jobs Ireland to embrace innovation and technological change. With a Government Remote Strategy expected to be published before the end of the year, such an embrace of technology and innovation will be central to fostering a more flexible working future.

As the Government starts to focus more on rebuilding a more inclusive, sustainable economic future, via the forthcoming National Economic Plan, a new National Digital Strategy and Climate Action Plan, an SME Growth Strategy and other planned policy interventions, there is a unique opportunity to embrace digital solutions and for Ireland to emerge as a digital leader. If Ireland wants to build an inclusive and sustainable recovery, one that drives productivity and competitiveness, digital technology solutions need to be embedded across its economic architecture. Countries that do not pursue a digital first approach, will find themselves trailing their competitors.

With the fast pace of technological change, digital leadership is essential for Ireland to retain its position as a dynamic, export-oriented economy. The emergence and adoption of new disruptive technologies will profoundly change our society and economy. Experts predict that 85 percent of the jobs that will exist in 2030 do not exist today.

By taking decisive leadership now to drive a green recovery, address immediate reskilling and future skills needs, accelerate Sláintecare reforms through digital deployment, pursue completion of the EU Digital Single Market, reinforce Ireland's cyber security capability, and lead by example in the delivery of public services through the cloud, Ireland has considerable opportunities to turn potential risks into significant opportunities, bolstering growth and supporting society. By proactively adopting emergent technologies, Ireland can establish its digital leadership credentials on the European and global stage.

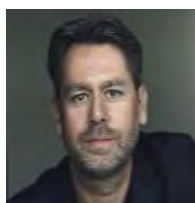
Countries that compete with Ireland are increasingly embracing technological advancements. Political leadership is necessary to drive Ireland's future economic development through digital leadership. A holistic embrace of digital solutions will be a central component in delivering the public services required

by Irish society in the future, supporting climate action and fostering the economic innovation central to our growth model. Digital leadership can play an essential role in attracting and retaining FDI and in fostering domestic innovation.

Critically, embracing digital leadership can refresh Ireland’s enterprise model, as well as its very successful foreign direct investment message of ‘Tax, Talent and Track Record’, by reinforcing it with additional attributes, such as innovation, a successful start-up ecosystem, digital transformation and tech policy leadership. In doing so, Ireland can mobilise to play a proactive role in developing the digital architecture to shape and frame our future economy, jobs and society.

Ireland’s ambition in this regard is evident and such ambitions are further supported by the European Digital Strategy. *Shaping Europe’s Digital Future* is a pillar of the European Commission’s 2019-2024 priorities. Digital and technology policy is at the heart of the European agenda, with a view to fostering greater growth within Europe’s digital single market and the emergence of home-grown European digital champions.

## Becoming Tech Fit for Europe



*“When President von der Leyen delivered her first State of the Union speech she called on the EU to lead the way “from fragility to a new vitality”, and to take concrete action to build a better world. That means protecting lives and livelihoods, ensuring green growth, and accelerating Europe’s digital transformation were among the key topics addressed by President von der Leyen – and technology has an essential role to enabling all three. The President’s message was clear: “We must make this Europe’s Digital Decade”. At Microsoft, our commitment to supporting this ambition through the technology we develop and deploy has never been greater.*

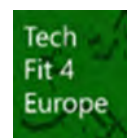
*That is why we are pledging to make ‘Tech Fit 4 Europe’. This is our direct response to the EU’s vision for a ‘Europe Fit for the Digital Age’, and an acknowledgement of the particular role the tech sector needs to play in helping Europe realize its digital ambitions. Making ‘Tech Fit 4 Europe’ means, first and foremost recognizing Europe’s role in leading the way to solving global challenges and a need to take our relations with Europe to the next level. Secondly, it requires addressing the valid concerns behind calls for Europe to be more ‘digitally sovereign’. And finally, it is about supporting Europe with leveraging the opportunities and addressing the challenges of digital transformation, in particular in the wake of COVID-19.”*

**Casper Klynge, Microsoft VP for European Government Affairs**

**For Ireland, embracing digital leadership – and driving a ‘Tech Fit 4 Europe’ mindset - has significant potential for greater impact on both the technology sector itself and the wider economy and society. The approach taken to financial services and FinTech under the International Financial Services Strategy 2025 Ireland is a good example of how such positive impact can be driven by policy. Supported by strategic policy intervention, digital technologies can drive economic growth, help create sustainable, green and skilled jobs while also transforming how we deliver existing and new public services.**

**Ireland’s competitors are embracing digital in a significant way. Ireland needs to accelerate its embrace of digital solutions and technologies if it is going to maintain hard won advantages and persist and grow as a leading centre for innovation, enterprise and exports that can then support a strong and vibrant society. Ireland has the industrial, academic, political, and social capacity to make this happen. Over the coming years, with support across government and from wider society, Ireland can build that new digital architecture in a human-centred, progressive and world leading manner.**

**Political leadership will ensure those opportunities are fully realised.**



# Digital Leadership: Immediate Opportunities to Bolster Inclusive Recovery

## Supporting a Green Recovery

Climate Action is the major challenge of our generation. As recognised in Ireland's Climate Action Plan, addressing this challenge requires the sustained effort, commitment and collaboration of society, Government and industry.

Microsoft's ambitions mirror those of the Government. In January 2020, Microsoft announced its commitment to become [carbon negative by 2030](#). In doing so, it recognised that, while the world will need to reach net zero, those who can afford to move fast and go further should do so. That is why Microsoft further committed that by 2050 it will remove from the environment all the carbon the company has emitted either directly or by electrical consumption since it was founded in 1975.

Ireland has set out ambitious targets to reach carbon neutrality by 2050. With no silver bullet for climate action, their achievement will require sustained cross-sectoral policy intervention. Digital technologies have the potential to significantly contribute to these efforts.

For Microsoft, the ongoing development of cloud infrastructure provides an important opportunity to accelerate the development of renewable energy, to develop and deploy new clean energy technologies and to drive further improvements in energy efficiency. With the right policy framework cloud computing can help governments make progress toward their renewable energy goals and speed the transition to a decarbonised economy. Because hyper-scale computing is more efficient than individual servers and data centres, government adoption of cloud services can accelerate efficiency improvements. Accelerating the transition to the Public Cloud is clearly aligned with the objectives of Ireland's Climate Action Plan.

In Ireland, Microsoft has partnered with [SSE Airtricity](#) to install and manage internet-connected solar panels in dozens on Irish schools. These solar panels are connected to Microsoft Azure, a cloud computing platform that aggregates and analyses real-time data on energy generated by the solar panels. This initiative not only allows for schools to power their classrooms sustainably but offers a platform to educate students on their energy usage and demonstrates how technology can be utilised to inform the development of sustainable communities.

Microsoft has also recently formed a partnership with Science Foundation Ireland, Maynooth University and others on a carbon sequestration project that will deliver accurate, real time data to farmers, producers and Agri-tech companies, as well as government agencies. This data will allow farmers to optimise their farming practices, be more productive and help them to combat climate change by accurately measuring carbon sequestration.

Protecting the natural habitats we live in is essential to securing our sustainable future. However, as recognised by the EU's Biodiversity Strategy for 2030 and the Programme for Government, we are facing a biodiversity crisis. As many as 22% of European animal species and over 50% of native trees are now at risk of extinction. The recent pandemic has shown all too clearly how fragile and interconnected ecosystems are and how dependent our wellbeing is on the health and integrity of all species.

The scale of the challenge requires a multi-stakeholder approach. Public-private partnerships are important for filling knowledge gaps and finding solutions to improve the health of ecosystems. Microsoft is ready to do our part. One key issue in addressing the biodiversity crisis is a lack of data. Microsoft is addressing this gap through our plans for a Planetary Computer – an AI-driven platform that will collect trillions of data points to generate predictions and insights about our environment in real time – and [AI for Earth](#), as part of our Open Data Campaign.

Digital technologies will play a central role in the delivery a Green Recovery. Technology will inform and support the more efficient utilisation of existing resources and facilitate the development of new, innovative solutions.



## Digital Skills and STEM Education

Programmes that make digital literacy and skills a fundamental component of Irish education at all levels and that encourage workers to strengthen these skills throughout their careers are essential if Ireland is to take advantage of the opportunities that cloud computing offers to drive economic growth, create jobs, address social challenges, and increase civic engagement and empowerment.

Microsoft is committed across a range of programmes to contribute to this broader agenda.

**Global Skilling Initiative:** The COVID-19 pandemic has created an economic crisis putting huge numbers of people out of work, in Ireland and across the world. As we continue to adapt to the new Covid-19 landscape, one of the key steps identified to foster a safe and successful economic recovery is expanded access to the digital skills needed to fill new jobs. One method to ensure a genuinely inclusive recovery are programmes to provide easier access to digital skills for people hardest hit by job losses, including those with lower incomes, women, and underrepresented minorities.

Microsoft is committed to helping people get the skills they need to succeed as the economy changes. To aid in the global recovery, [Microsoft launched a global skills initiative](#) aimed at bringing more digital skills to 25 million people worldwide. 51,909 Irish learners have already commenced a course as part of this skills initiative, with the most popular courses being digital marketing specialist, software developer and data analyst. This initiative brings together every part of our company, combining existing and new resources from LinkedIn, GitHub, and Microsoft. As part of this effort, and in partnership with LinkedIn and the IDA, Microsoft has developed a new research platform, the '[Labour Market Pulse](#)' to inform decision makers in business, academia and in public policy, of the performance of the Irish labour market. It is also hoped the Pulse will inform individuals who may be considering new opportunities, of the types of roles and skills most in demand. For instance, LinkedIn figures for Ireland suggest a capacity of 188k new tech jobs by 2025.

Microsoft also joined recently the [European Commission's Pact for Skills](#) that aims to mobilize and encourage all relevant stakeholders to take concrete actions for the upskilling and reskilling of people and cooperate through partnerships in Europe.

The research found that technology and professional skills are the most sought-after skills by hiring companies at present. The data creates an opportunity to identify the in-demand jobs of today and the future, informing the kinds of skills that are most valuable for people to acquire through the Microsoft skills' initiative. By bridging the gap between job opportunities and the availability of skills, we believe that the Labour Market Pulse can provide the insights to help empower an inclusive and sustainable recovery.

[Research](#) recently published by Microsoft found that 45 per cent of participants in Ireland believe their employees will continue to work remotely, highlighting the importance of increasing digital literacy across many sectors.

**Building Digital Skills:** Microsoft Ireland's [DreamSpace](#) equips the workforce of the future with core STEM capabilities reaching approximately 17,000 students, with expansion plans to other parts of the country outside of Dublin and goals to reach 100,000 students over the next two years. The success for the DreamSpace programme has led to the expansion of the programme and investment in a new DreamSpace facility in Belfast. In addition to DreamSpace, we support a variety of university engagements which train students in Azure, AI and data science as well as re-skilling programs for the displaced workforce.

**Building Digital Policy Capability:** Microsoft in Ireland and Microsoft in Brussels have [partnered](#) with University College Dublin to develop Ireland's first ever digital policy studies program (Cert., Diploma, Masters) in order to equip policy makers in Ireland and Europe with the skills and expertise needed to positively shape our digital future. The program was developed in collaboration with law makers, non-government organizations and industry with the first intake of Masters students taking place in October 2020 with Minister Harris launching the programme.

**Microsoft for Start-ups:** in a similar fashion to our work across a range of digital skills programmes, Microsoft is expanding its partnership with Enterprise Ireland to support Irish entrepreneurs and the growth of Irish enterprises, in particular SMEs and start-ups. Under the Microsoft for Start-ups programme, Microsoft is [collaborating](#) with Enterprise Ireland to give its 'High Potential Start-Up' (HPSU) clients

access to a range of supports, including Microsoft Azure credits, technology, support and expert advice, to enable them to rapidly scale and grow.

## Digital Health: Sláintecare Accelerated

At Microsoft, we believe that every citizen deserves the best healthcare services on a fair and equitable basis. We also see that the greater use of technology is one of the ways that patients, clinicians and wider healthcare professionals can achieve more with constrained resources.

Sláintecare, the ten-year programme to transform Ireland's health and social care services, envisions a central role for digitalisation in improving healthcare provision and facilitating a shift in emphasis away from acute hospital care. This shift to the digitalisation of healthcare has been accelerated by the onset of COVID-19 which has underlined the important role digitalisation can play. As public health considerations have forced healthcare providers to reduce physical interactions, digital innovations have provided effective solutions.

Prior to COVID-19, however, Ireland's embrace of digital health solutions did not keep pace with Sláintecare's ambitions. In fact the [Competitiveness Challenge 2019](#) report from the National Competitiveness Council identified this very issue when examining Ireland's levels of competitiveness and where it might improve. In section 1.2 it comments that while Ireland's digital public services ranking in the DESI index is improving, it also says; *"... public sector digitalisation (eGovernment users, prefilled forms, online service completion) is slightly above the EU average, whereas medical sector digitalisation levels are particularly low in Ireland."*

There is an opportunity to build on the accelerated digitalisation imposed by COVID-19 to address the ongoing challenge to drive improvements in service while faced with constrained budgets and resources. Microsoft's experience of working with the HSE on bespoke projects identifies very significant scope for productivity gains for hard pressed professionals and service improvements for patients in the Irish health system.

Throughout the COVID-19 crisis, Microsoft has partnered with the Government and the Health Service Executive to support public health efforts focusing on guidance, testing and care. Microsoft initiatives to support the Irish Government's COVID-19 efforts include the development of HealthBot for citizen information and simple triage; development of a patient management system to support more complex triage; patient Track and Trace systems; significant ramping up and managing of extended laboratory testing network and systems and provision of an Overall Data Management and Dashboard for senior healthcare leaders.

Government expenditure on health in Ireland has increased significantly in the past number of years. From a budget of €14.1bn in 2015 to a historic high of €22bn for 2021 (including COVID-19 expenditure), increasing costs of healthcare show little sign of abating. Notwithstanding this ramping up of expenditure, waiting times for care continue to pose a significant challenge and the experience of many patients remains very negative. Meanwhile, expert analysis predicts significant shortages in healthcare professionals over the next decade if we continue with current delivery models.

With Sláintecare now in place as the agreed platform to deliver reform in our health services and with many effective digital solutions developed to address COVID-19 challenges, over the next 10 years an opportunity presents itself to accelerate its delivery. The delivery of all elements of Sláintecare can be enhanced, and success more effectively secured, through the strategic adoption of technology. With capital expenditure in the previous 10 years remaining low and unchanging while current costs rose quickly, recent [commitments](#) on increased capital expenditure to help drive better outcomes presents a window of opportunity to deliver more of the transformative projects we have seen over the last 6-9 months in the Irish health system and more broadly across the Irish public sector generally.

Some examples of where technology can drive success include:

Virtual Care: Within the area of Service Redesign there is a focus on more integrated services at or near home, and minimisation of hospital stays. New digital solutions enabled virtual consultations with Cystic Fibrosis patients in the Mid-West region, allowing patients to remain in their own home and continue to avail of physiotherapy sessions. This has reduced the need for patients to travel, increased the flexibility of patient / clinician interaction, and avoided the use of high-cost facilities within the hospital – improving both patient experience and the productivity of the human and physical resources available within the system.

Care Team Collaboration: The correct digital tools can facilitate care team collaboration, sharing of patient data, allowing virtual team meetings, and managing all data associated with that team and patients. These types of solutions can eliminate 50% of the time preparing and following up on Multi-Disciplinary Team meetings or weeks of specialist nurse time in a year – or the equivalent of releasing numerous additional FTEs in a year across the country.

Standardise Patient Communications: Medical secretaries spend considerable time each day in the preparation, delivery and management of patient communications – specifically patient letters. Through the adoption of standardised approaches, with a common technology solution, we believe that up to 80% of a secretaries' time may be saved in this area.

Improvement in Patient Flow: Through pilots already delivered across a number of hospitals, in partnership with HealthCareLogic, the correct use of the appropriate digital solutions have demonstrated that significant efficiencies can be secured in delivering a greater flow of patients within existing resources.

Actions to ensure Sláintecare success through technology adoption:

1. Sláintecare Accelerate - Secure quick wins in the areas outlined above within a targeted one-off budget envelop of €40m and roll out Sláintecare Accelerate - a hospital group wide adoption of basic digital tools for administrative and internal communications purposes.
2. Building off the successes in Phase 1 (above) define a clear plan for further technology delivery across the Sláintecare strategy with small, ringfenced funding streams for a targeted high impact capital investment programme that will deliver extra FTEs or save €s or deliver better patient outcomes in the immediate term;
3. Establish a dedicated team to augment the day-to-day IT delivery team of the HSE Office of CIO combining skills across technology, change management, and programme management.
4. Build confidence in the programme through the development of the Sláintecare Accelerate concept of high impact, medium cost, targeted interventions to upgrade basic systems that will release urgent resources to front line services.

## Cloud Services

Ireland has the opportunity to become a world leader in harnessing the full potential of the public cloud to help deliver improved public services, while keeping personal data safer, reducing the cost of storage and using less energy to do so.

The COVID-19 crisis has seen rapid adoption of cloud services in the public sector, as an integral part of the health service response to the pandemic, as well as the rapid processing of large numbers by the social welfare system.

In the UN E-Government Development Index 2020, Ireland dropped 5 places to 27<sup>th</sup> in the global study, down from 22<sup>nd</sup> place in 2018. Cloud adoption presents immediate opportunities for Ireland's public sector organisations, however, to improve its relative position, Ireland needs to accelerate the transition of public sector bodies to the Public Cloud.

Ireland can demonstrate effective digital leadership, and that it is ambitious to modernise and transform the delivery of its public services through adoption of cloud services, in a similar way to countries such as the UK and Estonia. Adoption of cloud services is clearly aligned with the objectives of Ireland's Climate Action Plan, both in terms of energy efficiency and the degree to which it facilitates home and remote working. The advantages are clear:

1. More secure: Gartner predicts 60% fewer security incidents in 2020 for Cloud service users compared to traditional data centres (on premise). Microsoft, as an example, spend over \$1bn pa on updating and improving its data protection systems and tracks 6.5trn signals each day;
2. Reduced costs: after a transition period of three years Gartner estimates the running costs of cloud versus on-premise will reduce by up to 55%. That doesn't include the elimination of capital



expenditure spending on new public owned data centres but does capture recurring savings such as ongoing maintenance costs, security systems maintenance and updates, scaling costs as data volume expands etc;

3. Reduced energy usage: according to a report by Microsoft and WSP, public cloud is between 79% and 93% more energy efficient than on-premise facilities due to; use of renewables, operational efficiency, equipment efficiency, infrastructure efficiency Vs on-premise – all supported by operations at scale;
4. Increased computing power: using the public cloud provides access (in Microsoft's case) to over 260 services and tools – including 50 or more directly linked to AI or Big Data – which on-premise storage simply will not provide. Other cloud service providers will provide other suites of tools and services. These tools are regularly updated and improved, and clear guidance and support is offered for their use – all this additional computational, analytical and AI processing power allows better, more insightful, public policy solutions to be developed while also helping to break down government data silos;
5. Support more remote/home working: in the context of the delivery of the National Broadband Plan, the adoption of Public Cloud services more easily facilitates home working for the public sector with the attendant impact on commuting, environment, work/life balance etc. The ILO recently highlighted that just under 5% of Irish workers do regularly work from home – and there were considerable benefits from supporting increased capacity for home working (as opposed to mobile/flexible working).

#### Actions to Support Cloud Services Policy Leadership

1. Announce early public sector (Government Departments, agencies etc.) movers to the Public Cloud (further to Cloud Computing Advice Note of October 2019);
2. Announce a 3-5 year capital investment programme to support transition to the Public Cloud, as well as an allocation for the follow-on running costs;
3. Direct the Office of Government Procurement (OGP) to establish a framework to make it easier for public sector bodies and Public Cloud service providers to engage on the provision of new services;
4. Identify early 'wins' from such a move to the Public Cloud (energy savings, additional computing power, fraud reduction etc.);
5. Particularly now in the context of the current Covid-19 crisis facilitate and promote remote home working for civil and public servants: announce support for flexible working, underpinned by the delivery of the National Broadband Plan and the move to the Public Cloud. The Government's expected Remote Working Strategy will undoubtedly speak to this issue.

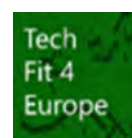
## Cyber Security

In recent years, we have witnessed an inflection point for cyber conflict, triggered by the state-sponsored cyberattacks of WannaCry and NotPetya. These attacks represent a larger trend in which citizens, technology users, public entities, civil society, and corporations have all become targets of destructive digital weapons.

Bold measures are needed for a safe digital transformation in industry, while also protecting civilians from indiscriminate cyberattacks. Therefore, Microsoft proposed the idea of a Digital Geneva Convention and helped establish the Cybersecurity Tech Accord with over 60 global tech companies. In parallel, converging initiatives such as the European company-led Charter of Trust were launched.

In November 2018, a multi-stakeholder dialogue took place during the Paris Peace Forum that led to the [Paris Call](#) for Trust and Security in Cyberspace based on 9 pillars, supported by more than 500 signatories including all 28 EU Member States among 60 Governments and more than 450 NGOs and Private Sector entities. Ireland was an early signatory through the Department of Foreign Affairs, the HSE are another signatory along with more than 20 other Irish businesses, universities, research centres and trade associations such as Ibec, CIF and Chambers Ireland. Microsoft in Ireland have been co-ordinating and securing signatories for the Paris Call as part of our commitment to its goals and ambitions.

It is unquestionable that cybersecurity will continue to be a top priority over the next 5 years. As host to up to 30% of Europe's public cloud data and with almost €1.3bn p.a. being spent on data centre



investments here over the next 5 years, it is important for Ireland to build out a world-leading cyber security architecture that can secure the data of the public, of government and of enterprise for decades to come.

The advantages to Ireland of such an approach are clear:

1. Business confidence: it would send a clear signal to indigenous enterprise and FDI about Ireland's intentions around a core issue for 21<sup>st</sup> century business;
2. Public confidence: it would send a clear message to the public about Government commitment to protecting their data and the critical infrastructure and services that they depend on (health, transport, electricity etc.);
3. Cluster and jobs potential: opportunity to build a cyber security cluster (for example in Cork) around a clearly stated cyber security ambition.

#### Actions to Support Cyber Security Policy Leadership

1. Hold a joint Ministerial announcement on funding and implementing the National Cyber Security Strategy;
2. Continue to significantly increase funding and staffing for the National Cyber Security Centre and commit to further support as demands and requirements increase;
3. Include Cyber Security as a "standing item" on the Cabinet Committee on Security and in the work of the new National Security Analysis Centre;
4. Launch the Irish "Paris Call" community and host a bi-annual forum on cyber issues involving signatories.

## Europe Fit for the Digital Age

In her State of the Union speech in September, European Commission President Ursula von der Leyen's message was clear: "We must make this Europe's Digital Decade". At Microsoft, our commitment to supporting this ambition through the technology we develop and deploy has never been greater. That is why we are pledging to make 'Tech Fit 4 Europe'. This is Microsoft's response to the EU's vision for a 'Europe Fit for the Digital Age', and an acknowledgement of the particular role the tech sector needs to play in helping Europe realize its digital ambitions.

For its part, it is clear that Ireland has a unique opportunity to leverage its role as a digital hub and European headquarters for many technology companies and also directly respond to this EU vision. So too, Ireland is uniquely well-placed to assume a role as a transatlantic bridge and key partner in managing relationships between Europe and the US. Positioning itself as a lead partner in delivering on a 'Europe Fit for Digital Age' makes sense in terms of Ireland enterprise policy, its competitiveness and productivity considerations, and aligns well with its twin focus on both FDI and the growth of indigenous SMEs and start-ups.

Playing a leadership role in Europe's digital agenda will necessitate Ireland being present in high-level debates on digital sovereignty and strategic autonomy, while actively engaging on key files and approaches including on the Digital Services Act and open data, which are touched on below, as well as on AI and its regulation, privacy, lawful access to data for law enforcement purposes, and online safety, which are the focus of the next section.

### Digital Sovereignty

For Microsoft, making 'Tech Fit 4 Europe' includes addressing the valid concerns behind calls for Europe to be more 'digitally sovereign'. Making this "Europe's Digital Decade" requires secure, trusted digital infrastructure and services that allow European industries and citizens to benefit from the value of their data.

Europe has a legitimate interest in remaining competitive and retaining control over its data. This self-determination is the essence of digital sovereignty – and it is something all market participants, including U.S. tech companies, need to respect and follow.

By leading with a rules-based approach, Europe can build on state-of-the-art technology to reap the benefits of the digital economy without compromising on its principles and decades-long commitment to competitive and open markets. Microsoft wishes to play an active role in contributing



to Europe's global competitiveness with technology that is built with respect for European values and fundamental rights and meets the highest standards of privacy, security and transparency.

Most recently, in November 2020, Microsoft were pleased to become members of and to have the opportunity to contribute to the [GAIA-X](#) project. We believe it is critical for European companies to have the freedom and flexibility to choose from among many paths to cloud adoption.

### Digital Services Act

Online platforms are transforming the way we live and work. They have changed the way we communicate with one another, created new channels for expression and creativity, and enabled almost instantaneous access to a broad range of information. They have expanded the reach of commerce, transformed commercial relationships, and created new opportunities for businesses big and small. While digital advances bring us daily benefits, they also raise a host of complex questions, including what steps should be taken to ensure healthy and vibrant competition and innovation in digital markets and to guarantee that consumers reap the potential benefits of those platforms.

Microsoft responded to the recent European Commission consultation on the Digital Services Act (DSA), which is expected to propose an update of e-commerce rules, as well as ex ante regulation, if deemed necessary, to protect and promote competition and innovation in digital markets. In our [response](#), Microsoft outlined our support for harmonised EU regulation to avoid fragmentation. In both areas, Microsoft supports a solution that encourages a fair and safe online environment. At the same time, we emphasise the need to distinguish and adapt the rules for digital services in line with the risk that the services pose.

Microsoft articulated our support for the development of an appropriate ex ante regulation to address certain practices of online platforms acting as 'gatekeepers.' It is critical, however, that any such regulation carefully balance the competing interests at stake. It should avoid interventions that could quash or stall innovation and harm consumer welfare, and it should include procedural and substantive safeguards that protect the rights of defence of those impacted.

### Open Data

Improved access to data, with the right frameworks and greater openness, can build towards better economic outcomes and more collaborative, effective solutions for the challenges we face as a society. The European Commission expects the value of the data economy to rise to €829 billion by 2025, up from €301 billion in 2018.

Microsoft launched its [Open Data campaign](#) in April 2020 to advance a much-needed discussion about how the world uses and shares data. Microsoft believes everyone can benefit from opening, sharing, and collaborating around data to make better decisions, improve efficiency and even help tackle some of the world's most pressing societal challenges. To fully realize the benefits of data, policymakers and industry must develop mechanisms to share data across organizational and territorial boundaries in ways that are in line with EU laws and values while allowing for effective data re-use.

We are clear that the Open Data Campaign does not advocate for mandatory data sharing, but instead encourages companies and stakeholders to share and collaborate around data voluntarily. Microsoft supports and aligns with the principle put forward in the European Commission's Data Strategy of "as open as possible, as closed as necessary". Our campaign makes clear that open data and better data collaboration should reaffirm and not undermine existing privacy laws and regulations. We've also adopted a set of principles to guide our own efforts on data collaboration, based on the themes of openness, usability, empowerment, security, and privacy.

We are committed to working with European governments to make sure that data is more accessible to companies and organizations of all sizes. Making data as open as possible benefits the largest number of people in ways that also protect early adopters and enables a thriving and innovative technology ecosystem in Europe. Getting to that point calls for a more open and collaborative approach to data, as well as rethinking how we should perceive its value.

In Ireland, as elsewhere, public sector bodies have a key role to play in improving and promoting the use of effective legal agreements and governance tools that facilitate access to data by all users. Without frameworks for data sharing between organizations, we risk a trust deficit.

# Digital Leadership: Trust in the Digital Environment

## Artificial Intelligence

Microsoft believes that AI deployment must respect timeless values based on the European Charter of Fundamental Rights and the democratic principles shared by all EU Member States. Ethical AI should be based on common principles such as fairness, reliability, safety, privacy, security, and inclusiveness, and underscored through transparency and accountability.

As a company, Microsoft has been clear at the highest levels that safeguards on the use of AI are appropriate. Organizations that develop or deploy AI should take primary responsibility for adopting these safeguards. We also support regulation in certain scenarios, such as the use of facial recognition for identification purposes.

Microsoft welcomed the regulatory proposals set out in the European Commission's White Paper on Artificial Intelligence earlier this year. Much of what is in the White Paper aligns with Microsoft's own thinking about responsible AI, and the role of regulation in helping build consumer confidence and trust in AI.

Microsoft supports the White Paper's targeted and risk-based approach that remains focused on first tackling use cases with the potential to pose material risks to individuals and society. To this end, it will be important to carefully identify those scenarios that pose a material risk of individual or societal harm and hence require legal safeguards.

One pressing question is how the use of biometric technologies such as facial recognition will impact our society? This technology brings important and even exciting societal benefits, but also the potential for abuse. The facial recognition genie, so to speak, is barely emerging from the bottle. Microsoft believes that facial recognition technology should be regulated. Unless we act, we risk waking up five years from now to find that facial recognition services have spread in ways that exacerbate societal issues such as discrimination. By that time, these challenges may become more difficult to bottle back up. It is time to work on new regulations for these technologies.

As Mark Twain once noted, *"The secret of getting ahead is getting started"*. The time to start is now.

Ireland has an opportunity to use its planned new AI strategy to set out a framework and principles for how, together with European partners and the European Commission, it can deliver in line with an EU AI policy framework that will be world leading.

The advantages to Ireland of such an approach are clear:

- Irish leadership: Ireland would be seen as taking a global leadership position on a defining technology of our time;
- EU frontrunner: by moving early, Ireland would position itself at the centre of EU policy making in this area;
- Investment and research: FDI and academic researchers would be attracted to a progressive location that has taken a leadership position on AI;
- Enterprise adoption of AI: creates a sense of certainty and confidence in AI, therefore encouraging adoption by businesses, which would help drive productivity gains in Irish enterprise.

### Actions to Support AI Policy Leadership

1. Set out a clear statement of intent outlining Ireland's determination to be a leader in AI and its regulation;

2. Outline structures and timelines for delivering on this ambition in the Government's forthcoming AI strategy;
3. Announce the establishment of a time-bound AI Advisory Council comprising academic, civil society and industry) to support the work of Government;
4. Host a major international thought leadership event on AI and ethical principles – possibly using the Digital Summit as the platform for such an event;
5. Build institutional capacity and expertise on AI within Government and the wider public sector through CPD training and courses;
6. Deploy additional diplomatic resources at EU level to support Ireland's leadership on AI regulation – and other digital issues;

## Data Protection: Personal Privacy

At Microsoft, we believe that privacy is a fundamental human right that requires a commitment to provide robust data protection for every individual and organization. Microsoft recently announced new protections ([Defending Your Data](#)) for our public sector and enterprise customers who need to move their data from the European Union, including a contractual commitment to challenge government requests for data and a monetary commitment to show our conviction. Microsoft is the first company to provide these commitments in response to clear guidance from data protection regulators in the European Union.

Privacy is a core value for us at Microsoft because we believe people will only use technology if they can trust it. We were the first cloud provider to work with European data protection authorities for approval of Europe's model clauses and the first to adopt new technical standards for cloud privacy. We have been enthusiastic supporters of the GDPR since it was first proposed in 2012 and have extended core rights under the GDPR to consumers around the world.

We are committed to maintaining the timeless value of privacy and preserve the ability for our customers to control their data. We work to earn the trust of our customers and partners every day by focusing on six key privacy principles:

1. Control: We will put customers in control of their privacy with easy-to-use tools and clear choices.
2. Transparency: We will be transparent about data collection and use so customers can make informed decisions.
3. Security: We will protect the data customers entrust to us through strong security and encryption.
4. Strong legal protections: We will respect local privacy laws and fight for legal protection of customer privacy as a fundamental human right.
5. No content-based targeting: We will not use customer email, chat, files or other personal content to target ads to customers.
6. Benefits to you: When we do collect data, we will use it to benefit you and to make your experiences better.

These principles form the foundation of Microsoft's approach to privacy and will continue to shape the way we build our products and services. Defending Your Data makes a substantial addition to our foundational privacy promises and builds on the strong protections we already offer customers: strong encryption; standing up for customer rights; transparency; and a track record of legal success.

Actions to Support Policy Leadership on Data Protection and Privacy:

1. Pursue alignment with GDPR for proposed EU rules on privacy in electronic communications.
2. Continue to support the scaling up of the Data Protection Commission

## Lawful Access: Fighting Crime and Protecting Public Safety

To fight crime and protect public safety, governments have a clear and compelling need to access digital data. Balancing that interest against citizens' expectation of due process and the rule of law is essential to maintaining trust in technology.

Microsoft wants to ensure that laws on law enforcement access to data in the digital world are as protective as in the physical world, with relevant safeguards. Microsoft works constructively within a broad stakeholder community, including with governments, industry peers, and civil society to develop laws, policies, and procedures that address law enforcement needs for access to data that also include robust protections for due process and civil liberties that ensure providers can meet their obligations to customers.

Microsoft has, for many years, been an advocate and leader of industry efforts to drive reforms and develop long-term solutions around lawful government access to customer data held, or entrusted to, cloud service providers. In many fora Microsoft has worked to secure the updating of outdated regulatory frameworks which address law enforcement needs, while providing privacy assurances, safeguards, and clarity for customers concerned about government access to their data.

Microsoft believes that citizens and customers have a right to know when governments have looked at or accessed their data. Accordingly, we advocate for the possibility and right of service providers to notify their customers accordingly. This is the first of the [6 principles for International Agreements governing law enforcement access to data](#) that we set out to inform developments at global level.

At European level, Microsoft continues to support the European Commission's e-Evidence proposal, which would simplify and streamline the rules for Member State law enforcement to obtain electronic evidence directly from online service providers in a different Member State. This represents an important first step towards more long-term solutions such as the adoption of an EU-US agreement. We encourage negotiators in the Council and European Parliament to prioritize adoption of the package with appropriate safeguards that respect European fundamental rights.

As the European home to many of the world's most successful online service providers, Ireland will have a significant and important role when this legislation becomes operational. From Microsoft's perspective, if the legislation is adopted with the right safeguards, it has the potential to enhance trust in online services and contribute to the success of the sector.

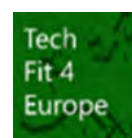
It is important for Ireland itself to strike a balance between public safety on one hand and personal privacy and freedoms on the other by adopting clear modern legal rules for lawful access to data, which protect citizens and maintain trust in technology.

Actions to Support Policy Leadership on Lawful Access:

1. Support long-term solutions at European and international level that incorporate appropriate safeguards and address cross-border conflicts of law;
2. Advance a modern domestic legal framework that enables lawful access to digital data for the purposes of fighting crime and protecting public safety, while safeguarding fundamental rights, the rule of law and due process.

## Online Trust and Safety

Microsoft continues to strive toward building and maintaining trust in technology. To sustain, increased use of technology needs to be underpinned by greater trust in the digital environment, with individuals, the public at large, and vulnerable groups in particular, confident that they can engage safely in online environment.



Online fraud, hate speech, discrimination and other divisive online risks are on the rise globally, according to results of Microsoft's latest research into aspects of digital civility - encouraging safer, healthier and more respectful online interactions. The [study](#), Civility, Safety and Interaction Online – 2020, surveyed teens ages 13-17 and adults ages 18-74 about their exposure to 21<sup>2</sup> different online risks. Microsoft's Digital Civility Index stands at 70%, the highest reading of perceived online incivility since the survey began in 2016.

The unique challenges of protecting children, the elderly and other vulnerable populations require a coordinated and comprehensive response. Microsoft has a longstanding commitment to protecting children in their daily, digital lives. Microsoft approaches online safety and child online protection with four key areas in mind: technology, self-governance, education and partnerships.

Microsoft's [Digital Safety Content Report](#) covers actions that Microsoft has taken in relation to child sexual exploitation and abuse imagery (CSEAI), terrorist and violent extremist content (TVEC), as well as non-consensual intimate imagery (NCII). Microsoft will continue to invest in reporting and transparency coupled with ongoing technology innovation to support our digital safety operations. We continue to take steps to ensure that our platforms and services remain safe and welcoming to everyone while respecting people's right to privacy and freedom of expression.

Microsoft has signed, and stands committed to contribute to the "[Alliance to Better Protect Minors Online](#)", a self-regulatory initiative by the European Commission, and around the world, Microsoft works with governments and civil society organizations to support programs that are aligned with a vision for a safer cloud.

With the proposed Online Safety and Media Regulation Bill and building on the existing Action Plan for Online Safety, Ireland has an opportunity to play a leadership role within the framework of European law to develop international best practice on regulating for online safety.

Actions to Support Policy Leadership on Online Safety:

- 1 Use the opportunity of the forthcoming Online Safety and Media Regulation Bill to establish Ireland's approach to regulating for online safety as international best practice.



# Case Studies

## Airband

### Case Study 1: Airband

- Microsoft’s Airband initiative uses TV white spaces technology to bring broadband connectivity to rural or underserved areas,
- Microsoft is working with the Department of Rural and Community Development, in partnership with the Department of Education and Skills and Libraries Ireland to deliver broadband to DEIS schools in Carlow, Donegal, Kilkenny, Mayo and Waterford,
- Airband is a concrete example of how Microsoft is partnering with governments and communities to deliver technology solutions that really work and transform lives,



## Labour Market Pulse



### Case Study 2: Labour Market Pulse (IDA, LinkedIn, Microsoft)

- Microsoft has partnered with LinkedIn and IDA Ireland to develop quarterly updates on Ireland employment dynamics utilising LinkedIn’s high frequency labour market insights,
- The project identifies in-demand jobs and the skills needed to fill them,
- By bridging the gap between job opportunities and the availability of skills, the Labour Market Pulse (LMP) can provide the insights to empower an inclusive and sustainable recovery,
- The LMP was launched (left) by the Tánaiste and the IDA in November following a call with the country managers of Microsoft and LinkedIn,

## UCD Digital Policy Studies

### Case Study 3: UCD Digital Policy Studies

- Microsoft is delighted to have partnered with UCD to deliver Ireland's first academic programme to help improve digital policy creation,
- UCD welcome students for the Certificate and Diploma in Digital Policy Studies in December, and welcomed its first Masters Programme students in September 2020,
- This programme is designed to support those in government with the skills and knowledge necessary to address the challenges to today's rapidly evolving digital world,



## Solar Energy for Irish Schools



### Case Study 4: Solar Energy for Irish Schools

- In partnership with SSE Airtricity, Microsoft has installed internet-connected solar panels on 27 schools across Ireland,
- The project will enable the schools to power their classrooms using solar energy, reducing their carbon footprint and energy costs,
- The panels are connected to Azure, Microsoft's cloud computing programme allowing students to track real-time energy use supporting their education on climate change and how technology can help create more sustainable communities,

## DreamSpace

### Case Study 5: DreamSpace

- At Microsoft’s DreamSpace Hub in Leopardstown, students from across Ireland are given an immersive digital skills experience, giving them skills in both coding and creative design,
- The programme has engaged approximately 17,000 students with core STEM capabilities and Microsoft Ireland has expansion plans to reach 100,000 students over the next two years,
- While current pandemic restrictions preclude students from visiting the DreamSpace Hub, Microsoft Ireland is supporting schools and teachers to engage students in critical digital skills learning through its virtual DreamSpace Digital Education Programme,
- The online portal also allows [DreamSpace TV](#) with online video lessons partnered with RTÉ to reach as many students and teachers as possible,



## Oireachtas



### Case Study 6: Oireachtas

- With stay-at-home measures and social distancing in place, the normal business of the Legislature is frustrated,
- Deploying Microsoft Teams and Surface Book devices for members of Dáil Éireann and Seanad Éireann,
- Microsoft Teams is now supporting remote meetings of Parliamentary Committees and enabling the work of the Parliament to proceed during COVID-19 lockdowns,

## HSE Senior Management Dashboard

### Case Study 7: HSE Senior Management Dashboard

- Microsoft worked with the HSE to develop a Senior Management Dashboard delivering improved reporting and supporting improved decision making for HSE leadership,
- The Dashboard utilised diverse data source from across the HSE to provide a Data Lake on Microsoft's Azure cloud,
- Microsoft also worked with Ireland's health services to support the delivery of services throughout the pandemic including development of a Health Bot; Patient Management System; Track and Trace; and Lab Testing,



## Resources

Accenture (2020), [The green behind the cloud](#)

ADAPT SFI Research Centre (2019), [AI Accelerating Impact](#)

American Chamber of Commerce Ireland (2018), [The Strongest Link in the Chain: Ireland's Global Cyber Security Leadership](#)

BCG (2020), [The Evolving State of Digital Transformation](#)

Carbon Trust (2014), [Homeworking: helping businesses cut costs and reduce their carbon footprint](#)

Deloitte (2019), [Cloud as innovation driver](#)

Digital Europe (2019), [Case studies on artificial intelligence](#)

e-Estonia (2019), [Estonia as an international cybersecurity leader](#)

e-Estonia (2018), [Government Cloud: Infrastructure as a service](#)

European Commission (2020), [Digital Economy and Society Index](#)

European Commission (2020), [Digital Economic and Society Index: Ireland](#)

Forbes (2018), [27 incredible examples of AI and Machine Learning in practice](#)

Gartner (2018), [Is public cloud cheaper than running your own data center?](#)

Host in Ireland (2020), [Irish Data Centre Market Report](#)

Ibec (2018), [Don't Stop Thinking About Tomorrow: priorities for our National Digital Agenda 2019-2024](#)

Ibec (2020), [Europe's Digital Future: Open for Business](#)

IDA Ireland, LinkedIn and Microsoft (2020), [Labour Market Pulse](#)

IDA Ireland (2017), [Ireland: AI Island](#)

LinkedIn (2019), [AI Talent in the European Labour Market](#)

Ibec (2018), [Don't Stop Thinking About Tomorrow: priorities for our National Digital Agenda 2019-2024](#)

Ibec (2020), [Europe's Digital Future: Open for Business](#)

ITU (2018), [Global Cybersecurity Index](#)

Marsh & Microsoft (2019), [Global Cyber Risk Perception Survey](#)

Microsoft (2020), [White Paper: Building resilience and maintaining innovation in a hybrid world](#)

Microsoft (2020), [EU Policy Blog: It's time to make Tech Fit for Europe](#)

Microsoft (2020), [Microsoft on the Issues: Defending Your Data](#)

Microsoft (2020), [Microsoft announces it will be carbon negative by 2030](#)

Microsoft (2019), [Five Ideas for Five Years](#)

Microsoft (2018), [A Cloud for Global Good: A roadmap to a trust, responsible and inclusive cloud](#)

Microsoft & WSP (2018), [The carbon benefits of cloud computing: A study on the Microsoft cloud](#)

NTT Security (2019), [Global Threat Intelligence Report](#)

OECD, [AI initiatives worldwide](#)

OGCIO, Microsoft & Tufts University (2018), [Enabling Digital Ireland](#)

PWC (2018), [Shining a light on fraud: Irish economic crime survey 2018](#)

Smith & Browne (2019), [Tools and Weapons: The Promise and the Peril of the Digital Age](#)

UK Government (2019), [A guide to using artificial intelligence in the public sector](#)

UK Government (2017), [Government Cloud First Policy](#)

UKN Group (2019), [Cloud vs. on-premises: cost differences](#)

United Nations (2020), [E-Government Survey 2020](#)

United Nations (2020), [E-Government Development Index 2020 – Ireland](#)

WSP (2018), [Microsoft-WSP study highlights environmental benefits of cloud computing](#)

World Economic Forum (2016), [Global Information Technology Report](#)

World Economic Forum (2016), [Digital Transformation of Industries – Healthcare Industry](#)

World Economic Forum (2016), [Digital Transformation of Industries – Digital Enterprise](#)

World Economic Forum (2018), [Digital Transformation Initiative – Executive Summary](#)

World Economic Forum, [Centre for Cybersecurity](#)

WSP (2018), [Microsoft-WSP study highlights environmental benefits of cloud computing](#)

## 2019 INDECON report on Microsoft in Ireland

# Microsoft Ireland Economic & Social Impact

Through the scaling up of our skills, capability and presence over three decades, Microsoft Ireland is driving transformation for customers, nurturing a vibrant ecosystem and enabling NGOs to harness the power of technology for societal good.

### Economic

**100 to  
2,500**  
employees from  
1985 to present



Home to regional  
and global functions



Partnering with a  
network of  
**1,000**  
Irish businesses



Indirectly supporting  
**4,559** jobs



**€4.5bn**  
spend in Irish  
economy over last  
**5 years**



**600**  
Engineers with  
€27m investment in  
a new engineering  
facility

Social

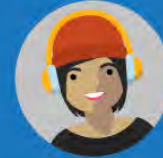


# Dreamspace

Giving digital skills experience to

## 100,000 kids

over 4 years



# Education

## 52,000

Irish learners commenced digital skills training in 2020



## 15,500

unemployed supported with skills training

# Philanthropy

## €100m

in software donated in 30 years

## €5m

worth of employee time donated over 5 years



# Indecon

Data collated by Indecon International Economic and Social Consultants as part of Economic Impact Assessment of Microsoft Ireland 2019





Microsoft

For more information contact:

**Ciarán Conlon**

Director of Public Policy, Microsoft Ireland/EGA

This submission is made on behalf of the Innovation and Enterprise teams at Munster Technological University (MTU).

## **Introduction**

MTU plays leadership role in the economic, social, and cultural development of the Southwest region through connected, collaborative, responsive and inclusive education, engagement, research, and innovation. While the primary focus of MTU is on the region, its success is predicated on having a national and international outlook.

To deliver its entrepreneurship and enterprise programmes, MTU operates The Rubicon (Cork) and Tom Crean (Kerry) business incubation centres, which are home to 81 start-ups employing more than 300 people. Both centres play a key role in the University's entrepreneurship and regional development strategies, providing start-up businesses with an optimum environment to build and scale international businesses, by combining office space with business support services in an environment containing a network of entrepreneurs and access to the staff, students, and expertise in both institutions.

The Enterprise teams at MTU welcome the opportunity to contribute to the future direction of Enterprise Policy in Ireland.

- **Third Level Entrepreneurship**

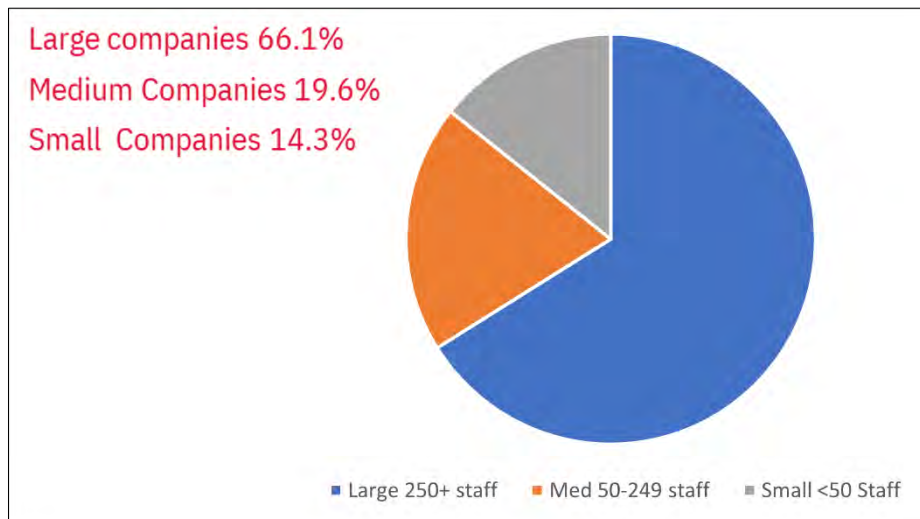
It is widely accepted that the competitiveness and prosperity of the Irish economy depends on the application of knowledge, innovation, and entrepreneurship. The 2021 Report of the SME Taskforce: National SME and Entrepreneurship Growth Plan An ambitious long-term strategic blueprint for Irish SMEs and Entrepreneurs once again reiterated the need for developing entrepreneurial talent at third level (p 19-20). In addition, there is a need to develop the skills required to reflect the complexity of all businesses, to drive business growth and meet the challenges being faced by business and society. These skills can be provided through entrepreneurial training and experiences on campus. More graduates, at some time during their career will be self-employed or will set up their own business. Increasingly, employers require employees with enterprising skills including employers in the voluntary and public sectors. Individuals also need to be more enterprising to be self-reliant and cope with changing lifestyles. In our view it is essential that students in formal education are given the opportunity to develop and practice entrepreneurial skills irrespective of discipline of study. MTU has become a thought leader in third level entrepreneurship. Over the last 3 years there has been an increased focus on expanding these activities to the MTU student population. MTU has an outstanding track record in this area which has resulted in student entrepreneurship and innovation being recognised as a particular strength in MTU. The activities are underpinned by the innovation and entrepreneurship expertise in the two campus incubators (Tom Crean and Rubicon Centres), Innovation and Enterprise functions and innovation and entrepreneurship lecturers and champions in various MTU campuses. The aggregate number of students, staff and external stakeholders involved in these activities is approximately 5,500 participants annually. Over 250 students take part annually in the Prize for Innovation, either as an individual or part of a multidisciplinary team. Student Inc our Summer accelerator programme had 161 applications for the 2021 programme. The 2022 Innovation Challenge had 100 students work on 15 challenges posed by 9 external stakeholders (Industry, charity, and public sector organisations). Business Model Canvas (BMC) training was delivered remotely in 2020 and 2021 and for many first years it was their only opportunity to work with their fellow classmates. Annually over 1,000 first years take part in BMC training. Annually around 500 students pitch new product ideas as part of an academic module to members of the innovation and enterprise

teams. Innovation and Enterprise Month which runs annually in Mach attracts over 3,500 participants through the various on campus competitions and events. Across MTU departments, students have won many awards and competitions nationally and internationally, particularly our Engineering students. **Like MTU the other TUs are particularly strong in training and supporting entrepreneurs and we would welcome funding to leverage this expertise to facilitate further enterprise and entrepreneurial activity and training among the third level student population. We would also welcome a cross agency approach to third level entrepreneurship (HEA/EI/SFI). Scope for increasing R & D in SME's, in manufacturing and particularly this region.**

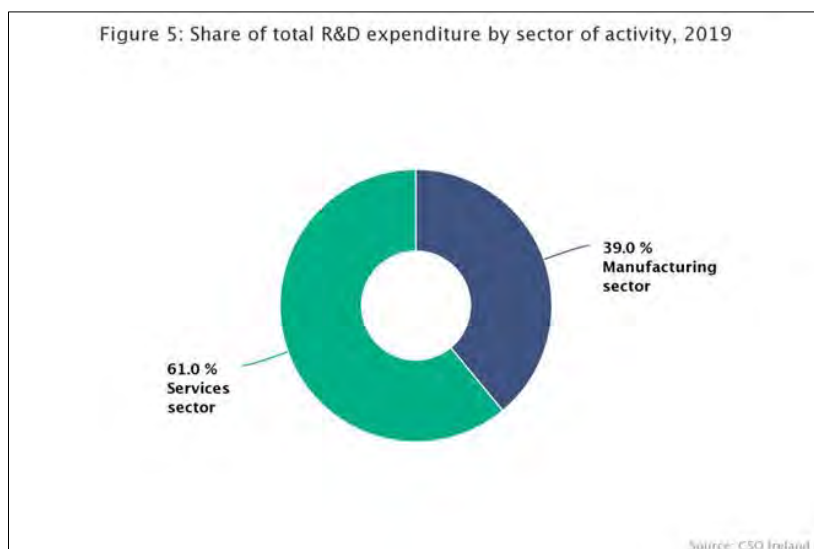
- **Innovation in SME's and the Regions**

The CSO report on Business Expenditure on R & D (BERD) 2019-2020 provides interesting insight on the level of innovation taking place within companies in Ireland. Specifically, it highlights the scope for further involvement by SMEs in R & D, with most of the R & D spend is undertaken by large companies.

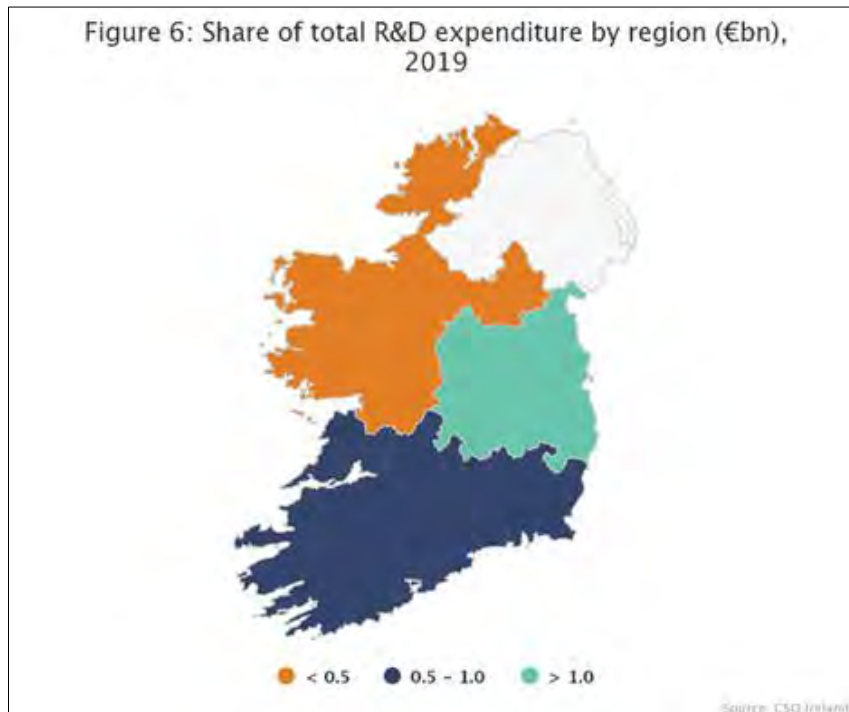
See graph below taken from the survey.



The survey also indicates scope for innovation in the manufacturing sector, figure 5 from the survey (below) shows that only 39% of the R & D spend is in the manufacturing sector. There is massive scope for innovation in Digitisation, Internet of Things, and Industry 4.0, in addition to product innovation.



The BERD also shows (see Fig 6 below) the concentration of R & D activity in companies in the Dublin and East region where over €1 b was spent on R & D in 2019 and the scope for improvement in the other regions.



**The Research and Innovation funds for SME's (Agile Fund, Innovation Partnerships, and Innovation Vouchers) would be significantly complemented by the availability of Innovation Training for SMEs to maximize their internal innovation capacity, to maximize innovation relationships with HEI's and to absorb external innovation capacity (relationships with suppliers and customers). MTU has found that providing such training in advance of innovation projects with industry has led to a much more efficient innovation process and use of funding.**

- **Investment in Research & Human Capital to maximise the potential of Enterprise Hubs.**

The importance of Enterprise Hubs in the SW Region is demonstrated under Strategic Objective 2 of the SWREP to 2024, with eight actions identified to maximise the potential of hubs to support digitalisation, business growth, climate action, and smart working. Enterprise teams at MTU in both Cork and Kerry have for the past number of years played a central role in collaboration between enterprise hubs in the region. As an action under the Southwest Regional Enterprise Plan to 2020, MTU established the Kerry & Cork Hub Networks. These representative peer networks were established to provide operational and management support to hub teams, to increase dissemination of information to all hubs, and to apply a more strategic approach to funding and promotional opportunities. Both hub networks are Chaired by MTU Campus Incubation teams in Cork and Kerry, and through this role, MTU will lead several of the actions in Strategic Objective 2 and/or work in partnership with other key representative bodies.

The role of the hub community to provide space for innovation, remote working, FDI landing space and to integrate with industry to drive smart digitalisation and decarbonisation, is an essential pillar

in the future of enterprise in Ireland. Through MTU's participation in European Enterprise projects, initial explorations have determined that the organised nature, diversity, and quality of hubs that exists in Ireland is not present with our international counterparts. This provides a significant opportunity for Ireland as it seeks to attract FDI to the regions and nurture a culture of innovation - ensuring skills and talent not only remain in the regions but are attracted to locate there.

The Enterprise teams at MTU welcome recent funding allocations through Enterprise Ireland, the DRCD, the WDC and Local Authorities, for post-pandemic recovery measures and further development of the national hub network. These funding calls and schemes provided a lifeline to many hubs in the SW Region, enabling them to upgrade, digitalise, and provide additional and essential communication, collaboration, and innovation resources to their local communities. It has also funded the development of accredited training programmes for hub staff and management, providing a vital path to progression and excellence in the sector.

**Now that investment has been made in the physical infrastructure of hubs, additional and consistent investment in research (to establish international benchmarking, best practice, and strategic linkages) and human capital (hub staff and management teams) is required. Investment made to date in hubs will be wasted if the 'community' within and around each hub is not developed and maintained.**

- **Coordinated supports for start-ups and measuring the impact of interventions**

MTU delivers several start-up and entrepreneur development programmes across Cork and Kerry. MTU recognises that many of the participants coming onto these programmes are already or will be part of a thriving enterprise ecosystem in the region, and beyond. Enterprise partners that provide supports to the start-up community within which MTU operates include Enterprise Ireland, Local Enterprise Offices, Local Development Companies, Udaras na Gaeltachta, national accelerator programmes, and other third level institutions, among others.

**To ensure, enterprise policy provides the most appropriate supports, greater coordination and increased measurement of success and impact is required. The production of standardised metrics and access to key information (funding, investment etc.) will enable all enterprise support partners to deliver the most effective supports to recipients and provide a platform which can critically evaluate the impact of policy and funding interventions.**

- **High potential social enterprises**

Social enterprises create jobs, provide innovative services and products, and promote sustainability. According to the European Commission, the social entrepreneurship sector currently employs around 40 million people and engages over 200 million volunteers globally – and is growing.

The world's most established economies recognise the value of social enterprises. In France in 2015, the social and solidarity economy sector accounted for 223,000 businesses, 2.34 million employees and 10.3 percent of national employment. It also accounted for almost 8 percent of the gross domestic product (GDP). The UK's social enterprise sector contributes three times more to the economy than the agriculture sector, according to Social Enterprise UK's (SEUK's) 2018 report – 'The Hidden Revolution'. It is far more significant than previously estimated. Social enterprises are worth £60bn to the UK economy, 3 percent of GDP and 5 percent of all employment. The report also found that Britain's top five cooperatives – a form of social enterprise – pay more tax than Amazon, Facebook, Apple, eBay, and Starbucks combined.

**Social enterprise in Ireland has grown in terms of recognition of positive societal and environment impact, and funding has been made available, primarily through DAF. However, there is still a gap in funding and investment in social entrepreneurs and social enterprises that are in the early stages perceived to be non-commercially viable. For social enterprises to realise their potential in Irish society, policy needs to reflect that many social enterprises have the potential to scale and achieve high potential status, on a par with solely commercial entities. This change in mindset, by virtue of a commitment to the status of social enterprise and appropriate funding supports (access to supports such as New Frontiers Entrepreneur Development [or a similar programme specifically for social entrepreneurs], HPSU investment, LEO supports etc.) will ultimately help Ireland to achieve its economic, environment and social targets.**

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This submission was prepared by:

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External Services Manager

Munster Technological University – Kerry Campus



# Department of Trade Enterprise and Employment

## White paper on enterprise policy

NDA submission August 2022

### Introduction

The National Disability Authority (NDA) is the independent statutory advisory body on disability policy and practice, and on Universal Design. It is within this remit and area of expertise that the following comments regarding the Department of Trade Enterprise and Employment (DETE) development of a White Paper on Enterprise are offered.

### Employment and Inclusive enterprise

The NDA advise that a concerted effort is required to address the persistent employment gap for persons with disabilities in Ireland. Currently the employment rate of persons with disabilities in Ireland is about half of the rate for persons without disabilities - 36.5% vs. 72.8% (aged 20-64) in 2016<sup>1</sup>. Within the EU, Ireland has one of the largest disability employment gaps. However, among people with a disability who are employed, 14.8% are self-employed in Ireland.

Data from Europe and the US suggests that self-employment rates are higher among disabled people than those without (e.g. Schur 1997; Blanck et al. 2000; Boylan and Burchardt 2002; Meager and Higgins 2011). A study of 13 of the then 15 EU member states using European Community Household Panel data for the period 1995-2001 found that self-employment rates among disabled people are higher than among people without disabilities<sup>2</sup>.

This evidence illustrates how enterprise routes such as self-employment and entrepreneurship are increasingly important employment options for people with disabilities. This fact is further evidenced in a 2021 consultation with people with acquired disabilities in Ireland, where respondents stated that they found it challenging to find information and services to support them back to work after

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<sup>1</sup> CSO Census 2016: [NDA Factsheet 2: Employment | The National Disability Authority](#) The NDA has also analysed data that shows that among 16-24 year olds, the percentage of disabled people who are not in education, employment or training (NEET) is also more than double that of those in this age group who do not have a disability – at 23% vs 10%.

<sup>2</sup> Ricardo Pagán (2009) Self-employment among people with disabilities: evidence for Europe, *Disability & Society*, 24:2, 217-229, DOI:[10.1080/09687590802652504](#)

acquiring their disability or condition, with 47% finding it very difficult or difficult.<sup>3</sup> With some of these respondents suggesting that self-employment was their preferred employment option.

## Recommendations

The NDA recommend that DETE's white paper on enterprise policy requires a detailed section on inclusive enterprise and what inclusive enterprise means in an Irish context. Designing an enterprise policy that is both inclusive and responsive to marginalised groups can bring people from diverse backgrounds in from the margins. Universal Design Principles and Guidelines<sup>1</sup> can be used to ensure that the next enterprise policy is more equitable for all. The NDA also recommend that all parties involved with preparing enterprise related communications, work to align these communications with the design guidance in the NDA/CEUD – DPER co-published, Customer Communications Toolkit for the Public Service - A Universal Design Approach.

The NDA also recommend that the white paper on enterprise policy to 2030 requires a statement of intent regarding the inclusion of disabled people as entrepreneurs and business owners, and requires measures and interventions that will support more people with disabilities to access supports and services. A narrative within the white paper can include the innovations that disabled people have designed and introduced both locally and nationally, for example Izzie's wheels<sup>4</sup>, Mobility Mojo<sup>5</sup> and other Irish entrepreneurs with disabilities<sup>6</sup>. Moreover this section of the white paper should be informed by the OECD<sup>7</sup> who facilitated a workshop examining inclusive entrepreneurship for Ireland, resulting in the production of a high-level roadmap describing steps that can be taken in Ireland to strengthen entrepreneurship training schemes and supports for the noted target groups.

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<sup>3</sup> <https://nda.ie/file-upload/experiences-of-support-for-return-to-work-among-people-with-acquired-disabilities-or-conditions.pdf>

<sup>4</sup> <https://www.izzywheels.com/>

<sup>5</sup> <https://www.mobilitymojo.com/>

<sup>6</sup> 21 Award Winning Irish entrepreneurs who have a disability | Focusondiversity.ie

<sup>7</sup> OECD workshop for DETE on the results of the OECD-EU Better Entrepreneurship Policy Tool, April 28 2022



## Establishing inclusive enterprise growth policies

The Department of Trade Enterprise and Employment acknowledges the diverse reach a future focused enterprise policy fit for Ireland requires. By addressing challenges faced by businesses including micro enterprises and SMEs to the Multi-National firms based in Ireland such a policy must have a level of specialism relevant for each sector. This recognition of specialism and individual target groups can be informed by OECD reporting on countries entrepreneurial practices. OECD work in this area has consistently reported on the omission of marginalised groups in enterprise and more specifically entrepreneurship policies. This omission has led to a series of publications called ‘untapped potential’.<sup>8</sup> This work should be referenced in the DETE white paper. To ensure inclusion of diverse or marginalised groups’ enterprise policy concerns, strategies and instruments will need to vary across different subgroups within the enterprise cohorts. Therefore policy action will need to address multiple sources of disadvantage in order to improve self-employment/ enterprise inclusion rates among multiple disadvantaged groups. DETE can acknowledge the role of the wider ecosystem of social welfare benefits and educational programmes which need to ensure that disabled people are not penalised because they embark on entrepreneurship or self-employment.

### Regional development

An enterprise policy that is ‘fit for purpose’ will require further support and develop local infrastructure. Local and regional supports can be redesigned to ensure that people with disabilities are informed about and supported in enterprise endeavours. This action should include local enterprise offices (LEO) being accessible and that mentors and contractors employed by LEO are competent in supporting people with disabilities who make contact with their local offices. A study from Harper and Momm<sup>9</sup> identified that many people with disabilities who are in business for themselves, like most other entrepreneurs, never received any help from official institutions but merely made the best of their resources, using whatever family or other supports available at that time. This study also found that many enterprise support agencies still do not recognise or appreciate that people with disabilities face additional and distinctive challenges when establishing their own business and that tailored solutions are required if agencies wish to address such challenges in a supportive fashion. Addressing

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<sup>8</sup> <https://oecdcofoto.blog/2021/12/03/open-for-business-how-to-create-opportunities-in-entrepreneurship-for-everyone/>

<sup>9</sup> [https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS\\_PUBL\\_9221064573\\_EN/lang--en/index.htm](https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_PUBL_9221064573_EN/lang--en/index.htm)

these barriers is through local and regional development plans with clearly described goals relevant to disabled people, with resources and implementation timelines.

Ireland through the offices of Pobal work with OECD's Local Economic and Employment Development Programme have worked on a joint OECD/ EU commission initiative. This joint project has led to the development of 'The Better Entrepreneurship policy tool'<sup>10</sup> which describes implementation of supports for social enterprises and inclusive entrepreneurship. This tool should be operationalised in the next enterprise policy.

### **Skills and talent availability to support enterprise development**

Across the spectrum of enterprise support development, certain strategies are required. A 2011 International study on Income Generation Strategies<sup>11</sup> analysed 81 self-directed employment projects. This study highlighted four success factors:

1. A self-directed identity (self-confidence, energy, risk-taking);
2. Relevant knowledge (literacy and numeracy, technical skills, business skills);
3. Availability of resources (advice, capital, marketing assistance);
4. An enabling social and policy environment (political support, community development, disability rights)

These practical skills are important competencies to support enterprise development and should be made available in flexible delivery options including part-time.

For an enterprise policy to benefit from technological and design developments, creative ways of encouraging talent are necessary. For 9 years The Universal Design Grand Challenge (**UDGC**) a student competition<sup>12</sup>, which promotes and awards excellence in student projects that feature solutions that work for everyone has generated such innovations.

### **Enterprise policy support for the Sustainable Development Goals,**

Global Sustainable Development Goals (SDG) now include disabled people. These goals with the Irish government's ratification of the United Nations Convention on the Rights of People with disabilities requires commitments to

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<sup>10</sup> [Homepage | The Better Entrepreneurship Policy Tool](#)

<sup>11</sup> cited in World Health Organisation/World Bank (2011): 247

<sup>12</sup> <https://universaldesign.ie/awards/student-awards/>

deliver in the next enterprise policy. The SDG's identify people with disabilities in a number of key objectives pertinent to the new enterprise policy. These are:

- 4 Quality Education
- 8 Decent work and Economic Growth
- 9 Industry Innovation and Infrastructure
- 10 Reduced Inequality
- 11 Sustainable cities and communities
- 17 Partnership to achieve the goals

SDG's and evidence from business and academic literature present a clear case for the inclusion of people with disabilities in the next Irish enterprise policy.

## **Why disabled people choose enterprise options**

Looking at the personal characteristics of disabled entrepreneurs, self-employment rates vary by type and severity of impairment, gender, education and residential location. Self-employment rates were higher among people who were severely limited in their daily activities than among those reporting some or no limitation in daily activities.<sup>13</sup> There is some evidence on self-employment rates among people with specific disabilities. Boylan and Burchardt (2002) found that, in the UK, men and women with musculoskeletal problems, and women with mental health problems, are particularly likely to be self-employed, while men with sensory impairments are relatively unlikely to be self-employed<sup>14</sup>.

Evidence gathered suggests that there are numerous benefits of self-employment for people with disabilities, including greater customisation of the job and flexibility in hours worked. For others, self-employment may offer more autonomy, a stronger sense of dignity or a greater opportunity to follow career aspirations. However, individuals with disabilities encounter a number of barriers and challenges to self-employment and entrepreneurship. Self-employment training and guidance is often not a major component of workforce development and for people with acquired disabilities the lack of vocational rehabilitation services continue to prevent individuals with disabilities from gaining critical business skills.

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<sup>13</sup> Jones, M. and Latreille, P. (2011) 'Disability and Self-employment: Evidence for the UK', *Applied Economics*, 43, 27, 4161-4178.

<sup>14</sup> Kitching J, *Entrepreneurship and people with disabilities*. OCED 2022 <file:///H:/Downloads/background-report-people-disabilities.pdf>

## Conclusion

The NDA recommends the following considerations for inclusion in the white paper on enterprise policy. Implementing these as key developments within the next enterprise policy will support more people with disabilities in their enterprise journey.

- Develop and articulate a vision statement that promotes the inclusion of all persons with disabilities in the new Irish enterprise policy, it is not sufficient to assume inclusion, disabled people should be included as a target group
- The data shows that self-employment and entrepreneurship are routes that disabled people are accessing, however with further support more people with disabilities will take this route.
- Develop and articulate a longer term vision for a fully universally designed enterprise policy. Include Universal Design (UD)) as a core methodology to underpin the design and delivery of an inclusive enterprise policy. The Centre for Excellence in Universal design (CEUD) promotes UD which is more equitable for all. The NDA also recommends that all parties involved with preparing enterprise related communications work to align with the design guidance in the NDA/CEUD – DPER co-published, Customer Communications Toolkit for the Public Service - A Universal Design Approach
- Give consideration to the particular requirements of disabled people ensuring those who need targeted supports have access to them. Using an approach that responds to the diverse needs of learners is important to achieve full inclusion. Things that may specifically benefit this group may include more access to part-time or evening courses.
- People with disabilities are understood to be included in 8 of the SDG, however a fully inclusive enterprise policy would also be in line with obligations in the UN Convention on the Rights of Persons with Disabilities (UNCRPD) in particular article 27<sup>15</sup>
- A Learner Pathway concept is in place in the Further Education and Training sector. This pathway can be adapted to include entrepreneurial and enterprise driven outcomes for all people. This approach can be seen as a mechanism to ensure prospective entrepreneurs and self-employed disabled people can identify a pathway into business for themselves.

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<sup>15</sup> <https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-27-work-and-employment.html>

The NDA, as the statutory advisory body on disability policy and practice, welcomes the opportunity to submit these recommendations to the white paper on enterprise policy of the Department of Trade Enterprise and Employment. We would also welcome an opportunity for further engagement and discussion with the department as the development of the white paper on enterprise policy takes shape.

## NIBRT submission to the Enterprise White Paper consultation

July 29<sup>th</sup>, 2022

Authors: Killian O’Driscoll, Darrin Morrissey

NIBRT – the National Institute of Bioprocessing Research & Training (NIBRT) – was established in 2005 as a partnership between IDA Ireland, and a number of Ireland’s other higher education institutes. The NIBRT facility, based at UCD’s Belfield campus, delivers a unique blend of cutting-edge training and research that addresses the critical issues for biopharma today, including the development of highly qualified staff and research to address biopharma’s manufacturing challenges. NIBRT, as Ireland’s leading biopharmaceutical manufacturing training and research institute, has played a central role in supporting the IDA to win over €10 billion in foreign direct investment from the world’s leading biopharma companies over the last decade.

### *Introduction*

Since the first recombinant protein therapeutic was authorised by FDA in the early 1980s, the biopharma industry has experienced exponential growth. The global sales of biologic-based medicines exceeded \$300 billion in 2021 with 13 of the top 20 medicines being biologics, including two mRNA-based Covid-19 vaccines and 10 antibody-based products.

Ireland’s life sciences sector has a global reputation for operational excellence and innovation. Leading industry names including AbbVie, Amgen, Janssen, Pfizer, Sanofi, MSD, Bristol Myers Squibb and Takeda have significant operations here. There are now over 40,000 people directly employed in IDA client companies. Ireland is the world’s third largest exporter of pharmaceuticals, with 80+ billion annual exports and pharma comprises 39% of annual exports from Ireland<sup>1</sup>.

The forecasts for the future growth of the industry remain strong, though there are considerable complexities and challenges to be navigated. NIBRT has identified five challenge areas, in which Ireland, with the right investment, can play a leading role.

### *More diverse and complex product pipelines – the rise of Advanced Therapies*

Monoclonal antibodies (mAbs) are predicted to remain the dominant type of biologic-based medicine for the foreseeable future. Indeed, after 20 years+ of intensive effort, mAb manufacturing platforms are mainly well understood and characterized. However, there is a fast emerging, unprecedented diversity in therapeutic pipelines driven by excellent fundamental science including Antibody Drug Conjugates, multi specific mAbs, cell therapies, gene therapies, RNA based therapeutics and vaccines, gene editing such as CRISPR/ CAS9, exosome-based therapies etc. The relationship between manufacturing and discovery /development is increasingly important. Future manufacturing investments for advanced therapies will increasingly be co-located with R+D operations.

### *Advanced manufacturing – Digital and data-based technologies*

With this increased diversity and complexity in the biologics pipeline, in order to remain competitive there is continued demand for new efficiencies, improved quality, and cost reductions in manufacturing processes. This demand is driving fundamental changes in facility design and the roll out of advanced manufacturing technology. Key trends in manufacturing innovation include:

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<sup>1</sup> <https://www.idaireland.com/explore-your-sector/business-sectors/biopharma>

- Increased focus on flexible and modular facilities with the agility and capability to manufacture multiple products.
- Implementation of Industry 4.0 / digitalisation technologies with a particular focus on automation and data analytics
- Increased adoption of single-use manufacturing systems
- Continued focus on improvements in host cell lines, culture media, expression systems, vectors, promoters etc, to increase in product yield
- Continuous processing, including upstream perfusion and downstream chromatography

### *Sustainability and climate action*

Biopharma manufacturing is energy and water intensive, which needs to be balanced with an ever-increasing focus on sustainable operations. Many firms are already taking the lead on this and in 2021, Eli Lilly while celebrating its 40th anniversary in Kinsale also opened the single largest solar farm in the Republic of Ireland<sup>2</sup>. The ground-mounted solar farm will produce up to 5.6MW of power allowing Lilly to reduce its annual use of electricity from carbon sources by almost 6GWH and its carbon footprint by 2,350 tonnes. J&J also is progressing its global plans to source 100% of its electricity from renewable sources by 2025, and the Janssen Biologics manufacturing facility in Cork has recently been designated as a World Economic Forum Sustainability Lighthouse site<sup>3</sup>.

### *Global challenges*

As always there are multiple external factors that will potentially impact on biopharma manufacturing including the evolving pandemic threat, international monetary and fiscal policies, supply chain challenges, inflationary challenges and geo-political developments.

### *The war for talent*

Access to a diverse talent pool with a broad range of multi-disciplinary skills will be a key determinant of future success. In 2021, the Financial Times, working with Cytiva, published the inaugural Global Biopharma Resilience Index<sup>4</sup>. Based on data from a survey of 1,165 biopharma executives from 20 countries, access to talent was identified as the primary weakness in the resilience of the global biopharma industry. 25% of respondents indicated that the sourcing of talent is a substantial or very substantial challenge, 50% said that the cost of talent has become a key issue. Indeed, the UK's Bioindustry Association estimates the UK alone will require 133,000 skilled life scientists by 2030<sup>5</sup>. This is not a new problem but one that has persisted for many years, and it is intensifying with the need for new skills associated with novel therapies and novel manufacturing technologies. Many regions are beginning to develop NIBRT like training institutes to help address this talent gap, for example Campus Biotech Digital (France), EU Biotech Campus (Belgium), Landmark Bio (Boston), Biocentriq (New Jersey), NHC (UK) etc.

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<sup>2</sup> <https://www.lilly.com/news/stories/lilly-solar-farm-in-ireland-reducing-carbon-emissions>

<sup>3</sup> <https://www.weforum.org/press/2022/03/factories-of-the-future-call-for-responsible-scaling-that-prioritizes-the-planet-and-people/>

<sup>4</sup> <https://www.ft.com/partnercontent/cytiva/biopharma-reaches-for-homegrown-talent.html>

<sup>5</sup> <https://themedicinemaker.com/business-regulation/how-to-plug-the-skills-gap>

To address these challenges and to support the next phase of biopharma-based economic development in Ireland, NIBRT recommends five strategic action areas for the Enterprise and Higher Education/ Skills state sector:

1. **A renewed commitment and focus on skills and workforce development** with a long-term strategy to develop appropriate solutions across all relevant levels (6-10) and all demographics, including the following actions.
  - Continued investment in NIBRT, to ensure Ireland maintains and builds on our workforce development competitive advantage on the international stage.
  - Further investment in reskilling and upskilling initiatives such as Springboard+ and Generation Apprenticeship.
  - As biopharma manufacturing becomes more complex and as higher value activity in Ireland grows, there is a need for new biopharma-focused structured PhD programmes to generate more level 10 graduates.
  - The evolving biopharma skillset requirements should be given increased priority by government and by the higher education institutes, e.g.,
    - Advanced therapeutics, including cell, gene and mRNA-based therapies and vaccines
    - Industry 4.0 / digitalisation technologies
    - Climate action and sustainability
  - Ensure Ireland, through NIBRT and other HEIs, plays a key role in ensuring vaccine skills capacity for lower to middle income countries, thereby supporting Ireland’s international reputation.
  
2. **Prioritised funding to build biopharma manufacturing research of scale, especially with regard to next generation biologics and advanced therapeutics**. In this regard, NIBRT welcomes:
  - IDA’s recent €21M investment in an expansion of the NIBRT facility to increase its activity in Advanced Therapeutics research and training,
  - Enterprise Ireland’s increased investment in the indigenous biopharma, including through the DTIF funding stream,
  - SFI’s increased investment in advanced therapeutics enabling projects and infrastructure.
  - The new EU Pharmaceutical Strategy<sup>6</sup> and subsequent launch of the Innovative Health Initiative<sup>7</sup> with a focus “on investment in research, development and manufacturing of new medicines”.

Nevertheless, sustained investment in building and expanding biopharma manufacturing research must continue to be a major strategic priority across all relevant state funders.

3. **Realise Ireland’s potential in next generation biologics and advanced therapeutics, through the development of a thriving indigenous and start-up ecosystem that complements our FDI success**. NIBRT proposes that a ‘cluster approach’ should be taken to accelerate the development of Ireland’s biopharma ecosystem and to enhance the creation of successful start-up companies in novel therapies and vaccines. Clustering could take a number of mutually compatible approaches, including:
  - Academic-centred investment, where various HEIs and Research Institutes would work together through a partnership based ‘hub and spoke’ model to drive advances in

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<sup>6</sup> [https://ec.europa.eu/health/human-use/strategy\\_en](https://ec.europa.eu/health/human-use/strategy_en)

<sup>7</sup> Innovative Health Initiative <https://www.ihl.europa.eu/>



diverse and novel biopharma areas, e.g., Cell & Gene therapies (Trinity College plus NIBRT), Future Medicines Manufacturing (UCC plus NIBRT and Tyndall), Small molecule manufacture (UL plus SSPC)

- Life science business park-centred investment, where supports are put in place by public and private sector to enable the FDI and indigenous start up sectors to work in close proximity to each other and to thrive from the critical mass of skills and capabilities built up in one location. This approach would be a blend of the UK Catapult model and the Biosciences model seen in various international locations (e.g., US – Philadelphia Springhouse Innovation Park, UK – We are Pioneer Group at various locations, EU – Leiden Biosciences Park)
4. **Driving leadership in sustainable biopharma manufacturing through the application of advanced manufacturing, including leveraging Industry 4.0 and digital transformation technologies.** NIBRT proposes that Ireland, through the new climate action plan, evolving growing green credentials and recent climate action initiatives led by multinational biopharma companies (e.g., Eli Lilly and J&J), should promote and support more biopharma manufacturing companies to improve their sustainability. This would in turn raise Ireland’s profile on the international stage as key player in sustainable medicines and vaccines manufacturing.
  5. **Establishing a Life Sciences Office at senior Government level to drive effective strategic planning and coordination between all stakeholders and ensure Ireland maximises its potential in life sciences.** Such a role could be created as part of or in close association with the Office of the Chief Scientific Advisor, and it would put the necessary focus on developing strategies to maximise the economic opportunities from complex and evolving life science, biotechnology and biopharmaceuticals sector. In particular, the Life Sciences Office could establish cross-departmental taskforces around high potential growth areas such as Advanced therapies, novel vaccines manufacturing, etc.

### Introductory paragraph

NSAI's work, across standards, certification, and metrology, is both vital and significant to an effective economy, and impacts on many aspects of everyday life for citizens and businesses. NSAI provides a channel for Irish businesses and societal stakeholders to engage and influence European and International Standards development that supports today's innovative and regulatory environment.

The consensus-achieving standardization process is a powerful force for good and provides critical support for enterprise policy. Through involvement in the International Organization for Standardization ISO and European Standards Development Organisations such as CEN, CENELEC and ETSI, NSAI's influential stakeholders and experts are helping to define standards to advance the digital transformation, transition towards the green economy, as well as address other economic and societal challenges.

In an increasingly digital world, the questions of who owns the technologies of the future, who produces them, and who sets the standards and regulates their use have become central to geopolitical considerations. In cognisance of this, NSAI prioritises wider and deeper roles for Irish standardisation participants to put Ireland at the forefront of developing technologies.

NSAI's new Strategic Plan<sup>1</sup> aligns strongly with important cross-Government priorities and enterprise policy for the coming years, such as in the areas of Climate Action and Sustainability; Digital Transformation; Construction, with a particular focus on Housing; Medical Technology and advancing industry including SMEs.

Indeed, NSAI's statutory functions and contribution to supporting a sustainable Irish economy and addressing challenges are recognised in several significant Government strategies such as Ireland's *Industry 4.0; AI - Here for Good; National Artificial Intelligence Strategy for Ireland; Climate Action Plan; and Future Jobs Ireland*. In national policies NSAI has been assigned strategic actions as part of a framework to help Government achieve its vision of Ireland as a leader in Digital Transformation and the Green Agenda ensuring Ireland's enterprise sector remains highly successful and resilient in the face of global challenges.

### Standards and RDI, Bridging the Innovation Gap supporting Enterprise Policy

At a national policy level, Innovation 2020, Enterprise 2025 and IMPACT 2030 emphasise the importance of standards to the RDI community in supporting an innovative Irish ecosystem. Standards facilitate the introduction of innovative products by providing interoperability between the new and existing products, services and processes. Furthermore, standards bridge the skills gap and aid in knowledge transfer. This is recognised at a European level through the emphasis placed on standardisation as a vital part of EU RD&I funding mechanisms.

Standards help build consumers trust and confidence in new technologies, thereby enabling the accelerated mass-market diffusion and adoption of related products and services. In effect, standards help bridge the innovation gap between research and global markets by enabling efficient and effective knowledge and technology transfer, resulting in maximum socio-economic and environmental benefits and impact. The earlier a company or RDI centre engages in the standards development process – integrated within their overall innovation process, the sooner they can bring their standards-informed innovation to competitive global markets, resulting in greater rewards.

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<sup>1</sup> [NSAI-Strategic Plan 2022-2026.pdf](#)

During the standards development process, new technical insights are gained as well as time-to-market advantage. Irish companies can add their own unique product or service innovations on top of the foundational standards. Hence, standardization leaders and fast-followers are fully prepared to successfully launch their standards-aligned products and services across international markets to meet the needs of consumers and society.

The New European Standardisation Strategy recognises the need for enhanced engagement in standards development by the RDI community, and to test the relevance of their results for standardisation. Through EU initiatives such as the recently launched "Standardisation Booster", there are significant opportunities for the Irish RDI community and associated Startups and SMEs, to aid in the co-creation process of standardization, supporting open innovation and cross-industry research development and industry activities.

### Supporting SMEs through standards as a core aspect of Enterprise Policy

Supporting SMEs is central to a successful enterprise policy in Ireland. In their recent extensive report on SME productivity and entrepreneurship in Ireland, the Organization for Economic Co-operation and Development (OECD)<sup>2</sup> emphasised the importance of engaging in standards development and standards use. The OECD highlighted that *'compliance with standards is underplayed as a lever to support SMEs to upgrade their management practices'*. The report also recommends that Ireland *"Increase policy attention to the role that adopting and developing international standards can play in enhancing SME productivity"*. It further states that Ireland should *"Increase support for international standards adherence by SMEs as an additional lever for encouraging upgrading to international best practice business management approaches"*. SMEs' compliance with industry standards could help SMEs to increase quality, win contracts with foreign-owned multinationals, engage in e-commerce and develop their intellectual assets and innovation. NSAI has been working with participants and stakeholders to provide a means to contribute to the successful implementation of these recommendations, in support of enterprise policy.

### Standards bring many benefits to Irish small and medium-sized enterprises such as:

- A source of competitive advantage to help Ireland fulfil its ambition to become a 'Global Innovation Leader';
- Common standards aid in the adoption and success of new technologies across society;
- Standards have an important role to play in aiding Irish businesses in the global market, by helping to improve the products and services they provide and enable access to foreign markets;
- Standards can be used as compliance tools for companies to conform with emerging European Legislation; and
- A new standard has been developed that will help strengthen and support innovation management across Irish businesses, including in SMEs (ISO 56000 series).

In any new enterprise policy, it will be important to consider ways in which Ireland can support greater engagement by Irish experts, Irish businesses and Irish SMEs both in national, European and international standards development. NSAI is a mechanism of ensuring that Irish interests, values and Irish innovation leaders influence the global direction of standards development in key priority sectors for Ireland.

### Twin green and digital transitions

Standards provide a solid base on which innovation can thrive and are essential tools to help governments, industry and consumers contribute to the achievement of each and every one of the UN Sustainability Development Goals (SDGs). To this end governments can rely on standards as a base on which to create

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<sup>2</sup> OECD report, 'SME and Entrepreneurship Policy in Ireland', launched 31st Oct 2019

public policy that helps further SDG goals such as *industry innovation and infrastructure, work and economic growth, water and energy efficiency, public health, and others.*

Standards play an essential role in the digital transformation process, offering numerous benefits and opportunities for digital technologies to shape the future for the better and achieve the SDGs concerned with Industry innovation and economic growth, in particular. They can provide global, transnational, multidisciplinary and potentially rapid solutions to current economic and future societal challenges. Standards set minimum requirements in terms of safety, security, reliability, efficiency, interoperability and trust. National adoption of standards in emerging technology will likely accelerate this trend, reducing the cost to businesses and increase customization of products and services, while sustaining innovation in which SMEs seek to compete more effectively in existing markets through innovative methods, such as "lights out manufacturing".

Standards can help achieve Ireland's national climate objective, as standards, provide methods for measuring, testing of emissions and open markets to the safe use of new technologies. They provide a common framework and solutions to complex and global green challenges.

The green agenda is critical for all organisations and businesses in terms of enterprise policy, addressing the challenge of sustainability requires a harmonised approach at a European level such as the European Green Deal. That recognizes the importance of standards being an integral part of the mechanism to deliver solutions. The Green Deal will influence the way we design, develop, and offer products, processes and services. Standards will be a mechanism to support this endeavour providing common frameworks and innovative technologies adoptions.

At a National Level NSAI is assigned and is already delivering on goals listed in the National Climate Action Plan 2021 Annex of Actions.

#### [Standards as a knowledge transfer mechanism supporting an Enterprise Policy Framework](#)

Central to enterprise policy and development is the availability of people with the necessary skills and talent to drive business success. Standards can be simply defined as a formula for the best way of doing something, they include the distilled knowledge and experience of world-renowned experts in their subject field. Consequently, standards play a role in knowledge transfer through the following means:

- ✓ **Keep up with leading technologies** - Standards provide information on leading industry technologies and innovations, and are the basis of continuing education through testing, certification, etc;
- ✓ **Access technology and knowledge that supports Irish Businesses entry to market** - Developing new standards or modifying existing standards enable Irish businesses to keep abreast of market, technology, and policy advances — knowledge of which supports entry to market and helps to enable interoperability and innovation;
- ✓ **Supports R&I research proposal acceptance** - Public funds (i.e. Horizon2020, Horizon Europe) value standards as a project outcome. Including standardization in research proposals can therefore increase proposal success and aid in transferring IP into global standards; and
- ✓ **Find new partners** - Standardization is a co-creation process that spans different roles and sectors, including those involved with new technologies. This makes it easy to connect with new and potential partners and gain market insights directly from users.

#### [Conclusion](#)

Standards are one of the key drivers for innovation, making yesterday's impossibilities tomorrow's reality. It is vital for enterprise policy to recognise the increasing importance standards play in assisting Irish businesses succeed, including within global markets. Any new enterprise policy should recognise the important contribution of the National, European and International standardization process in advancing the success of

the Irish and European economies. Such a policy should emphasise the importance of supporting and resourcing Irish businesses, SMEs, and Irish experts in engaging and influencing in international standardization to position the Irish enterprise sector as global leaders in their fields.

## **NERI Submission to the White Paper on Enterprise**

### Introduction

The justification for enterprise policy is that a society's overall well-being is enhanced by a faster, albeit environmentally sustainable, rate of inclusive economic growth over the longer term, and that properly designed enterprise policies can potentially facilitate growth as a tool to tackle societal challenges. Supports for enterprise are justified to the extent that the society-wide benefits outweigh the deadweight, opportunity and other costs of providing that support.

Economic growth comes from the accumulation and use of labour and capital inputs (i.e. investments in people and infrastructure and elimination of employment barriers) combined with improvements in the productivity of labour and capital arising from on-going scientific progress and technological change. Sustainable growth in per capita output depends on improving labour productivity.

A country's long-run productive capacity is ultimately a function of its innovative capacity. A country's innovative capacity is, in turn, a function of:

- (A) education levels and human capital;
- (B) prior investments in innovation infrastructure and in machinery and equipment;
- (C) the cost of knowledge production, diffusion and use;
- (D) the quality and diversity of capital markets and
- (E) government policies that support public and private research (R&D).

The economy's innovative capacity determines the level of innovation and the rate of technology diffusion.

Enterprise policy should focus on maximising the economy's overall innovative capacity. In particular, the government should increase public funding for both basic and commercially driven research in order to increase the production, diffusion and use of new ideas. This should be accompanied by the



establishment of more attractive and secure career paths for researchers and by the establishment of deeper collaborative linkages between government, firms and universities.

In addition, government should meaningfully increase investment in education, personal development, and skills, particularly in early years learning and measures to eliminate childhood poverty. Human capital is an essential input and complement to innovation.

Where capital markets are not well-functioning there is a case for some form of state support to provide patient long-term finance to support innovative effort and technology diffusion. Crucially, this concept of the state as investor entails taking equity stakes in high-risk and high-potential start-ups with an additional but less important secondary function of providing conditional<sup>1</sup> loans for private enterprise.

Mariano Mazzucato talks about the state as primarily an 'innovative mission-oriented investor of last resort' not a 'lender of last resort' and a 'sharer in risk-taking' and not just a 'reactive fixer of market failures'. For example, she emphasises the need for a mission-oriented approach to the enormous but necessary economy-wide transition to net zero, and she notes the unique ability of the state to provide the patient, long-term, strategic, committed finance necessary to make that transition.

### Policy interventions

The use of tax expenditures as a tool of public policy should be minimised. In general, tax incentives tend to negatively affect growth by distorting allocative efficiency, by creating inefficiencies in production and consumption, and by diverting economic activity toward rent-seeking behaviour. Tax expenditures also tend to carry significant deadweight and are generally regressive.

Tax expenditures are therefore only justifiable where there is clear structural evidence of inherent market failure. In general, subsidies for business (including agriculture) can also be deleterious to long-run growth to the extent that they skew economic activity and distort resource allocation.

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<sup>1</sup> For example, conditions related to minimum environmental and labour standards.



Enterprise policy evaluation should be based on the broader 'societal' impacts and not just on the private firm impact.

However, the characteristics of knowledge and the potential for gains from knowledge spill-overs suggests that 'new ideas' will be produced by the market at a level below the socially optimal rate. Therefore, there is a justification for government intervention to encourage R&D activities either through direct provision, through subsidies or through tax expenditures.

Overall, we see three broad policy areas where appropriate government intervention could potentially enhance the long-run productive capacity of the economy via supports for enterprise. These areas are:

1. **Increasing the rate of high potential start-ups (HPSUs) and raising equity finance for HPSUs.**
  - The State should meaningfully increase public spending on R&D including funding for basic research, and should also meaningfully increase funding generally for STI courses and activities, for the career progression of STEM researchers, and for administrative and related supports aimed at facilitating establishment of HPSUs.
  - In addition, the government should establish an independent state investment bank focused on investment in high potential start-ups via a combination of equity stakes and low interest loans. The investment bank could use its size and wider societal remit to focus on radical high risk and high reward activities that might otherwise struggle to receive private financing. Nascent firms often have difficulty securing finance due to their lack of a track record.
  - The incentive for entrepreneurs to establish a HPSU would be enhanced by the provision of a stronger social safety net including social insurance based on previous earnings and strong judicial protections in the event of failure. Having these safety nets in place would make risk-taking more attractive and therefore increase the rate of new business formation.
2. **Incentivising research, development and innovation.**



- Policy should incentivise experimentation by firms in new ideas, technology adoption and in new business models and practices. There is scope to reform the R&D tax credit to better target SMEs and to reduce the administrative burden and uncertainty around the use of this relief.
- Even so, direct subsidies for innovation are likely to be of greater value for early stage companies and to carry less deadweight loss. Subsidies should form a larger component of the R&D fiscal incentives offered to SMEs.
- In addition, the government should seek to better develop the national system of innovation (NSI) and widen innovative capacity. This would entail deeper and more systemic collaboration between firms, academia, think-tanks and government including via access to researchers, secondments and demonstrations, and information campaigns. Small firms will particularly benefit from access to the human and technical capital embodied in university and government connections.
- R&D carries significant upfront costs and has a high probability of failure. Ireland's size means it must inevitably specialise in a limited selection of technologies and activities. The government should explore how best to establish collaborative linkages between the key actors in Ireland's NSI and the key NSI actors in other countries. Cost sharing and cross-fertilisation of ideas between countries and regions opens up additional possibilities for frontier innovation and for greater technology diffusion.

### **3. Attracting and retaining human capital and diffusing technologies to laggards.**

- High levels of human capital within SMEs will facilitate technology diffusion. There is therefore merit in considering fiscal supports to incentivise key employees to join or stay with a HPSU. For example, a tax relief on share-based remuneration. Such a relief should only be available to early stage firms.

- Greater funding should be available to incentivise firms to invest in the human capital of their workforce and to incentivise engagement with academics and business networks in order to facilitate a higher rate of technology diffusion.
- Impediments to labour supply and skills bottlenecks should be removed where appropriate. This entails not only reducing the costs associated with employment such as the cost or lack of availability of childcare, but also reducing the barriers to labour market mobility within Ireland and inward migration into Ireland (e.g. housing costs).
- A social insurance system based on income replacements would enable a better allocation and more efficient use of human capital by facilitating a more considered and better match of skill-set and job function.

### Facilitating churn

Supports for the continuation of existing businesses have little merit in terms of generating new ideas and new innovations, or in terms of promoting a vibrant churn of business entry and exit. A high rate of business churn is an important element in the ongoing process of generating innovation and technology diffusion.

For example, the enormously generous reliefs for CAT business and agriculture relief, as well as the CGT retirement relief and CGT relief on death, have little or no economic justification. The opportunity cost of such fiscal supports for business continuation means fewer fiscal resources are available for targeting high potential start-ups.

Policies that prolong inefficient firms (e.g. inheritance tax and capital gains tax exemptions) should be discontinued. Policymakers should seek to avoid trapping resources in underperforming firms.

Policy should also seek to reduce barriers to firm entry and exit and avoid 'lock-in' to particular economic activities. This should include generous bankruptcy laws that do not penalise failure and that encourage young firms to exit the market and entrepreneurs to 'try again' differently.



Finally, there should be generous and ongoing supports for life-long learning and education in order to enable workers to learn new skills and adapt to new technologies. This will facilitate workers transitioning to employment or entrepreneurship in growing sectors of the economy. This is essential from a just transition and therefore political economy perspective but also makes sense from a productive and innovative capacity perspective.

**Northern and Western Regional  
Assembly's Submission  
on the  
Enterprise White Paper**



**Northern & Western  
Regional Assembly**

29<sup>th</sup> July 2022

## 1: Introduction

The Northern and Western Regional Assembly (NWRA) welcomes the opportunity to provide input into the development of the White Paper on Ireland's future enterprise policy. Considering the challenges facing the Irish economy, the development of a White Paper on this topic is timely and will be essential to ensuring that Ireland's enterprise base continues to remain competitive and can utilise future opportunities in an ever changing economic environment.

**At a high-level, the NWRA believes that the White Paper must explore how future enterprise policy can support the delivery of balanced regional development in line with the objectives of the National Planning Framework (NPF) and the Regional Spatial and Economic Strategy (RSES) of the Northern and Western Region<sup>1</sup>, while the White Paper should also examine how a policy of "Positive Discrimination" could be adopted towards the region, in order to regain the region's previously held status as a "More Developed Region". A policy of "Positive discrimination" aims to address regional disparities by providing above average levels of resources to struggling regional economies.**

This could not be more important considering the significant challenges being experienced by the Northern and Western Region's economy and the fact that the European Commission continues to note that considerable regional disparities exist in Ireland<sup>2</sup>. Furthermore, a policy of "Positive Discrimination" already exists in an Irish context, in the form of the European Regional Development Fund's enhanced co-financing rates for the Northern and Western Region, therefore a similar regional perspective should be adopted for Ireland's wider enterprise policies and schemes.

On this basis, it is imperative that any White Paper on future enterprise policy acknowledges and acts on the regional economic challenges of the Northern and Western Region – as documented in Section 2 of this submission – and the regional enterprise priorities of the NWRA, as documented in Section 3 of this submission.



<sup>1</sup> <https://www.nwra.ie/pdfs/NWRA-RSES-2020-2032.pdf>

<sup>2</sup> [https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland_en.pdf)

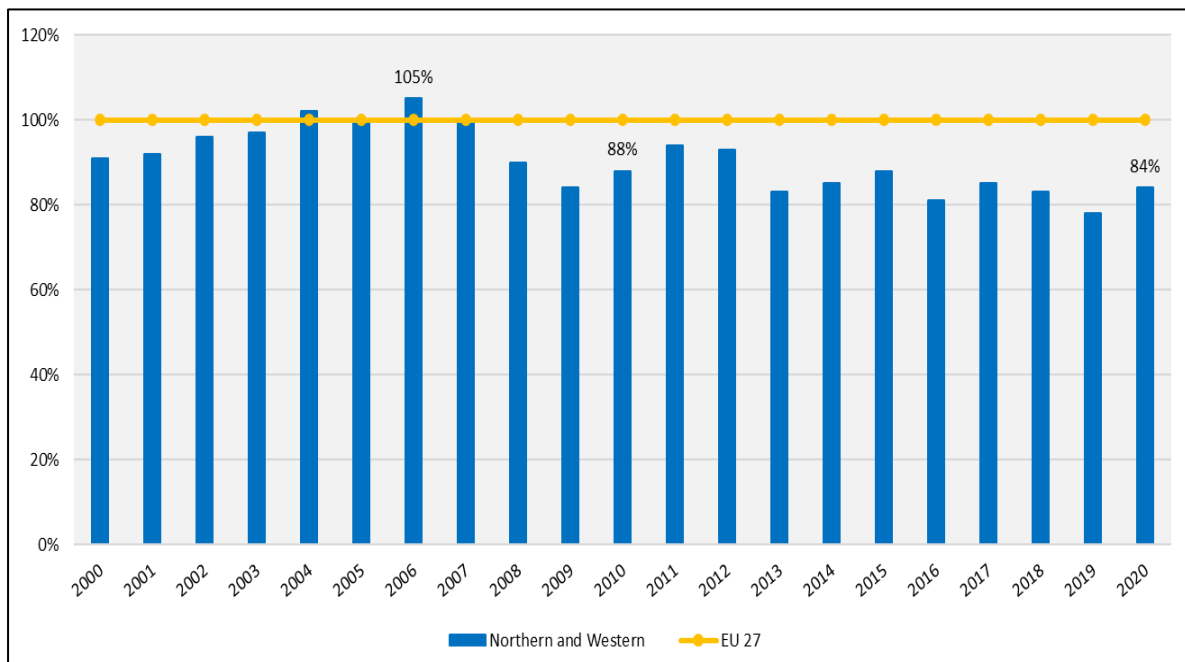
## 2: Regional Economic Challenges

### 2.1: Transition Region Status

As per the latest available Eurostat statistics<sup>3</sup>, it is estimated that the Northern and Western Region's GDP per capita was 84% of the EU27 average as of 2020, which was 4 percentage points lower relative to the region's corresponding ratio in 2010, and 21 percentage points lower compared to the region's previous peak of 105% as of 2006.

Notably, from the perspective of the Multiannual Financial Framework, the Eurostat figures with respect to the evaluation period (2015 – 2017) showed that the region's GDP per capita was 85% of the EU27 average during this time. Such a performance resulted in the European Commission downgrading the region from its previously held status as a "More Developed Region" to a "Transition Region".

**Figure 1: GDP per capita in the Northern and Western Region – as a % of EU27 average – (PPS) 2000-2020**



Source: Eurostat

### 2.2: Lagging Region Status

The European Parliament's Committee on Regional Development<sup>4</sup> also categorised the Northern and Western Region as a "Lagging Region", which is a region that faces specific development challenges, including relatively lower productivity and educational attainment, a weaker skills base and business environment. Ongoing transitions such as the transition to a more digital and sustainable society are accentuating these challenges.

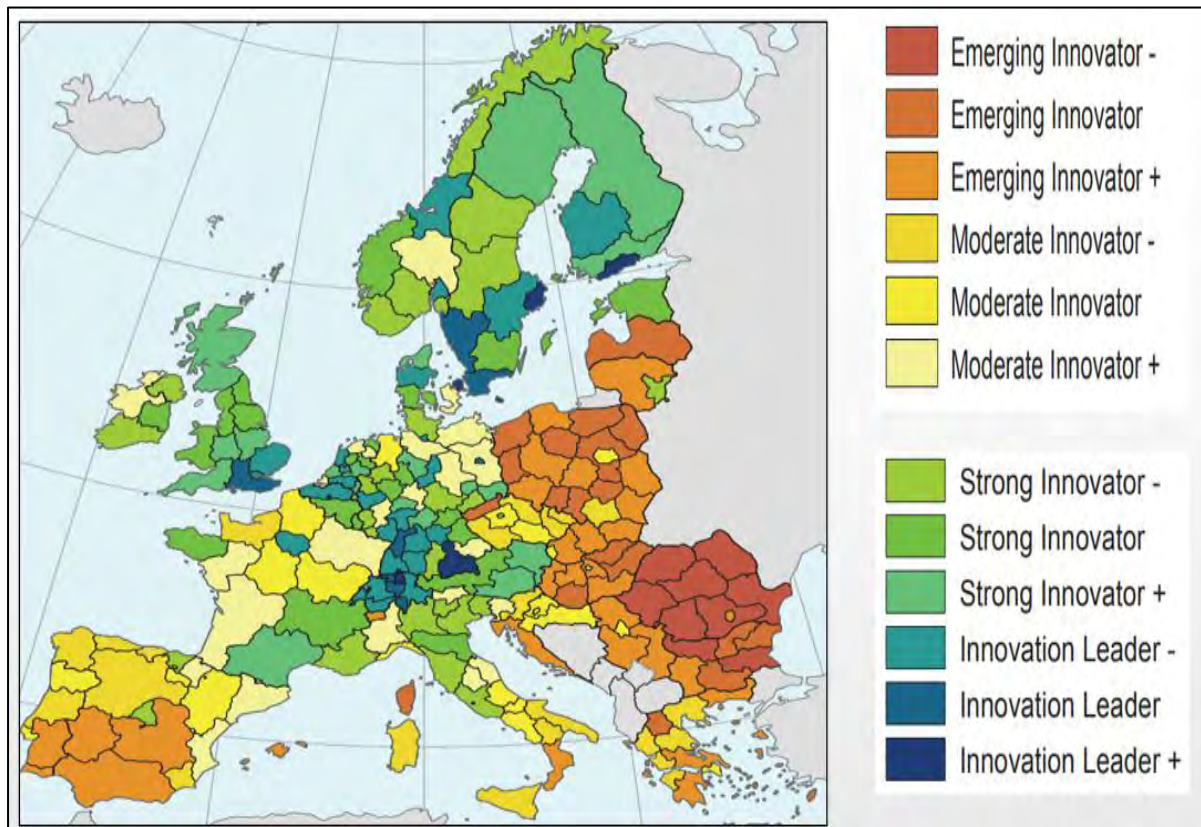
<sup>3</sup> <https://ec.europa.eu/eurostat/web/regions/data/database>

<sup>4</sup> [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652215/IPOL\\_STU\(2020\)652215\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652215/IPOL_STU(2020)652215_EN.pdf)

### 2.3: Moderate Innovator Status

As per the European Commission's "Regional Innovation Scoreboard 2021"<sup>5</sup>, the Northern and Western Region is now the only region in Ireland to be considered a "Moderate Innovator" – which is a region to record a innovation index score between 70% and 100% of the EU average – whereas the Southern and Eastern and Midland Regions are classified as being "Strong Innovators", namely regions with a innovation index score between 100% and 125% of the EU average.

**Figure 2: Regional Innovation Scoreboard 2021**



Source: European Commission

<sup>5</sup> [Regional innovation scoreboard | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

## 3: Regional Enterprise Priorities

It is imperative that the White Paper adopts a regional and all-island approach to enterprise development and supports the relevant strategic priorities of the RSES of the Northern and Western Region, which – amongst other things – aims for the region to become “Specialised”, “Smart” and “Green”. Therefore, the White Paper should acknowledge and act beyond the following regional enterprise priorities, which have been categorized by the three relevant strategic priorities of the RSES.

### 3.1: Specialised Region

- 1. Adopt a regional and all-island approach for Ireland’s future enterprise policy.** The White Paper should consider the merits of adopting a regional and all-island approach to enterprise development in Ireland and this can be achieved by:
  - Providing regional and local stakeholders meaningful input into the development of future enterprise policy through continuous stakeholder forums.
  - Utilising research and industrial competitive advantages by capitalising on regional and local knowledge from a wide range of stakeholders.
  - Supporting the high-level sectoral strengths of the Northern and Western Region as per the RSES.
  - Adopting a policy of “Positive Discrimination” towards the region, as a means of regaining its previously held status as a “More Developed Region”.
- 2. Encourage continued cross-border collaboration, partnerships and trade between the enterprise base of the Northern and Western Region and Northern Ireland.** The White Paper should examine how the all-island economy can be further developed through collaboration, partnerships and trade.
- 3. Provide appropriately sized enterprise infrastructure that will expand the Northern and Western Region’s enterprise base, develop clusters and support the sectoral strengths of the region.** The White Paper should aim to deliver appropriately sized enterprise infrastructure to provide “landing space” for potential companies and provide sufficiently scaled landbanks with appropriate utility infrastructure in the region.
- 4. Expand the Northern and Western Region’s network of co-working hubs in line with the spatial objectives of the RSES.** The White paper should acknowledge that co-working hubs – that provide high-speed broadband – should be developed in line with the settlement strategy of the RSES.



### 3.2: Smart Region

- 5. Support the development of the Higher Education Institutes (HEIs) and the Education and Training Boards (ETBs) of the Northern and Western Region and provide third level education facilities and services in the Cavan/Monaghan and Roscommon/Leitrim sub-regions.** Considering the importance of human capital growth to enterprise development, the White Paper should highlight the importance of the region's ETBs and HEIs in growing the enterprise base of the region.
- 6. Enhance the level of financial assistance available to SMEs that allow their employees to participate on skills development initiatives and employer lead training networks.** Skills shortages and lifelong learning issues remain a significant challenge for enterprises across our region. Training initiatives and networks will be crucial to addressing these issues and the need for support in this regard should be acknowledged in the White Paper.
- 7. Increase the level of funding provided to the Human Capital Initiative (HCI).** The White Paper should seek to increase the resources provided to the HCI in order to teach more students and workers skillsets that will be needed to support our region's transition to a more digital oriented and sustainable economy.
- 8. Improve the grant relief rates on research and development (R&D) funding schemes and provide more direct funding schemes to enterprises that wish to undertake R&D.** It is imperative that the White Paper aims to improve the grant relief rates associated with R&D schemes for enterprises and provide more direct funding sources to enterprises undertaking R&D.
- 9. Enhance the infrastructure and resources of the Northern and Western Region's research assets.** The White Paper should aim to enhance the research facilities of individual HEIs, research centres and technology gateways based in this region while also increasing the number of research and PhD positions in the region's research assets, in order to support high quality and industry relevant research for our enterprise base.
- 10. Enhance the level of ring-fenced funding for research and innovation projects that incorporate an all-island dimension.**

### 3.3: Green Region

- 11. Reduce high upfront costs of decarbonisation measures:** The White Paper needs to underline the importance of improving grant relief rates for policy instruments that reduce the upfront costs associated with decarbonisation measures for enterprises.
- 12. Create low-carbon economy training centres within the Northern and Western Region:** The White Paper should acknowledge the importance of developing training centres of excellence which shall support the development of skillsets needed to transition to a low carbon economy.

- 13. Expand the renewable energy infrastructure of the Northern and Western Region:** The White Paper should aim to support the development of the onshore and offshore renewables energy sector in the region, as a means of supporting Ireland's transition to a low carbon economy but also to support regional enterprise development.
  
- 14. Ensure the transition to a low carbon economy supports the economic development of rural communities based in the Northern and Western Region:** The White Paper should aim to support sustainable sectors that are key to the development of rural economies – including but not limited to – sustainable agriculture, wind energy, tidal energy, solar energy, carbon sequestration, afforestation services, environmental engineering, ecosystem services and retrofitting

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*For a fossil free future for Ireland*

To:

Enterprise Strategy Unit  
Department of Enterprise, Trade and Employment  
23 Kildare Street  
Dublin 2  
D02 TD30

July 2022

## **Submission to the [public consultation](#) on the preparation of the White Paper on Enterprise**

This submission is made on behalf of Not Here Not Anywhere (NHNA), a nationwide, volunteer-grassroots, non-partisan group campaigning to end fossil fuel exploration and the development of new fossil fuel infrastructure in Ireland and across the world. We advocate for fair society-wide energy usage and a just transition to renewable energy systems. It is with these goals in mind that we make our submission to the consultation on the preparation of the White Paper on Enterprise.

To avoid the most severe impacts of climate change, global temperatures must be kept below 1.5C above pre-industrialised levels, we will need rapid and deep action to decarbonise our electricity grid. Policymakers must do everything possible to ensure Ireland does its fair share in combating climate change now.

Our submission is focused on two specific areas of concern: fossil fuel infrastructure and data centres.

### **Fossil Fuel Infrastructure**

The burning of fossil fuels is the single biggest cause of climate change, and taking climate action means no new fossil fuel infrastructure throughout Ireland. There are currently four Liquefied Natural Gas (LNG) import terminals planned for the Republic of Ireland, in Kerry, Cork, Mayo and Louth. Allowing any LNG onshore terminals or Floating Storage Regasification Units (FSRU) to be sited in Ireland would create a “lock in” effect, guaranteeing high levels of gas consumption, obstructing investment in clean energy, and delaying the zero carbon energy transition. It would also have unacceptable human rights and safety impacts on communities at home and abroad.

To tackle the energy crisis we must reduce, not deepen, our reliance on dirty energy. The White Paper on Enterprise must commit to legislating to ban all Liquefied Natural Gas (LNG) projects now.

These terminals are directly contrary to stated government policy and intention. The proposed Shannon LNG terminal in Co. Kerry, promoted by US company New Fortress Energy, will very likely involve the importation of fracked gas, against government policy. Predator Oil and Gas plc is proposing three terminals for Co. Cork, Co. Mayo and Drogheda, Co. Louth and two gas storage facilities in Mayo and Cork. Fianna Fáil and Fine Gael stated in April 2020 that “as we move towards carbon neutrality, it does not make sense to build new large-scale fossil fuel infrastructure such as liquid natural gas import terminals”. Furthermore, Leo Varadkar stated in the Dáil in February 2022, on the day Russia invaded Ukraine, that Shannon LNG is not the right investment for the Kerry site. At COP26 in Glasgow, November 2021, Ireland joined six other countries in the Beyond Oil and Gas alliance (BOGA) which is committed to taking “concrete steps” to reduce oil and gas extraction and infrastructure.

Energy security in Ireland does not require huge fossil fuel import terminals. In fact they would be counterproductive for energy security, increasing our reliance on fossil fuels sold to the highest bidder in a volatile global market. Oil and gas supplies are vulnerable to unpredictable major societal and geopolitical factors and experience extreme price volatility; natural gas prices plunged in response to lower demand during COVID-19 and soared in response to shortage of supply after the imposition of sanctions on Russian gas. This should incentivize Ireland to accelerate the transition to renewables which are not subject to the same price volatility of fossil fuel commodities. Increasing our reliance on gas would also leave us vulnerable to a shutdown of our electricity system in the event of an interruption in gas supply. As the Sustainable Energy Authority of Ireland (SEAI) has noted, energy security can instead be strengthened by increasing energy efficiency and indigenous renewable energy supply (SEAI, 2020). This would simultaneously reduce the energy sector’s emissions and the cost to the State of importing fossil energy.

## **Data Centres**

We share the concerns recently expressed by Eirgrid and the Commission for Regulation of Utilities (CRU) that data centres will put an unprecedented level of strain on the electricity grid. Despite the rapid increase in renewable power generation in Ireland, this demand will likely require additional fossil fuel generation at a time when we urgently need to reduce our reliance on fossil fuels, which will also undermine our energy security. Furthermore, the pressure placed on the grid by data centres could expose vulnerable groups in Ireland to energy poverty and undermine the just transition to a zero carbon energy future. It is crucial that Ireland does not further lock in its dependence on fossil fuels if we are to meet our climate targets under the Paris

Agreement and the Climate Action and Low Carbon Development (Amendment) Bill 2021 - which legally obliges us to achieve a 51% reduction of our 2018 emissions levels by 2030 and net-zero by no later than 2050.

We ask that the White Paper on Enterprise incorporates the following recommendations regarding data centre policy:

1. A national policy must be developed that sets a cap on the level of data centre energy demand that can be accommodated by the grid, while meeting our renewable energy and climate targets consistent with our commitments under the Paris Agreement. A moratorium should be placed on data centre development until this policy is developed.
2. New data centres must be powered entirely by onsite or new off site renewable energy. Carbon neutrality achieved by the purchase of carbon credits is not sufficient.
3. New data centres should have infrastructure in place to enable heat generated from them to be utilised for district heating systems

## **Summary**

Fast and reliable elimination of GHG emissions is critical to managing climate risks, and the fastest and most reliable way of eliminating GHG emissions is by not burning fossil fuels. To support the achievement of the Sustainable Development Goals (SDGs) and tackle the interlinked challenges of climate change, digitalisation, decarbonisation and energy security, the White Paper on Enterprise must commit to policies which rapidly reduce Ireland's reliance on fossil fuels, namely banning LNG terminals and putting in place robust new policies on data centres.

## **ENTERPRISE POLICY WHITE PAPER – submission to consultation**

### ***INDUSTRIAL INNOVATION***

Subsequent to the publication of IMPACT 2030 – Ireland's Research & Innovation Strategy (May 2022), the Dept. of Enterprise, Trade & Employment has issued the National Smart Specialisation Strategy for Innovation 2022-2027 (July 2022), which deals with a crucial aspect of innovation in a national and EU context. The latter focuses on the industrial dimension of innovation, as well as analysing 'regional enterprise and industrial capabilities' in Ireland.

It is critically important to fully integrate the industrial aspects of the overall science, technology and innovation (STI) spectrum, including applied R&D, technology transfer and diffusion as well as issues concerning the 'absorptive capacity' of SMEs and the role of 'demand' in the innovation process, with the primary 'missions' and 'funding of academic research' areas focused on in IMPACT 2030. In order to carry this through to the ongoing review and implementation of innovation policy, there is a need for a broadly representative and resourced [Innovation Council](#) through which the views of industry, academia and the state/public sector – as well as of other bodies - would be clearly reflected.

One of the key functions of such Councils (which exist in some form in most EU & OECD countries) is to undertake & promote [Foresight/Futures](#) studies and policy exercises across the major economic and social sectors, including industry.

### ***INDUSTRY CLUSTERS***

The promotion of **Networks & Clusters** is now widely seen internationally to be a significant element of current and future policy industrial development and global competitiveness – involving individual enterprises but also a range of other public and private players. Clusters are particularly significant on a regional basis where contact and cooperation are more easily managed – playing an important role in regional partnerships for innovation, but are also increasingly important on a national and international level. With significant movement and potential in areas such as pharmaceuticals in Cork and medical devices in Galway, Ireland is in a position to have some significant policy impact in this regard – particularly in the encouragement of greater interaction between multinational and indigenous firms.

This move towards a more location and sector-driven approach has recently been highlighted by the World Bank under the title of [Industrial Policy in a new Global Reality](#).

An emphasis on clusters and partnerships is an important aspect of the renewed interest at the EU, national and sub-regional levels in [Regional Innovation Policy](#).

## **INDUSTRIAL SKILLS**

The role of in-house training tends to be relatively ignored in much of the discussion on skills needs and capabilities. In the past, a levy-grant scheme existed that involved firms paying ‘up-front’ and then being grant-aided on the basis of an agreed training programme. After much debate, this system was finally replaced in the year 2000 with the passing of the [Industrial Training Act](#). This involves firms paying the levy - as part of their PRSI contribution – into the **National Training Fund**. This raises more than half a billion euro on an annual basis and has been the subject of a number of reviews. However, these have not been centrally focused on the role of firms themselves in the training and skills formation process, which was an important part of the original levy-grant approach.

A comprehensive review of [the role of firms and the place of the National Training Fund](#), apprenticeships and other training activities – as well as the use of industry placements in embedding skills in firms - should be part of any review of Enterprise/Industrial Policy.

## **CIRCULAR ECONOMY**

The priorities identified through taking a ‘Circular’ approach – as a new theoretical and policy perspective which has emerged in response to widespread and deep-seated global challenges - need to be addressed immediately at a practical implementation level. The twin efforts of the Northern Ireland administration to develop strategies for [Energy and Waste Management](#) - indicate how urgent policy issues can be addressed in very difficult circumstances. ( Earlier in 2022, the OECD made a number of significant recommendations in its major report on [The Circular Economy in Ireland](#) . As well as addressing ‘Governance challenges to the transition to a circular economy’, these included ‘A Checklist for Action’ based on 12 key dimensions. Critical to implementing these is to mainstream the Circular Economy as part of the national policy framework. No policy paper for the future can afford to ignore this critical area.

## Note on INDUSTRIAL POLICY & ENTERPRISE POLICY

At both EU and OECD levels there has been a recent revival in interest in the long-established practice of taking an overarching approach to developing policies for current and future industrial activities and giving this the title of 'industrial policy'. This does not take anything away from the need to establish and attract new economic activities and assist individual enterprises but sees this in the context of such challenges as scaling-up and growing competitiveness across sectors, regions and countries. These are issues that are 'bigger' than the perspectives and priorities of individual firms and markets.

In 'An industrial policy framework for OECD countries: old debates, new perspectives' [the OECD secretariat](#) propose such a broader approach – including the inclusion of 'demand-side instruments'. Also '[The Commission](#)' is ready to co-design and co-create solutions with industry itself, as well as with social partners and all other stakeholders. This will be supported by a new focus on industrial ecosystems, taking into account all players within a value chain. This is our new approach and reflects the need for new ways of thinking and working to lead the twin transitions'. In 1986 the Government published the 1<sup>st</sup> White Paper on Industrial Policy, which took account of the then priorities across the broad spectrum of science, technology and innovation (STI).

  
Innovation Policy Adviser (retired)

July 2022



**FOUR DEVELOPMENT QUESTIONS:  
INPUT TO ENTERPRISE STRATEGY CONSULTATION**

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## 1 INTRODUCTION

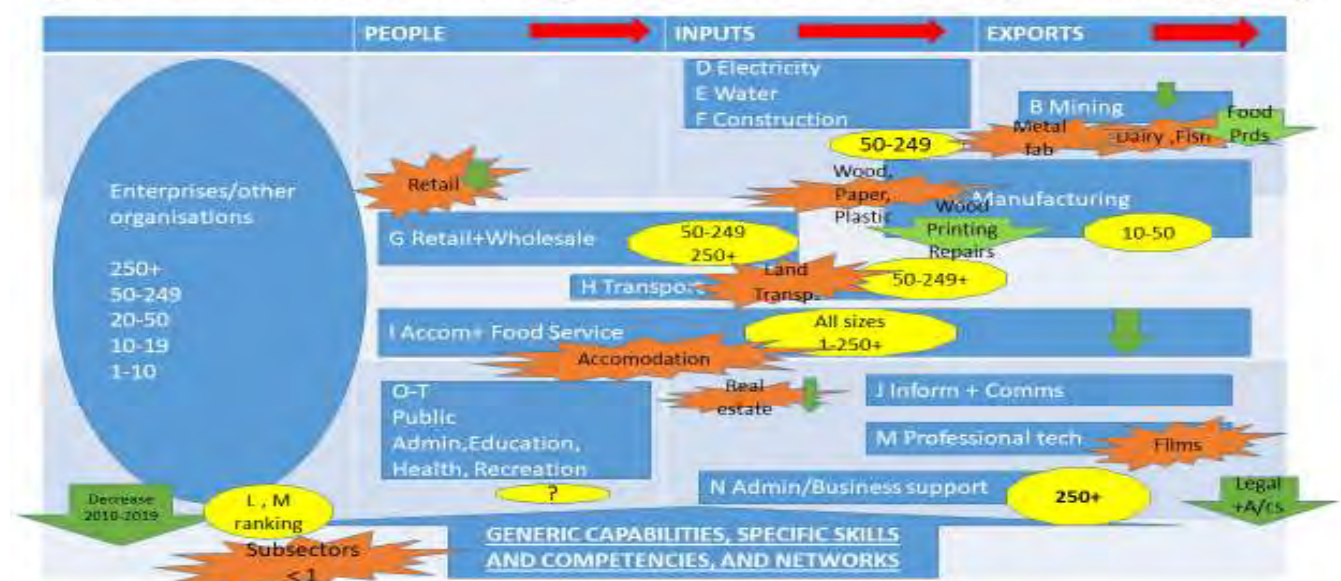
Ireland's Enterprise Strategy has achieved much in the development of businesses and industrial structure, and consequent jobs, incomes, exports and taxation. Attracting FDI has been in particular successful, with most global brands in ICT, Lifesciences and Financial services present here (IDA clients' jobs 275k). Also, large Irish-based international businesses have evolved, e.g. Kerry Group, CRH, Ryan Air, and ICON, and represent 12 of the top 30 companies in the Republic (Irish Times Top 1000 Companies). There is also a range and depth of highly innovative global exporting and fast-growth SMEs (Enterprise Ireland clients' jobs 207k.). Challenges remain which the excellent OECD (2019) "SME and Entrepreneurship Policy in Ireland" has analysed well and recommended actions to address.

## 2 WHAT SHOULD BE THE GOAL?

Employment rate in the Republic is somewhat low at 65% v an OECD average of 67% and much lower than some high performing countries. Low paid as % workforce in 2018 was 20% v EU 28 average of 15% and Finland/Sweden at about 5% (Nugent (2021)). While post-tax income inequality is at the EU average, pre-tax market income inequality is the highest in the EU (Irish Times 22/8/21). While headline productivity figures are exceptionally positive, the Republic's real productivity performance is more mixed, with productivity "pinch-points" in key areas (O'Donnellan 2022). Also, price levels are up to 40% above EU averages, a central competitiveness constraint especially for SMEs, only a small proportion of which export (OECD 2019).

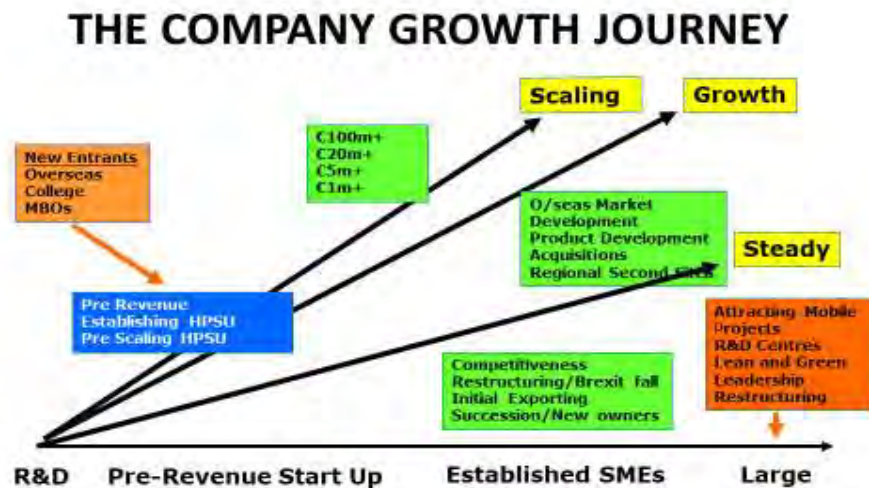
**PROPOSAL** As Krugman 1994 pointed out, growing incomes in the long-run requires strategic focus on real productivity growth throughout all sectors and business sizes of the economy. **"Developing the full range of businesses in Ireland, so that real productivity throughout the economy rises by 30-35% over the next decade, and employment at reasonable wage rates (i.e. low wages are less than 5%) is maximised and spread throughout the country and business size categories"**. How such an ambitious goal translates into various categories needs to be consulted on, given historic sluggish productivity growth (OECD 2019).

### Issue Where are Possible Productivity Pinch-points in Ireland's Small Open Economy System?



### 3 CAN WE GENERATE MORE LONG-TERM INDEPENDENT SCALING COMPANIES?

Key to growth in any economy is company growth cycles and the nature of business starts and ends, as analysed by the OECD (2019) for the Republic of Ireland. The Republic does well in generating high-growth companies (OECD 2019), resulting from the focus since Culliton (1992) and Enterprise Ireland set-up (1998) on such independent indigenous scaling companies.



16

What needs to be considered is the propensity for trade sales and take-over of many such companies by overseas MNCs. In all economies, such outcomes are a widespread and positive way of realising value created, and are in some sectors (ICT, Lifesciences) the goal of many start-ups. Overall, however, owner-managers often have an ambition of scaling to a significant independent global presence and/or passing on the business to sustain new generations of family and/or community.

The question for policy-makers seeking to diversify the sources of largescale enterprises is how to amplify the option of building independent scaling companies to at least the 500+ scale (e.g. Creganna) and more generally encourage long-term building of independent scaling businesses as either privately owned “Mittelstrand” family businesses or companies that IPO on capital markets, in support of the scaling role of Enterprise Ireland.

**PROPOSAL** Ensure that the strategic choice about all pathways for value realisation (including long-term independent scaling global businesses) are clearly articulated early on in leadership and mentoring programmes, for start-up creators, middle stage growth companies and later-stage SME owner-managers.

**PROPOSAL:** Promote the benefits of and pathways towards building independent larger businesses, in conjunction with Family Business Network Ireland, DCU Family Business Centre, SFA, ISME etc. and related leadership programmes, modules in programmes etc..

**PROPOSAL** Put in place patient capital “evergreen” Development /PE funds that aim explicitly to fund independent scaling businesses through minority share holdings, venture lending, and other forms of flexible funding, in support of private owner-managers, family businesses, MBOs, MBIs etc.

**PROPOSAL** Review/change tax policy that inhibit creating and scaling independent global businesses, such as

- less attractive start-up investment incentives v.UK
- less favourable treatment to partial ownership transfers v trade sales (OECD 2019)
- no support for attracting global experience (v SARP for MNCs)
- (arguably) more incentive overall to invest in buildings property than in growing businesses.

#### 4 HOW CAN REGIONS AT ALL LEVELS INCLUDING REGIONAL TOWNS GROW?

Project 2040 provides a framework for balanced development in the Republic around building up the urban cities outside Dublin. Agencies have progressed targets towards more activity outside Dublin. Regional Enterprise Plans articulate proposals developed regionally and resourced through various competitive funds.

**PROPOSAL** Regional enterprise development needs to take into account both Project 2040 priorities and address broader issues of

- systemic underperformance in the Northern and western NUTs 2region esp. Border regions
- need for all –island perspective <https://crossborder.ie/reports/accelerating-growth-towards-an-all-island-perspective-on-regional-development/>
- applying the national smart specialisation perspective (DBEI July 22) through all-island sectoral frameworks co-created and co-implemented that will
  - underpin development agency, HE/FE etc. planning,
  - translate into regional priorities and clustering,
  - link up with all-island and European sectoral clustering.

#### Issue Spatial Clusters and Productivity in Regions of Ireland

*"Productivity is 25% higher in regional industrial clusters than that for all industries... In high performing clusters average wages and productivity are very high, at more than double the rate of that for all industries"* EU Panorama Report on Clusters and Industrial Change

Clusters	Northern Ireland (11)	Northern/Western (3)	Eastern/Dublin (16)	Southern (8 Impused)
High	Non-metallic mining	(Medical Devices)	Information Technology Insurance Services Medical devices	Information Technology Medical devices
Medium	Biopharmaceuticals Recreational and small electronic goods	Communication Equipment/Services	Transportation and Logistics Vulcanised/Fired materials Business services Printing services Communications Equipment/Services Distribution and electronic commerce Education Knowledge Clusters Financial Services	Biopharmaceuticals Transportation and Logistics Printing services Financial Services
Low	Vulcanising/fired materials Livestock processing Furniture /Wood Products Environmental Services Construction Products/Services Downstream Chemical Products Electric Power Generation	Biopharmaceuticals Lightening and Electrical Equipment	Appliances Video production and distribution Hospitality and tourism Jewellery and precious metals Paper and Packaging	Upstream Chemical Products Hospitality and tourism
% of jobs in large enterprises 250+		Border 12% West 16%	Dublin 47% Mideast 17% Midland 8%	Southeast 18% Southwest 24% Midwest 20%

**PROPOSAL** Regional development hinges on developing economic activity at all levels including in regional towns (and suburban “villages”). This is especially so in the Northern and Western region, so needing development of *“interacting and small towns, each specialising in different aspects of modern small-scale manufacturing and business services that are internationally tradeable”* (such as Castlebar-Westport, Ballina-Tubbercurry-Sligo, etc.) (see J. Bradley Mayo News 26/07/22). Relevant infrastructure e.g. broadband, road upgrades and rail (high-speed rail, Western Rail Corridor) is also key.

**PROPOSAL** There should be systematic focus on the medium-size companies that are often the mainstay of employment in regional towns like Tubbercurry (e.g. Alpha, Tool and Gauge, Offsite etc.), Ballyferriter, Celbridge etc. Such medium-size companies (total 3200 CSO) should be involved systematically in regular 121 individual development programmes by the agencies.

**PROPOSAL** Smaller and micro-businesses employ significant numbers and should be more assisted with mass virtual supports (OECD (2019)). DBEI’s online reach-out could include a Massive On-line Open Course (MOOC) training thousands of smaller businesses, and extensive use of coach-bots and similar AI (see FT 18/07/22 “Why an executive coach is now a must-have for CEOs - <https://on.ft.com/3z7ANdN> via @FT).

**PROPOSAL** Large Irish –origin international companies with regional roots are present throughout all regions. They are, however, invisible in national policy discussions, with the widespread narrative of Ireland’s economy consisting of “micro, small and medium enterprises...and international FDI” (DBEI 3 July). Such Irish-origin international companies with regional roots have already made much contribution in their regions (e.g. Fexco, Glen Demplex, Kerry, Kingspan, etc. etc.) and should be seen as lynch-pins for further regional development.

Expansion projects in the region, strategic relations with Technology Universities, Plato-type mentoring, drivers of Lifelong Learning and Further education networks, and general regional development leadership, should be one focus of annual strategic reviews with senior leadership (alongside their global business development issues and opportunities, Ireland/European competitiveness challenges and shared company-Enterprise Ireland development agenda). (Large FDI can have similar roles).

**PROPOSAL** Remote Working and digitalisation generally is a game-changer for transforming the nature of peripherality. As urban centres globally shrink by 5-10% in employment in response, the opportunity to shift in the order of 30-40k jobs into the Northern and Western region, as well as develop “15 minute” cities within the five urban centers of the Republic through hybrid working, should be promoted by the development agencies and local and regional authorities. (The WDC Work in the West and the remote working organisation are strong starts but need national backing).

## **5 HOW EVOLVE A HIGHER /FURTHER EDUCATION SYSTEM FOR DEEP AND WIDE CAPABILITY?**

Critical is a Higher and Further Education system that intensely engages with companies and other organisations in the regions. The new Technology Universities give an opportunity to ensure proactive regional engagement with companies and especially established SMES, and to develop an interactive culture of college/businesses. Germany provides an example of the benefits of such a culture, especially for SMEs.

**PROPOSAL:** Promote graduates’ employment in SMEs and especially smaller businesses, through peer-based campaigns and greater use of EI Grad-starts etc. (with metrics of individual HEIs graduate employment rates in region, SMES and small firms).

**PROPOSAL:** Strategic step-up Innovation Vouchers, from current level of 500 p.a. to initially 5000 p.a. within 3y. Research shows they are highly effective in building bridges between smaller firms and HEIs. (e.g. Chapman, Hewitt-Dundas 2017). This will require infrastructure similar to Technology Transfer Offices of fulltime managers in individual HEIs etc.

**PROPOSAL:** For growing medium-size and similar businesses, provide 2year 80% grant scheme for Innovation Managers for digitalisation, sustainable operations, skills, product and process development, marketing capability etc. as well as HE/FE college and clusters interactions.

**PROPOSAL:** Alignment of HEIs innovation priorities, SFI Centres, EI Tec Centres/Gateways etc. with regions' smart specialisation strategy(DBEI 2022) , along the lines of MITs Local Innovation Framework <http://web.mit.edu/lis/>. Intensifying the specific focus of all HEIs on the types of industries in their region is vital to ensure intense business-college interaction.



Examples of Higher Education Institutions (HEIs) in Ireland already responding to the MIT typology of companies and sectors in their region

- stimulated to start afresh in region (e.g. Trinity and ICT, WIT and telecoms)
- supported to locate and embed in region (e.g. NUIG and medtech)
- helped to convert to adjacent sectors (e.g. Teagasc and monoculture farming to biodiversity) and
- progressed to become more innovative and productive (UCD and UCC and farming/food industries, ATU and engineering)

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# Citizen Science: A Scientific Renaissance

*An open discussion about the challenges & opportunities of big data collection, citizen engagement, and environmental monitoring.*



By Seán Lynch  
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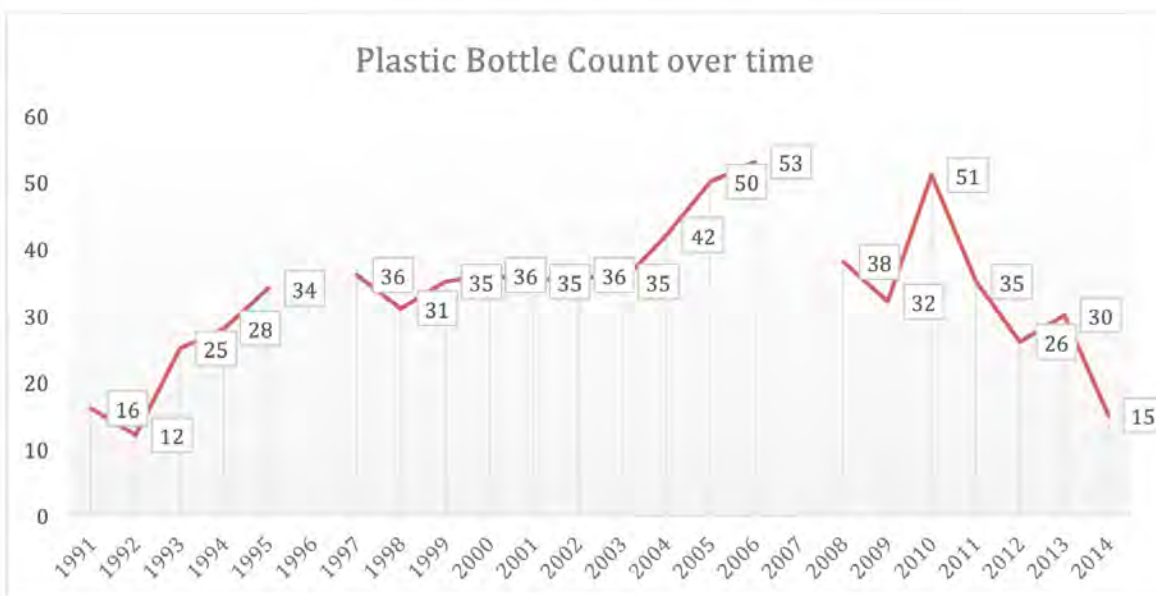
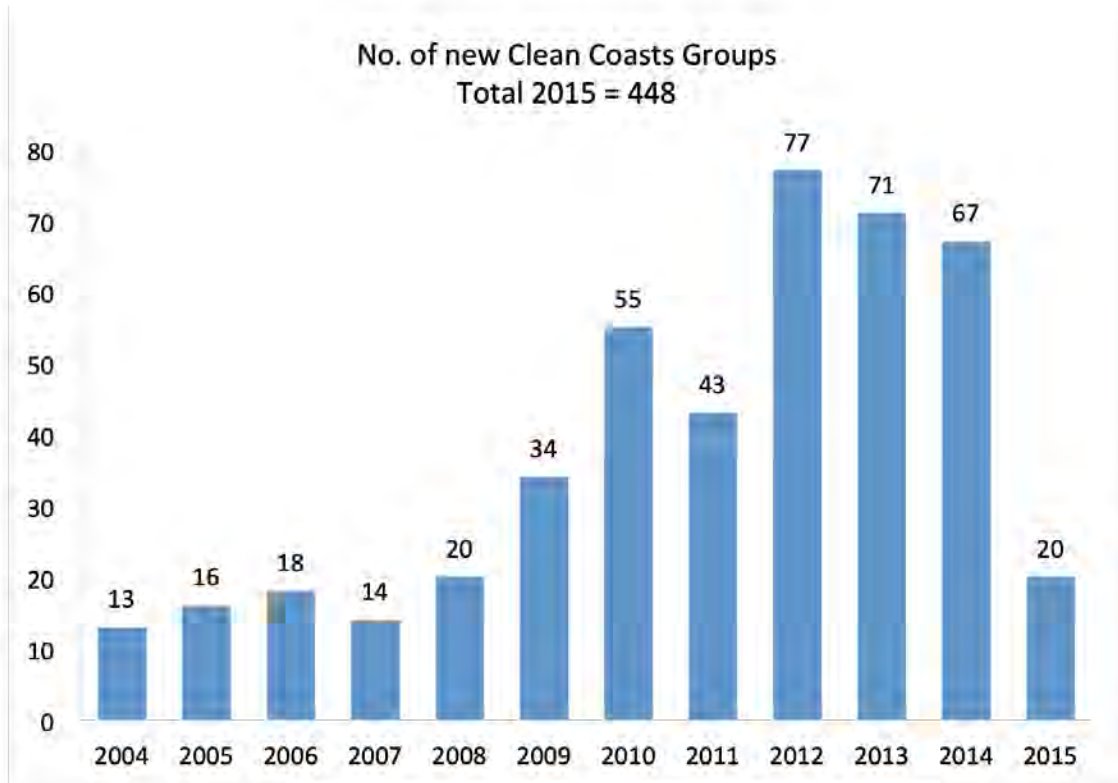
Dear Ms. Long,

As clerk to the Oireachtas Committee on Education, Research, Innovation and Science, I am writing to you to spark a discussion about the unprecedented and largely unexplored potential of citizen science.

Citizen science is the anti-covid, covid-friendly, environmentally engaging, fun, rewarding, progressive, disruptive, sustainable, largely outdoor, highly educational STEAM panacea that can bring society together to fix the environment, create economic opportunities, and save huge amounts of time and money. However, despite being the solution that society needs and deserves, science, innovation, and competitiveness is being stifled by a lack of understanding and opportunity. I would like to change this by inviting your committee members together, along with other stakeholders in citizen science, to present my work and open a discussion about the challenges and opportunities we face. There is a huge opportunity to pioneer a variety of citizen science initiatives in Ireland as, for example, we enjoy some of the most incredible coastal zones in the world. However, despite having huge potential for sustainable tourism and environmental capacity, Ireland is neglecting the development of citizen science tools and platforms which are essential to achieve innovation in public engagement and science. If we want to explore the benefits of citizen science and create new opportunities, we need to foster a more understanding and informed dialogue that can lead to sustainable economic development and a more progressive and applied educational paradigm.

Traditionally, collecting data and producing knowledge about the world, particularly that of a geospatial nature, has been mostly an exclusive top-down process facilitated by a small number of institutions who held a near monopoly on science and the production of knowledge. As only a small number of people could participate, spatiotemporal constraints imposed considerably narrow limitations on the scientific paradigm which was carefully constructed around sampling. This institutionalisation of science has failed to protect the environment and is ripe for disruption. Recently, 100s of millions of people around the world have been equipped with incredibly powerful data collection devices which can collect precise location (GPS) and a variety of other types of data (e.g. photo, LIDAR, attribute, and more). This evolution in our data collection capacity is changing our conceptualisation of scientific limitation and where we can situate our knowledge. However, despite environmental collapse, our ability at harnessing and understanding the scale of this unprecedented human potential remains largely unexplored due to no other reason than a lack of interest.

Despite extremely limited resources, Ireland is a global citizen science hotspot. Coastwatch, started by Karin Dubsy in the 1970s, is an outstanding contemporary global pioneer developed in Trinity College who produce annual crowdsourced surveys of the Irish coastline. Starting with coastal biodiversity monitoring, Coastwatch volunteers have established one of the most impressive national coastal biodiversity monitoring initiatives in the world. Since at least 1991, well ahead of many global peers, a small but highly dedicated army of nationwide Coastwatch volunteers have been actively monitoring the location and distribution of plastic bottles and microplastics across Irish beaches and coastlines. This collaborative and coordinated data collection activity has been complemented by increased clean up efforts (Fig. 1) who are needed to go to great lengths to pick up a tiny fraction of our unlimited plastic waste. More recently, the National Biodiversity Data Center in Waterford has developed a comprehensive catalogue of Ireland's species which people are voluntarily contributing data to. The EPA and other groups like Birdwatch Ireland, Cork Nature Network, Kilkenny Nore Vision and many more have also facilitated citizen science events, initiatives and workshops but we have yet to achieve any significant capacity as the data collection tools and strategies remain remarkably underdeveloped. Internationally, citizen science has not achieved anywhere near its full potential either. This is largely because funding and direction has been overly focused on a narrow institutional dialogue who are not experts in developing interactive and immersive systems like snapchat and online games which have all come from the private sector. Unfortunately, despite potentially irreversible environmental destruction, zero creativity is being made with grants, PhDs, or research assistants to experiment and innovate with citizen science tools and business models. Many other countries have been actively investing in various citizen science initiatives for years because of the significant positive implications it has for society and the environment. But here in Ireland, we have fallen significantly behind, despite starting long ago.



**Figure 1: Time-series of Coastwatch plastic bottle counts and the formation of new Clean Coasts groups. By 2004, increasing plastic on coastlines saw a continued increase in the need for new cleanup groups which are helping but should not be needed. From OpenLitterMap Dissertation in NUIG 2014-2015.**

I have been independently researching and developing citizen science in Ireland since 2008. My journey began after being introduced to GIS while studying geography in UCC. Working independently is my only option, as Ireland does not have any opportunity for someone with interests, skills and ideas like mine to work on existing programmes or explore new business models. There are no PhDs in citizen science, no grants to apply for, and nothing being done with SBIR or any other government instrument including the climate action toolkit. Despite environmental collapse and the huge cost that environmental problems have on the taxpayer, public understanding of citizen science is low and few people see the value in using or supporting the development of critical environmental technology<sup>1</sup>. However, following my 12+ year effort, my apps are starting to meet societies' high technological expectations and we are beginning to grow a community and pilot with a range of institutional partners (HSE, Heritage Council, and UCD among others) and other stakeholders (schools, community groups and corporate partners). Although I am interested in a variety of citizen science domains, the most important and obvious to me is litter, which globally, is entering the oceans at a rate of about 900 tonnes every hour (Jambeck, 2015; Fig. 2). Anecdotally, here in Ireland, it's impossible for me to take a simple walk around Cork City & suburbs without some form of litter plaguing almost every step (Fig. 3). Due to its ubiquity, notoriety and abundance, collecting data on litter has a remarkably low barrier to entry. Therefore, this data collection exercise can bring many people into public engagement for the first time making litter mapping an important catalyst for the development of citizen science more generally. This can strengthen our data collection, innovation, and problem solving capacity across other domains too (eg. Earth Observation, biodiversity, and chemical monitoring) which collectively, will give us increased climate resilience. Inspired by various crowdsourcing initiatives such as Wikipedia and OpenStreetMap, I decided to apply the same global open source values to monitoring litter and plastic pollution which resulted in the development of [OpenLitterMap.com](https://openlittermap.com). I am also developing several other tools, including [DrugLitter.info](https://druglitter.info), a closed system which in collaboration with the HSE and Cork Local Drug Task Force, has recorded 5+ years of continuous data on drug-related paraphernalia in Cork (one of the most comprehensive datasets on public injecting in the world) and a record 66 discarded syringes on the streets of Dublin in about 4 hours, and more. More recently I have begun developing [EngageKilkenny.com](https://engagekilkenny.com) for the Heritage Council to highlight and teach people about the features of historic buildings, and I have plans for many more platforms including dereliction mapping and more as there is a huge global opportunity for citizen science, data collection and citizen engagement.

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<sup>1</sup> <https://gofundme.com/openlittermap> stuck at 2% since launching in October 2020. Our kickstarter in 2017 achieved 0.00%. More than 70 of our funding proposals to build critically important environmental technology have been rejected in a row.



Figure 2: Plastic Waste Inputs From Land Into The Ocean. Source: <https://jambeck.engr.uga.edu/landplasticinput>

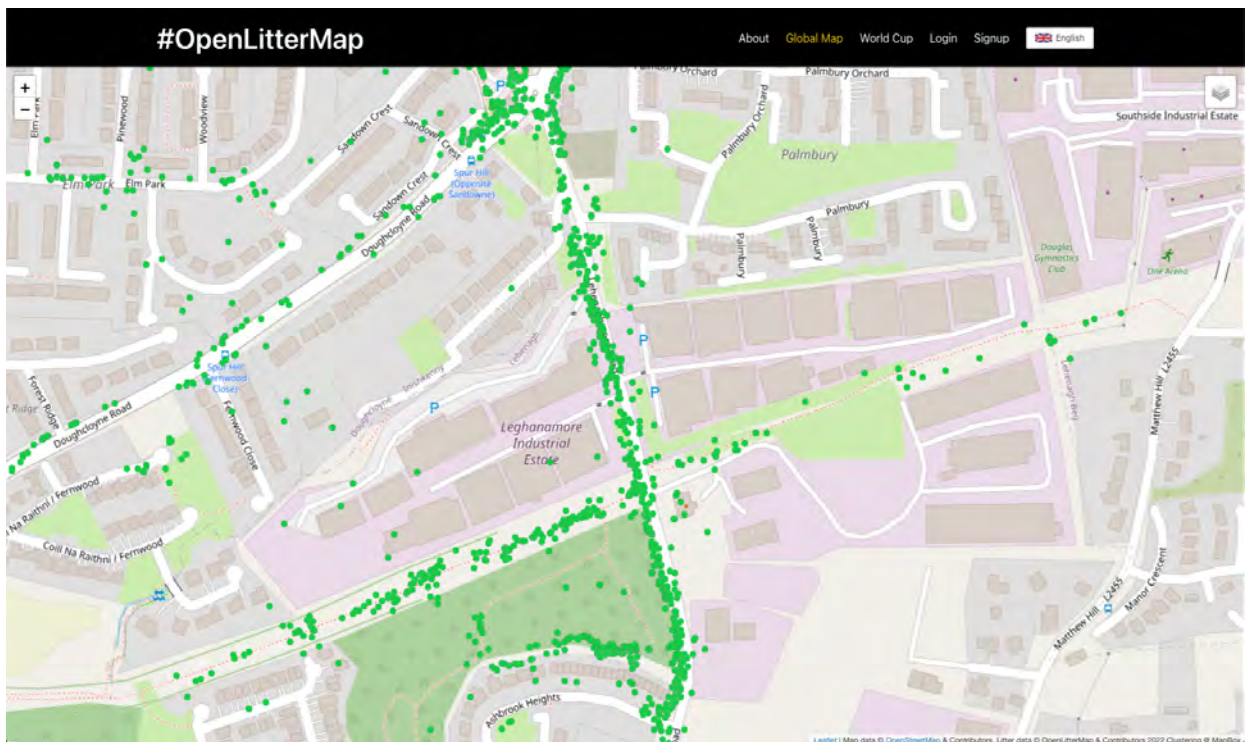


Figure 3: The daily observation that inspired the development of OpenLitterMap. [https://openlittermap.com/global?lat=51.87009424831793&lon=-8.495868153780522&z](https://openlittermap.com/global?lat=51.87009424831793&lon=-8.495868153780522&zoom=17.34)  
[oom=17.34](https://openlittermap.com/global?lat=51.87009424831793&lon=-8.495868153780522&zoom=17.34)

I would like to use this opportunity to present my work to the committee. OpenLitterMap (Lynch, 2018) is a global, open source, litter and data collection monitoring platform being developed in Cork which covers 16/17 SDGs (Lynch, 2021). We are turning cleaning the planet into a game by making it fun and easy to collect data on litter. This data is used to create powerful visualisations that will educate society out of littering by communicating the problem through people's devices in a way that everyone can understand. It doesn't matter what language you speak or if you have reading difficulties. Our maps tell a powerful story that anyone can interact with. Several TidyTowns groups and thousands of others around the world have used the OpenLitterMap app to record their positive environmental impact, share data, and communicate their results. Last year, Engine Lease Finance, an aircraft engine leasing company with HQ in Shannon, became our first corporate sponsor by giving their global workforce a half day from work to pick up litter with their families and demonstrate their positive community and workplace commitment. We have also engaged schools, youth groups, universities, and community groups around the world and we have ambitious plans for the future. Recently, we have partnered with Plastic Raiders (UCD) who want to do research with our app in Ireland, and more recently we have partnered with Sky Ireland, who want to use our app for team building and CSR purposes and become number 1 in our competitive team leaderboards. However, as our platform and the practice more generally remains incredibly underdeveloped, we are at risk of losing this opportunity to overseas competitors unless something is done now.

I have spent the last 12+ years working on the R+D, attending conferences, and doing 2 masters to develop the methodologies in UCC and NUIG. After teaching myself how to code, I continued to develop the apps while working as a software developer for the last few years. More recently, after just 74 rejections, I received my first funding but not from any traditional source. Although central banks print an unlimited amount of fiat currency, they have not printed any money to support the development of citizen science startups in Ireland or Europe. In contrast, decentralised blockchain and cryptocurrency platforms have created trustless, open source, and programmable monetary networks that are disrupting traditional monetary, ownership, and voting systems. For example, Project Catalyst, the decentralised VC instrument of Cardano, accumulates their native ada token in a smart contract by putting a small tax on transactions. Every 10 weeks, the global community of ada holders vote on a range of proposals that can add value to the network. I received my first \$50,000 worth of crypto-tokens this way to develop Littercoin, one of Ireland's first digital assets (2015). The next round of funding is about \$12 million dollars worth of crypto that anyone can apply for and vote on how to distribute. Littercoin is not only the first token rewarded for producing geographic information (i.e. doing citizen science), but it is being engineered so that it can

only be spent in zero waste stores and the climate economy. This is purposefully done in contrast to traditional fiat currencies which have been disproportionately invested into destructive climate and environmental firms. For example, banks, the custodians of government money, have given more than \$1.7 trillion dollars to firms who cause plastic pollution<sup>2</sup>.

Although plastic has remarkable properties, it is simply devastating and toxic for people and the environment. About 300 million tonnes of new plastic is produced every year, which has been quipped “The new coal” as the generation of new plastic consumes about 4% of the world's oil supply, making it one of the most profound drivers of climate change<sup>3</sup>. Plastic is now found in the human system, tapwater, the sea breeze, rainfall, and even in unborn babies<sup>4</sup>. It has been estimated there is now about 150 million tonnes of plastic rotting in the oceans<sup>5</sup>, which will continue to break up into smaller and smaller micro and nanoplastics indefinitely. Not only is the amount of plastic entering the oceans expected to continue to increase exponentially, but these fragmenting particles are only starting to break up, and are already cascading throughout ecosystems and trophic levels, poisoning the food chain and depleting ocean resilience such as carbon sequestration and oxygen generation which are contributing to the collapse of ocean circulation and runaway climate breakdown. The seriousness, urgency and scale of this cannot be put into words and many scientists like me believe that plastic pollution is more urgent and more unappreciated than climate change. As much of the ocean plastic has yet to even begin to break up into trillions upon trillions of more particles, we have yet to witness the full scale of what our generation is continuing to gift our children and many generations of the future. Although plastic has done considerable and irreparable damage to the oceans, the conversation about plastic pollution has been overly focused on the sinks where plastic ends up. Much less is known about how the pre-marine terrestrial origins of plastic are finding its way from land to sea which is where our direction needs to shift.

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2

<https://www.bloomberg.com/news/articles/2021-01-07/banks-directed-1-7-trillion-to-firms-causing-plastic-pollution>

3

[https://static1.squarespace.com/static/5eda91260bbb7e7a4bf528d8/t/616ef29221985319611a64e0/1634661022294/REPORT\\_The\\_New-Coal\\_Plastics\\_and\\_Climate-Change\\_10-21-2021.pdf](https://static1.squarespace.com/static/5eda91260bbb7e7a4bf528d8/t/616ef29221985319611a64e0/1634661022294/REPORT_The_New-Coal_Plastics_and_Climate-Change_10-21-2021.pdf)

4

<https://www.theguardian.com/environment/2020/dec/22/microplastics-revealed-in-placentas-unborn-babies>

5

<https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>

Citizen science is a positively disruptive technological paradigm shift that will empower society with the ability to create new forms of data at scales previously unimaginable. Having a more informed understanding of this can help foster the development of a cluster that can create positive social and economic value for society. However, just as the public sector did not create social media or any contemporary application, clearly, the public sector is not going to develop citizen science either. Therefore, before citizen science can be adopted by the public sector, it needs private sector innovation and creativity. Following the development of the tools that are needed to facilitate citizen science, additional funding is needed for collaboration and improved networking opportunities to bring community facilitators, local stakeholders and national organisations together to experiment. I have made several attempts at raising money in Ireland to build the basic tools that are necessary to facilitate citizen science. After doing the research, building and then launching OpenLitterMap in 2017 I applied to Science Foundation Ireland for help, who told me they wouldn't even review my proposal. More recently in 2021 I applied to the EPA Green Enterprise call who failed to see the value in my LITTERCOIN proposal (Location Intelligence To Transform Environmental Reporting by Creating an Economic Incentive) which will help unlock societies data collection capacity by creating an incentive that will bring our knowledgeable users into zero waste stores to increase activity in the climate economy. As the urgency for and understanding of citizen science potential is low, we need to spark a conversation about the potential of citizen science and find a way to create funding opportunities that will support the development, training, and implementation of these emerging technologies across the public and private sectors. This data has important implications for society, including how we draft, measure and evaluate policy, enforce producer responsibility, inform public decision-making and guide an objective public dialogue. There is important synergy and cross-pollination between other departments too, including Housing, Local Government and Heritage; Environment and Climate Action; Finance, Public Expenditure and Reform; Health; EU Affairs; Enterprise, Trade and Development; Agriculture, Food and the Marine; and others, who we invite to participate in the discussion.

To develop increased citizen science capacity and environmental resilience, we are developing a range of public engagement tools and initiatives that will grow and test our data collection potential. In 2022, in partnership with Plastic Raiders from UCD, we are launching The LitterWeek™ Challenge to involve schools and wider society in a data collection competition. The data collection will be complemented by a week-long series of lesson plans that different classes can adopt to teach students about the scale of plastic pollution, open science values, advances in geographic information science, optional coding lessons, and how citizen science can help mitigate the epidemic that we have gifted them. Instead of one



single week in the year where everyone must participate, groups will take the LitterWeek™ challenge any week that suits them. At the end of the school year, the challenge will finish with an awards ceremony with prizes live on Instagram. We are in conversation with several corporate partners who can provide prizes, such as in person and virtual school tours and technological equipment to the most active schools. We believe this mix of our data collection experience combined with the incentives we are working on will result in the biggest national citizen science campaign the world has ever seen, and will generate the most comprehensive baseline dataset of litter in any country. Unfortunately, due to the lack of interest, citizen science is unlikely to achieve its full potential anytime soon but by sparking a conversation about this now, we can begin to improve our understanding of it to develop a productive and valuable ecosystem that we can be proud of.

A range of public sector institutions can benefit from citizen science as they will gain new tools to collaborate with the public and gain new data to explore. Schools can benefit from engaging and interactive educational material. Internship opportunities could give graduates an opportunity to use their knowledge of these emerging datasets to create valuable new positions for themselves in the public sector- for example, Smart Sandyford are currently hiring a candidate with knowledge and interest in citizen science. Citizen science can be made available as Gaeilge, or in any language, to make learning a language even more fun and accessible. We can use this as a marketing tool to bring ecotourists here to study and work with Coastwatch and other emerging startups who can facilitate tours, training and conservation courses in our rich native kelp forests. Citizen science can even become the most important tool that The Shared Island initiative can use to bring conflicting communities together in Northern Ireland as the problems we are solving are global and shared by all people. One of the main advantages of citizen science is that it's incredibly accessible to everyone. You need to be good at a lot of things to join your school sports team but anyone with the interest can join their schools data collection team and be a part of a community.

Clearly, there is a lot of work to do and the best place to start is with a conversation. Therefore, I would like to invite your committee members and other stakeholders together to briefly introduce my work and open a conversation around the following 10 recommendations:

## Recommendations:

1. Funding is urgently needed to support the development of citizen science tools. SBIR looks like a good candidate but other options should be explored by the committee.
2. The development of a national citizen science working group is needed to facilitate a continuous dialogue across the public sector that can continue to understand and support the development of citizen science.
3. Citizen science needs to be included in the climate action toolkit as a core activity that every business and citizen can be a part of.
4. Citizen science in Ireland needs political leadership<sup>6</sup>.
5. We need private and public sector support of the LitterWeek campaign to help integrate into schools, universities and wider society to achieve collective national climate action.
6. Citizen science should become a cornerstone of the North-South Shared Island strategy<sup>7</sup> to actively increase peace building and a shared sense of global community. This could provide the funding that citizen science needs and become a significant output of the initiative and become a global example of building peace through science.
7. Litter monitoring should be integrated as another step within the CTCHC (Collaborative Town Centre Health Check).

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<sup>6</sup> We would like to pay a special thanks to Máire Devine, Sinn Féin, who is the only politician in Ireland that has supported our crowdfunding efforts. Máire has been sending a monthly donation to OpenLitterMap every month for over 3 years to support our work building citizen science. We would also like to thank Cllr. Mick Nugent and T.D. Thomas Gould, also Sinn Féin, for contacting us and encouraging us to submit a proposal to the Oireachtas. Another thanks is owed to Grace o Sullivan and Ciarán Cuffe, Green Party MEPs for Ireland, who shared our GoFundMe on social media and helped us with an introduction to Dublin City Council. Grma!

<sup>7</sup>

<https://www.gov.ie/en/campaigns/c3417-shared-island/?referrer=http://www.gov.ie/en/publication/de9fc-shared-island/>

8. Expand on our litter app and our data collection process to map dereliction and a range of historical features about buildings, or anything else. Our open source code encourages experimentation and innovation.
9. One or more PhD positions need to be created to produce experts and more knowledge about citizen science and the state of global / national pollution.
10. Several pilots are needed with local authorities to test the capacity and evaluate the implications of citizen science data and community engagement. Each local authority has existing budgets for litter, which could be partly redirected to citizen science to reduce the overall burden of the expense that litter and pollution has on annual budgets.

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L. O'Shea

I decided to answer your call for submissions on this issue of enterprise policy.

[REDACTED]

[REDACTED]

I feel that in Ireland and elsewhere, we are all struggling to find a new organising paradigm. We all feel that something new is called for, but are understandably worried for our standards of living. We saw the COP happening before our eyes. International conference on climate with no precedents. David Mc Williams referring back to Bretton Woods and saying that the exclusion of bankers was key. I also see that, having worked in a dealing room, and studied financial markets at LSE, responses of banks to the tenor of governments enterprise policies, is currently a most destructive force. It causes governments to have to grovel to big business. I see this as the issue governments need to solve, before any other. I despair when I witness citizens badgering government for funds for this or that sectional interest. This supports the status quo and pressures governments to be even more subservient so that investment jobs and taxes come their way from large corporations.

I recently used twitter to sound out my ideas in these issues in economics. I am very anonymous having few contacts there, I have tweeted my opposition to maintaining the 1960s policies of an IDA led development which continues to bring that kind of investment, although I see that it has been a high flying policy for us for a long time. But there is a paradigm shift happening now. My other recent admission was that I can only see a future if countries work together, perhaps this has to start with small countries: (I know this is not a natural like of FG, but) Global Socialism. Please allow me to explain a bit further and flesh out more before dismissing it out of hand. I know it pushes the boundaries of the possible and the probable. But I really do think it is the only way. It could have as a starting principle the recently resurrected Pareto, who is a loved concept in economic doctrine. No one becomes worse off, in that, no corporations are getting their products cancelled or their prices set. However, with advance preparation and the use of our sophisticated computing capabilities, the resources for production become mapped. Corporations begin to get governments telling them if their products are sustainable and if they deserve the resources that would be used to make them, and if not, they return to the drawing board. This is already beginning to happen with carbon emission controls, so it has become normal, and basically any future government enterprise policy must envisage doing much more of this, and, what is even more critical is that governments from all countries are petitioned by the enlightened to do the same. Ireland would be poacher turned gamekeeper in such an endeavour, having unilaterally offered tax reductions, but there again, another area where governments now, including us, are working in concert with each other. Working on our Global Enterprise Policy could be our payback to the future generations, now that finally we can afford it and that we have world class politicians to work on it.

A different lifestyle is coming and everyone knows it. And although there are innovations in energy and communications and other areas which are allowing consumption to change and thus continue, in other areas people are talking about reductions in consumption for the first time in our history. We know that rich countries have a lifestyle that contains many excesses. Change of consumption and

greener more sustainable living is now the challenge to government, rather than accepting all enterprise as positive as was the policy attitude prior to this era.

Rather than Golden Fetters - the bible on the Bretton Woods era -, governments must create some new fetters. I am struggling to come up with a catchy phrase on which to end. It's not a golden era for enterprises, something far less sexy unfortunately. But that does not mean that it isn't a golden era for citizens. We already know we have to live on less. We can do it and you can do it for us!



July 29, 2022

# SUBMISSION FOR PUBLIC CONSULTATION WHITE PAPER ON ENTERPRISE

29 Upper Mount Street, Dublin 2.

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[www.philanthropy.ie](http://www.philanthropy.ie)

## Submission from Philanthropy Ireland:

### Response to Public Consultation for White Paper on Enterprise

#### OPENING REMARKS

Philanthropy Ireland (PI) acknowledges and welcomes the initiative taken by the Department of Enterprise, Trade and Employment to develop a white paper to determine the future direction of Enterprise Policy. We believe that this provides a real opportunity for Government and business – especially, multi-national firms - to strengthen their contribution of strategic giving for more impactful change and sustainable development.

In responding to the call for submissions, key reference points for PI include:

- Knowledge and experience of good practice in corporate philanthropy; as an organisation with 20+ years' experience providing support to corporate foundations, we have deep understanding and knowledge of the practice of giving among businesses which play a significant role in promoting Sustainable Development Goals (SDG).
- Our members engage with over 3k causes throughout Ireland; we understand the need to enhance value and maximise impact of giving at an enterprise level as demand on resources continues to outpace supply coupled with new needs emerging, pointing to the value for reimagining and exploring new opportunities in giving practice.

#### KEY OBSERVATIONS

As highlighted in the proposal for the white paper, there is a strong and urgent need to explore and strengthen enterprise policy support for the Sustainable Development Goals. Amidst key challenges around climate crisis, energy poverty, inequality, and other social and economic issues, taking a more holistic look at policies, practices, and philanthropic strategies, could advance the enterprises' efforts to make a positive impact on society and improve sustainable development.

We believe it would add value for the white paper to explore the philanthropic potential of enterprises, and to activate policy support to leverage and realise such potential.

Looking beyond Corporate Social Responsibility (CSR)

- While the Department's ongoing efforts around Ireland's National Plan on Corporate Social Responsibility is appreciated, there is merit in focusing on strategic philanthropy as a catalyst in advancing community development and sustainability.

- Tailored supports could be provided for enterprise of all sizes, around developing philanthropic strategy that aligns with their core business values and complements their sustainable strategy.

#### Incentivising philanthropic giving by enterprises for sustainable development

- In the landscape of philanthropy in Ireland, there is a lack of corporate foundations in comparison to nations around the world. Additionally, [studies](#) reveal 5.32% of philanthropic contributions in the country come from corporate foundations.
- Developing policy guidelines and incentives for enterprises to establish foundations and carry out their philanthropic contributions, can positively support advancement on sustainable development goals (SDG):
  - Strategic philanthropy provides ample scope for enterprises to interact with community and voluntary organisations in their local communities (*SDG 13*).
  - Enterprises, especially, large multi-nationals have immense potential to go beyond adopting energy management solutions and decarbonisation, to support initiatives around climate action (*SDG 11*).
  - In addition to traditional contributions, digital support/solutions, training, skill development, pro-bono services provided as part of philanthropic activities could advance innovation and infrastructure for social relevant organisations (*SDG 8 & 9*).
  - Funding pertinent research, innovation and development can inform policy makers around key issues such as climate, energy, inequalities, life on land and below water, among others (*SDG 7, 10, 14 & 15*)

#### Improving philanthropic data

- [Studies](#) suggest that there is a lack of consistent data around corporate giving. This gives rise to data gaps on measuring the scope of giving, awareness of the drivers of giving, understanding outcomes, and recognising the impact and added value.
- Promoting data transparency, reporting and disclosure through policy guidelines/mandates would result in a resourceful database on the philanthropic contributions of enterprises around:
  - Giving programs
  - Cash donations
  - In-kind product donations
  - Pro-bono services
  - Volunteerism
- Access to such philanthropic data could in turn enable informed decision making that accelerates social outcomes.



- Developing standards and social indicators for defining, measuring, and reporting on the impact of philanthropic contributions could further augment the role of enterprises in making positive social impact.
- Robust informed data provides opportunity to acknowledge and elevate awareness of the added value being achieved through corporate philanthropic giving.

## ABOUT US

Philanthropy Ireland is a not-for-profit member organisation, dedicated to the growth and development of philanthropy in Ireland for the benefit of society. Our 50 members comprise independent grant-making Trusts and Foundations; Family Foundations; Corporate Foundations; and Private Donors.

Our Mission is to cultivate proactive engagement with philanthropy across Irish society that supports social change. Our purpose is to empower philanthropy, representing donors, private (including corporate) and institutional, to create a dynamic and diverse community engaging in philanthropy for public benefit.

We do this through 3 key pillars of activity:

- Promotion of philanthropy to increase strategic giving
- Policy for philanthropy to encourage an enabling environment for philanthropy
- Practice of philanthropy to effect evidence based good practice in grant making

We work in collaboration and partnership with a cross section of organisations, both national and international and with government. We are supported through funding from Philanthropies, Department of Rural and Community Development and Membership fees.

**Contact:** Éilis Murray, CEO

| 29 Upper Mount Street, Dublin 2.

THANK YOU FOR THE OPPORTUNITY TO CONTRIBUTE.

Submission on behalf of Programme Managers of the Regional Enterprise Development Plans

11<sup>th</sup> August 2022

Dear Sir/ Madam,

The Programme Managers Network of Regional Enterprise Plans (REP), welcome the opportunity to make this submission in respect of the White Paper on Enterprise. The Regional Enterprise Plans were launched in Q1 2022 and set out the collective ambition of enterprise stakeholders across our regions. The plans were developed following comprehensive consultation which highlighted both the challenges and opportunities faced by enterprise in our regions. The implementation of the plans is being facilitated through working groups, comprised of private and public sector representatives. The submission as set out below, is based on feedback garnered through both the plan preparation consultation sessions, along with feedback from the REP implementation working groups:

**1. Strategic alignment of regional economic development:**

Currently there are a range of different regional enterprise strategies – for example, 9 Regional Enterprise Plans 2022-2024, an IDA Irelands Strategy 2021–2024 and Enterprise Irelands – Leading in a changing world – strategy 2022-2024, yet it is not clear to what extent each are aligned and are coherently complementing each other.

**Recommendation 1:** The Enterprise White Paper is an opportunity to create stronger alignment and coherence around strategic regional economic development.

**2. Mechanisms to deliver on enterprise policy:**

The importance of interagency collaboration cannot be understated. Through the existing Regional Enterprise Plans, there exists a framework to facilitate the alignment of ambition and resources to deliver on any future ambition arising from the proposed White Paper on Enterprise, alongside the National Smart Specialisation Strategy and the forthcoming National Clustering Policy. The existing governance structures of the Regional Enterprise Plans and established working inter-agency relationships are ideally positioned to support region specific investment and job creation across all regions and should therefore be leveraged and fully resourced into the future to ensure balanced regional (Enterprise) development.

**Recommendation 2:** The Regional Enterprise Development Offices are best placed to support region specific investment and job creation across the regions and should therefore be leveraged and fully resourced into the future to ensure balanced regional (Enterprise) development.

### **3. Examine in detail and strategically, key emerging sectors of opportunity for regions.**

There is potential for the Enterprise Policy to 2030 to look in detail at key emerging sectors with transformative potential for regions such as renewable energy, the bioeconomy, the future of agri-food and design. Clearly the period to 2030 will bring significant changes in particular in terms of climate change impacts and opportunities. It will be important that regions are supported to maximising potential opportunities for job creation. To assist this, detailed analysis of identified sectoral opportunities at a regional level could be undertaken, as was previously undertaken by Forfas through the development of Regional Competitiveness Agendas.

**Recommendation 3:** Undertake detailed analysis of identified sectoral opportunities at a regional level.

### **4. Skills and Talent availability:**

Notwithstanding the wide range of education and training initiatives and apprenticeships, the availability of, and access to skills and talent across a broad range of sectors remains problematic – profiling of talent strengths, and gaps across all regions, for current and emerging enterprise sectors, would help inform the activity of training and education providers.

Training and education provision should be industry led and providers need to be more flexible/agile in development and delivery of relevant skills. There is also an opportunity for greater intervention in second level education to encourage students to move away from traditional careers and to look at opportunities in emerging sectors e.g., green economy; retrofitting, tech sector; block chain and cybersecurity etc. The Enterprise White Paper is also an opportunity for policy and funding to align with and maximise the new Technological University network across Ireland.

**Recommendation 4.1:** Profiling of talent strengths, and gaps across all regions, for current and emerging enterprise sectors, would help inform the activity of training and education providers at all levels.

The recent shift to remote and blended working has proved hugely positive and the same principles could be applied to training and development through the provision of more outreach training and development - hybrid models of learning - more apprenticeship and on the job learning, particularly in rural areas. This type of outreach training also has the potential to support the development of higher value jobs, particularly in the tech and emerging green economic sectors. Utilising existing community hubs for the delivery of training should be both explored and promoted by all training providers, which will contribute to the development and support of strong community enterprise eco systems.

**Recommendation 4.2:** Explore utilisation of enterprise hubs for the delivery of blended learning for apprenticeships, full time students and the adult learner.

**5. Enterprise Supports and Communication:** Accessing relevant enterprise supports is fragmented and unduly complex resulting in many enterprises not being aware of what is available and for those that are aware, not engaging with same as it's deemed to be too complex and time consuming. This is undoubtedly holding them back, as they concentrate on resilience and recovery, rather than investing in actions to help them innovate or respond to emerging challenges e.g., digitalisation, decarbonisation etc. There needs to be a more streamlined approach to the provision of business development services which would make understanding of, and access to same less complex, with more flexible funding models and application processes that minimise red tape.

It is vital that the forthcoming clustering policy supports the role of regional networks or clusters. In particular, this policy will have to look at the role of public funding to support regional clusters (as they are unlikely to be self-financing); offer a long-term view to their development; and crucially, builds on existing initiatives which have developed strong local relationships.

**Recommendation 5:** Provision of assistance at both regional and sectoral level to navigate Pathways to Funding, perhaps through the forthcoming National Clustering Policy.

- 6. Supporting infrastructure:** access to developed sites for SME's to expand as well as larger sites to target inward investment is critical to enterprise development. Greater incentives are required to facilitate business expansion and investment for all sectors. The development of serviced lands and facilities in partnership with the agencies to help address market failures and which would also encourage and support new and emerging enterprises needs to be supported either through direct grant aid or through some type of tax incentives which may encourage greater private sector investment. This could also include more flexible leasing options and more mid-level space.

**Recommendation 6:** Evaluation and analysis of regional tax incentives to underpin the development of much needed serviced facilities for SMEs with greater than 10 employees. A graduate/step up facility from supported incubation/community enterprise facilities.

- 7. Enterprise productivity levels:** As SME's account for 68% of national employment a strong focus on SME's productivity would support a sustainable and resilient enterprise base. Any new Enterprise Policy should include a positive bias towards investment in supporting business start-ups, scaling up micro enterprises and generating more medium sized firms. There also needs to be increased supports towards female participation and entrepreneurship as well as supporting migrant upskilling and reskilling to support integration into the workforce, and in so doing increasing participation rates within the regions.

**Recommendation 7:** A focus within scale, grow and go global for SMEs, with higher support rates available for female entrepreneurs to increase returns and enhance participation rates.

8. **Enterprise Enablers:** Enterprise Policy also must encompass a wider focus on enterprise enablers such as connectivity, adequate provision of water/wastewater treatment facilities and access to quality affordable housing, placemaking and quality of life, which are considered as decisive factors in attracting and retaining talent and investment into our regions.
9. **A number of specific areas have been highlighted where focused interventions through any future Enterprise Policy would prove beneficial these include the following:**
- Management capacity and leadership skills.
  - Succession Planning that supports ambition, capital investment diversification and technology adoption.
  - Increase in exports and activity in foreign markets.
  - More diverse funding mechanisms for start-ups: more conducive towards development of long-term indigenous enterprise 'home-grown' corporates, with more risk orientated funding, looking at other exit models in addition to acquisition, more aligned with funding models in US and Europe. More opportunities to fund start-ups through focused/sector-based accelerators, such as BioExcel, NDRC.
  - Increased innovation collaborations among enterprise involving a range of public sector and private sector actors and academia looking to broker joint responses to shared challenges and opportunities.

Yours sincerely

Regional Enterprise Plans Programme Manager Network

Caroline Brady - Programme Manager, North-East Regional Enterprise Plan

Helena Deane - Programme Manager, West Regional Enterprise Plan

Chris Fogarty –Programme Manager, Mid-East Regional Enterprise Plan

Jessica Fuller - Programme Manager, North-West Regional Enterprise Plan

Jonathan Hoare – Programme Manager, South-West Regional Enterprise Plan

Sarah Morgan - Programme Manager, Midlands Regional Enterprise Plan

Caroline Power – Programme Manager, Dublin Regional Enterprise Plan

Alan Quirke/Richard Hickey, Programme Manager, South-East Regional Enterprise Plan

Paraic Rattigan - Programme Manager, Mid-West Regional Enterprise Plan



David Hegarty  
Assistant Secretary  
Enterprise Strategy Unit  
Department of Enterprise Trade and Employment  
Kildare Street  
Dublin 2

29 July 2022

### **Submission on Enterprise White Paper**

Dear David,

I refer to your letter of 7 July 2022 concerning the development of a White Paper on Enterprise Policy and seeking the views of RGDATA members. Here are our initial thoughts:

#### **Economic contribution of the Independent Retail Grocery Sector**

The Independent Retail Grocery sector is a significant contributor to the National Economy. RGDATA represents the owners of over 3,500 independent family-owned grocery shops, convenience stores, forecourt stores and supermarkets around the country. Collectively RGDATA members employ nearly 100,000 people and account for over 30% of the retail grocery market. Our members are key economic contributors at a local level within communities, providing local employment and giving thousands of food businesses and local producers and manufacturers an initial foothold in the domestic market. RGDATA members employ and source locally and they also reinvest directly within their local community. Unlike other players in the Irish grocery sector—our members turnover is not sent to the UK or Germany, it is reinvested in Ireland and Irish communities.

#### **The role of the State and the independent retail grocery sector**

There is not and never has been a targeted policy initiative to help the independent retail grocery sector and the essential local community shops that RGDATA represents to grow and expand. Given the impact of the sector on the national economy and local communities, such a policy would be timely as we face a period of significant transition and change, even as a subsidiary element to the overall Enterprise Policy.

As a core component of the domestic service sector, RGDATA members tend to place very limited reliance on the enterprise development and support services offered by the State. They tend to be self-starters who work hard to build, grow and operate their businesses through sheer graft of hard work and a commitment to their customers.

As a service provider in the domestic economy, there is a marked absence of supports and incentives for the independent retail grocery sector. Investment in their businesses comes from their own resources or from bank borrowings. This sector has not been dependent or reliant on State support or funding to grow and develop and has grown despite many unhelpful or poorly focused initiatives from Government at a local or national level.

To that extent the primary way in which the State impacts on RGDATA members' businesses is in setting the broader operating context across Government through a range of policies and interventions.

The primary requirement of the independent retail grocery sector is that Government sets the conditions within which shops can be established and operate in a free and competitive market with a minimum of State imposed costs or regulatory burdens. They don't want the State to get in the way of doing business, by introducing new costs, charges, or obligations which are unnecessary, disproportionate or excessive.

The independent grocery sector is a domestically based service business with limited capacity to diversify and grow, operates in a fiercely competitive market with some of the world's biggest players so it has very limited capacity to generate additional turnover outside of its core market catchment. If a new State imposed cost arises, then it must be met from an existing source of revenue (or a cut in operating costs) in circumstances where there are very limited opportunities to increase prices to consumers due to market competition or to offer the same services with less input costs.

RGDATA members feel strongly that the Government and relevant State agencies do not understand that all newly imposed costs and charges arising from new obligations, all go to undermine the competitiveness and viability of their businesses. The costs must be met from the same pot as the previous week – a new line of business cannot be generated to meet that additional cost.

For example, the new statutory sick pay scheme. Under the new scheme, retailers will have to fund the sick pay of a staff member who is off sick and will also have to pay the cost of a replacement worker. Those additional costs need to be met from somewhere.

Other examples include the introduction of new environmental compliance schemes which bring additional costs for retailers without any attendant benefit or income stream. The proposed "Latte Levy" or the Deposit Return Scheme are prime examples of new regulatory obligations creating new costs which have to be met from existing operations. Members who are striving to be more energy efficient and are investing in solar are reporting extreme challenges with compliance and not being able to connect to the grid. While some of these schemes are presented with the intention of having a cost neutral impact on retailers, the reality is that the retailers do bear direct costs without recourse to any alternative funding stream.

## **Proper SME Representation and Economic Impact Assessments**

There is a strong sense among the RGDATA membership that the dispersed focus of Government on the retail food sector and the lack of a SME representation at the highest level on key Government strategic forums has created a number of situations where the impact of Government policies or interventions has been adverse for the sector.

## **Stop the Silo Approach by Government Departments**

To progress an Enterprise culture that supports indigenous SME businesses the most important issue this White paper should address is how to change the “silo approach” to policy development and implementation that currently prevails across all Government Departments.

This would mean that the State would properly assess the potential impacts of measures on SME sectors and introduce a level of co-ordination and ensure that different Departments and agencies are not pursuing contradictory objectives in terms of their impacts on domestic businesses.

## **Reform Regulatory Impact Assessments**

Regulatory Impact Assessments also need to be addressed. Whilst there was some focus on Better Regulation in the past, currently many Departments and agencies have ceased to carry out proper Regulatory Impact Assessments of proposals to determine if they can achieve the intended result effectively and in a proportionate manner. This omission is leading to poorer less focused measures, without proper regard for their impact on the key players in the economy. Re-establishing the Better Regulation programme with a strengthening of Regulatory Impact Assessments would be a positive development and help to introduce legislation and initiatives which are targeted, proportionate and necessary.

Our members would welcome if the Enterprise White Paper could address the issues raised above and look at a way in which the State could actively support our sector to grow and develop through a proper understanding of the challenges and dynamics that are involved in running a modern food shop in deeply challenging and demanding conditions.

We welcome engagement with the Department as the process of preparing the White Paper continues.

Yours sincerely,



Tara Buckley  
Director General  
RGDATA





29<sup>th</sup> July 2022

## **Submission for the public consultation on the preparation of the White Paper on Enterprise**

### RDS & the Economy

I am writing to you from The Royal Dublin Society which, as you know, is a key element of the Exhibitions industry in Ireland with over 500 events per year. The RDS has 1.5 million visitors each year and an economic impact of over €600 million annually to the economy (*source: Indecon Report*)

The Royal Dublin Society's founding mission is to help Ireland thrive economically and culturally and a core function of our exhibition centre is to host, promote and facilitate business- to- business and business- to- consumer exhibitions, all with a view to supporting an industry that promotes and fosters the sales and trade of good and services. The purposes of my submission today is to highlight to the White Paper on Enterprise the difficulties, obstacles and lack of agility visited upon our industry in a post Brexit environment for traders at trade exhibitions, most especially SME's who are unable to cope with the complexity involved. I speak on behalf of the RDS hosting its annual Dublin Horse Show which has seen a 33% decline in trade stands in 2022 due to Brexit, and on behalf of our customers (Irish Exhibition Organisers Association-IEOA) who's shows & exhibitions are suffering the same negative impacts.

### Introduction

The establishment of the European Single Market in 1992 meant that customs checks on goods moving between EU Member States were largely phased out. Within the Single Market, all members such as the UK and Ireland became one customs territory without any internal borders or regulatory barriers preventing the movement of goods. Businesses in the single market benefited from the freedom to move and trade goods with business in other member countries.

The United Kingdom formally left the European Union on the first of February 2020 and entered the transition period. This meant that until the 31<sup>st</sup> of December EU Single Market rules and frictionless trade were maintained for business importing and exporting goods from the United Kingdom to the EU and vice versa. On the first of January 2021 the UK formally left the transition period and began a new trading reality as a third country with the EU.



This new trading reality immediately brought about a number of challenges for UK and Irish business including the requirement for customs documentation, enhanced supporting document and information requirements, customs taxes and obligations.

### RDS business challenges

The RDS hosts and facilitates a number of trade shows and exhibitions annually. This incorporates a number of UK based trade operators and exhibitors who wish to attend exhibitions with their goods either for display or for display and sale. Trade operators that were previously able to move goods from the UK to Ireland within the legal framework of the Single Market are now considered imports and exports. Trade operators have quickly realised that they must now familiarise themselves with customs documentation and border procedures, with many doing this for the first time. This has created a number of challenges for UK operators wishing to attend Irish exhibitions:

- The requirement to submit customs documentation and safety and security information in order to move goods from the UK to Ireland
- The requirement to generate significant customs information prior to movement of goods (Customs tariff classification, customs values, country of origin information etc.)
- The requirement to pay customs taxes at import into Ireland (Irish import VAT and customs duties)
- Difficulties in recovering customs taxes due to not being established in Ireland and the EU
- If utilising customs procedures (temporary importation, ATA carnets etc.) to alleviate customs taxes then an inability to sell goods at Irish exhibitions due to restrictions in the customs rules
- Guarantees and deposits required to operate temporary importation customs procedures
- Significant additional internal and external costs and time in generating the customs information to support customs declarations.

All in all, these factors have in the majority of cases made it untenable and impractical for UK based trade operators to attend Irish exhibitions and there has been a significant drop off in this valuable business and revenue for Ireland. Given the rules and documentation requirements its often particularly impractical for UK trade operators to attend events in Ireland with exhibition stock as they are fully subjected to the customs checks and rules as if they were importing goods into Ireland on a permanent basis. This is irrespective of whether the goods are only being imported temporarily.

Although customs procedures exist to facilitate temporary imports, none do so in such a fashion that truly facilitates the business model of UK trade operators attending exhibition events in Ireland.



**In order to recover and sustain the business model we would hope the white paper could address the problem areas above and promote areas of trade facilitation between Ireland and the UK that respects the unique business model of trade exhibitions in Ireland and that unique link with UK trade operators (where no natural alternative exists in EU member states). In particular we would suggest that a particular easement is made within Irish customs policy to address the problem areas and to stimulate trade between the UK and Ireland.**

I would welcome the opportunity to engage with your department in terms of creating supports and/or an expert group to mobilise a 'free flow pathway' to assist the agile movement of goods and services for the purpose of trade shows of Ireland.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Geraldine Ruane'. The signature is fluid and cursive, written in a professional style.

---

Geraldine Ruane  
**Chief Executive**



G. Ryan

### **Submission to the Consultation on the preparation of a White Paper on Enterprise.**

The purpose of this submission is to put forward a number of suggestions on how to grow indigenous HPSU (High Potential Start Up) type companies into major internationally trading companies, possibly with 'Unicorn' status.

Background: A HPSU startup or university spinout company typically goes through phases of fund raising such as Seed Rounds, Series A, Series B etc. Investors such as Venture Capital (VC) funds usually have a time limit on their investment fund and look for a liquidity event, such as a trade Sale or an IPO towards the end of the lifetime of the fund in order to crystallise a return for their investors or limited partners.

Not many companies go for an IPO in the early years leaving trade sales as the major exit route for many companies after a number of years growth. These companies acquired in trade sales are usually absorbed or integrated into the larger acquirer company. The acquirer company is often non Irish and the opportunity to create a major Irish based internationally trading company is then lost.

Another pressure to exit in say, a five to seven year period comes from the founders who may have borrowed personally to fund the business as well as having mortgages and other personal financial pressures to juggle while the business grows.

If a start-up starts to grow sales and makes progress the valuation of the company increases as a result. At some point, founders may want to take some money off the table to bring their own personal borrowings or finance commitments back into line. This can translate into pressure to sell or liquidate some of their shareholding. Some investment funds provide "Secondary Capital" diluting the founder's percentage shareholding and allowing them to take some money to reduce their personal mortgages etc. This type of funding is either not readily available or is on offer at an unrealistic valuation. The easier route is to sell the entire shareholdings of the founders in a trade sale, particularly if the other investors such as Venture Capital funds are at the end of life of their investment fund and are aligned in wanting a liquidity event.

Proposal one: Incentivise the greater provision of secondary capital to allow founders sell some shares at an interim stage in the development of the company.

Proposal two : Create funds that will step in after two or three years in a early stage company that has a good team and is making good progress in Sales, Poduction and Product Development. The life time horizon of these funds will have to be a lot longer than that of a typical VC fund. There may be a role for ISIF here in provision of development capital with a longer time horizon.

Proposal three: Extend the 10% Entrepreneur Relief so that it clearly and unambiguously covers the partial sale of company shares in a secondary capitalisation scenario.

Generally, you get what you incentivise and measures similar as these will need to be introduced if we are to help Irish companies to reach Unicorn status and achieve domination in their chosen markets. There are great start ups coming out of Ireland that could be world beaters, if they are allowed develop fully. Otherwise, there is too much pressure to achieve a Trade Sale and the opportunity to achieve major globally trading Irish companies is lost as a consequence.

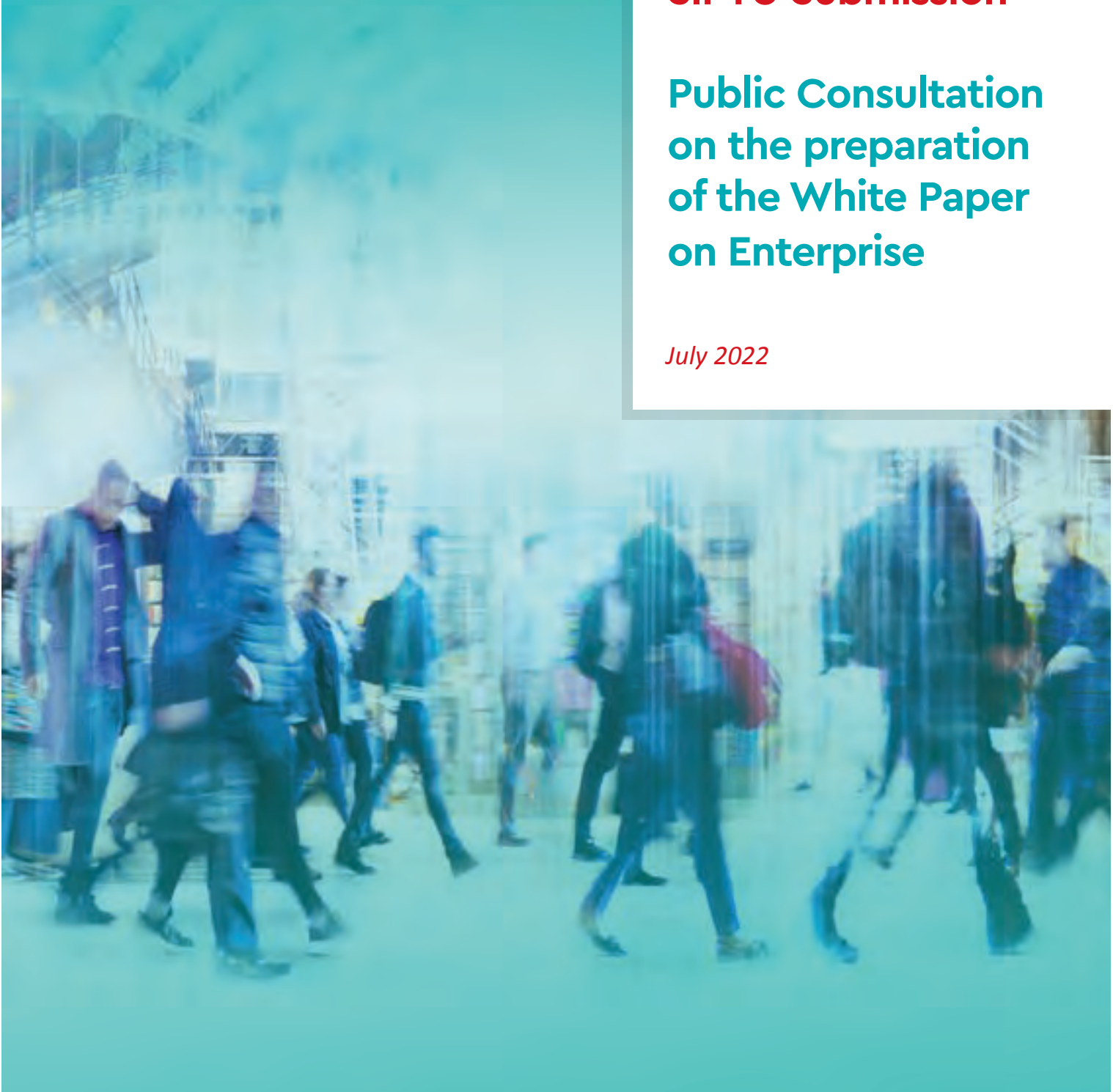
Submitted by:

A large black rectangular redaction box covering the signature of the submitter.

## **SIPTU Submission**

# **Public Consultation on the preparation of the White Paper on Enterprise**

*July 2022*



**Fairness  
at Work and  
Justice in  
Society**



## Introduction

Ireland's current business model is actively constraining economic growth, productivity increases and innovation through:

- Lack of strategic stakeholder planning
- Failure to leverage all the skills, experience, and expertise available to our enterprise base
- Maintaining a costly low-pay model which degrades business prosperity, and
- Failure to promote high-road enterprises and managerial strategies

Overcoming these barriers will require a significant step-change in enterprise policy; a thorough-going democratisation of our enterprise base which acknowledges the centrality of each and every worker in the production process. A crucial input has been ignored in the development of Irish enterprise policy: that of the producers - that is, workers. Redressing this imbalance would prove transformative.

This particular focus takes on an urgency given that, in the future, economic growth will rely increasingly on the knowledge and innovative capacities of the producers of goods and services. As Unger, et al put it:

*‘... it (an alternative democratic strategy) aims to transform its institutions, so that many more people, places and firms can take part in, and shape, the future knowledge economy. . . an inclusive knowledge economy requires action to democratise the economy – widening access to capital and productive opportunity, transforming models of ownership, addressing new concentrations of power and democratising the direction of innovation; to establish a social inheritance by reforming education and social security; and to create a high-energy democracy, promoting experimental government, and an independent and empowered civil society.’<sup>1</sup>*

This democratisation will need to sweep throughout our economic and social institutions. However, given the constraints of space we will focus on one aspect: ‘employee voice’ in the decision-making process of the enterprise - in particular, indigenous enterprises.

## 1. Strategic Planning

Maximising innovation, productivity and resilience requires an inclusive framework to ensure that we are leveraging all our skills, experience, and knowledge - at both sectoral and enterprise level. Employees are primary stakeholders - ‘a group without whose participation the organisation would cease to exist’ - along with owners. Their inclusion in such frameworks is necessary and paramount.

Strategic planning at a sectoral level means anticipating future trends and new technologies, directing investment into the most productive streams, decarbonising business activity, responding quickly to outside events and promoting social prosperity.

This is recognised in the Programme for Government (2020) and its commitment to **establish sectoral taskforces** with employee and employer stakeholder representatives, independent experts, and Ministers.<sup>2</sup>

**\* PROPOSAL:** As a matter of urgency, establish the sectoral taskforces provided for in the Programme for Government, using the Department of Enterprise’s ‘Focus on Sectors’<sup>3</sup> as a guide for demarcating industrially based sectoral committees.

This can begin to mobilise the skills and resources needed to advance enterprise prosperity, while reducing the reliance on speculative markets and unaccountable decisions made by economic elites.

## 2. Collective Bargaining – the Foundation of Enterprise Democracy

To promote a democratic stakeholder model at enterprise level requires, in the first instance, the right to ‘employee voice’. This can only be realised through the unequivocal right of employees to bargain collectively with owners and management. The cynicism with which owners and management deny workers this right can be seen in the fact that owners, themselves, avail of the right to bargain

<sup>1</sup> Imagination Unleashed: Democratizing the Knowledge Economy: [https://www.oecd.org/naec/projects/Imagination\\_unleashed-Democratising\\_the\\_knowledge\\_economy.pdf](https://www.oecd.org/naec/projects/Imagination_unleashed-Democratising_the_knowledge_economy.pdf)

<sup>2</sup> Government of Ireland, Programme for Government, Our Shared Future, p. 19

<sup>3</sup> Focus on Sectors 2020, Department of Enterprise: <https://enterprise.gov.ie/en/Publications/Focus-on-Sectors-2020.html>

collectively with employees through their appointed agency of management which then bargains with individual employees. Owners take as a right what they deny to employees.

This cynicism cannot be explained on the grounds of economic or enterprise efficiency. Firms which provide for employee voice through employee collective bargaining are more efficient in terms of performance, output, productivity and innovation. This has been confirmed by the OECD (in its aptly named study, 'Negotiating Upwards'), literature reviews, the EU's draft directive on minimum wages and collective bargaining<sup>4</sup>, and Ireland's National Centre for Partnership and Performance.

★ **PROPOSAL:** The introduction of an unequivocal right to collective bargaining for employees at enterprise level, legally requiring owners and management to recognise and engage with employees' union(s) of choice.

Collective bargaining should be seen as the first rung on a ladder of democratic participation and the enterprise benefits that flow from this. This 'ladder' includes enterprise (works) councils, employee participation, worker directors, co-management, stakeholder incorporation, right up to labour-managed enterprises. While there is no one-size-fits-all for enterprises or sectors, this is the sustainable pathway to higher wages and enterprise prosperity by driving productivity and innovation.

### 3. The High Cost of a Low-Pay Business Model

One in five employees are officially categorised as low-paid - well above the EU average. We pay an extremely high cost to maintain low pay in the economy - a cost borne by households, public finances, enterprises reliant on domestic purchasing power, and the economy as a whole. All domestic businesses and all households pay for permitting low-road employers to impose these costs on the economy.

SIPTU welcomes the Government's ambition to raise the National Minimum Wage to a living wage. As per the recommendations of the Low Pay Commission, the minimum wage needs to be increased to 66 percent of the median wage - in effect, the low-pay threshold.

However, raising the hourly wage-floor does not guarantee a living wage. A living wage is an annual calculation. For instance, the Living Wage Technical Group estimated the hourly Living Wage last year to be €12.90 per hour. But this is based on a full-time 39-hour work week. Annually, the Living Wage is currently €26,000.

There are many obstacles to earning a living wage; including the inability to get extra hours at work, precarious work contracts which generate uncertain hours and bogus self-employment which drives down workers' incomes and social benefits.

Low pay, precarious work contracts and bogus self-employment undermine a prosperous enterprise base. Hundreds of thousands of employees are unable to fully participate in the consumer economy which, in turn, lowers turnover and net business income. Several steps are needed to end this degradation of enterprise activity and working conditions:

★ **PROPOSAL:** Move to a Living Wage (the low-pay threshold) in a reasonable timeframe

★ **PROPOSAL:** Tackle precariousness and address bogus self-employment through an automatic presumption of an employer-employee contract. The onus should be on the employer to prove otherwise.

★ **PROPOSAL:** Provide employees with the right to access more working hours in their employment as they become available, effectively transposing the EU Part-time Directive into domestic law.

<sup>4</sup> Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union: <https://data.consilium.europa.eu/doc/document/ST-9142-2021-INIT/en/pdf>

★ **PROPOSAL:** Introduce a comprehensive and legally robust right to sectoral collective bargaining – multi-employer bargaining structures across economic sectors and occupations.

By enabling full participation in the consumer economy for all employees, businesses will benefit from the additional consumption which can help drive start-ups and investment in key domestic sectors.

## 4. Building a New Business Culture

There is a widespread pessimism over future productivity growth, captured by the Irish Fiscal Advisory Councils' prediction of a low-growth future. This can be overcome through continual innovation. Building on collective bargaining, employee-driven innovation and productivity must play an increasingly vital role and become the focus of state policy. This requires challenging hierarchical management structures with a more democratic, horizontal decision-making processes.

SIPTU has experience of this through the IDEAS Institute<sup>5</sup> and its Workplace Innovation Programme which brings employee and employer representatives together to solve business problems. This voluntary process has reaped considerable benefits for participating enterprises. This is part of the general 'employee participation' process whereby employees design and implement proposals to boost productivity and innovation in the firm.

Unfortunately, in too many cases, owners and management reject the role that employees can play as full stakeholders, much in the same way that they reject employees' right to bargain collectively. While the State cannot impose a more progressive owner and management base (though it can legally require them to bargain collectively with their employees), it can put in place several measures that would privilege high-road enterprises and incentivise greater democratisation.

SIPTU, along with Connect and Unite trade unions and the Irish Congress of Trade Unions, protects high-road enterprises and quality jobs in Ireland by promoting quality brands and services manufactured and produced in Ireland through our Supporting Quality campaign.

★ **PROPOSAL:** Introduce social clauses in public procurement contracts that reward best-practice enterprises around issues of workers' rights (e.g. right to collective bargaining), gender equality, work-life balance and remote/hybrid working, elimination of low-pay and precarious contracts, decarbonising strategies, prioritising investment and R&D.

★ **PROPOSAL:** A special suite of enterprise supports (grant-aid, tax measures, in-kind benefits) for Companies of Excellence that, like public procurement conditionality, are awarded to those enterprises that prioritise labour rights, environmental protection and investment.

★ **PROPOSAL:** Bolster the role of Local Community Development Committees (LCDCs) in local enterprise development particularly in the indigenous SME sector.

★ **PROPOSAL:** Develop the role of public enterprise within the market economy at both national and, in particular, local level. Such enterprises could play a role as 'market leaders' in democratic organisation, investment and R&D. This can be done through new public enterprise start-ups, expansion of current public enterprise, equity partnerships with private capital, etc.

★ **PROPOSAL:** Promote alternative enterprise models such as private sector stakeholder firms, civil society-led enterprise (e.g. co-operatives and trusts) and labour-managed enterprises.

The State clearly has a role in incentivising and promoting a new enterprise strategy based on democratic participation of all stakeholders, in order to unleash our productivity potential.

<sup>5</sup><https://ideasinstitute.ie/>

## 5. A European Leader

Ireland has the opportunity to become a First Mover in the development of a truly authentic stakeholder enterprise model which promotes 'employee voice' and participation and privileges enterprises which are capable and willing to embrace a new democratic dispensation. While there are other crucial components to building a modern enterprise base (infrastructural and economic investment, education and R&D, access to finance, etc.) we have focused here on the central role of employees in the production process. Space does not allow a more complete canvas of the wider issues affecting employees such as the social wage (i.e. pay-related in-work benefits), public services such as affordable childcare, work-life balance and the right to remote/hybrid working, etc. The expansion of the democratic ecology of work would not only add significantly to social prosperity but to enterprise success, as businesses thrive best in a more egalitarian, prosperous environment.

And, unlike other components contributing to a successful enterprise base, there is little, if any, transition cost to a democratic stakeholder-based business model. Changing the way we do business does not cost. But it does challenge old ideas and practices that are holding us back. Ireland can become a European leader in charting a new direction for market enterprises - with almost no upfront cost, but with considerable downstream benefits to the economy and society.





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**Shannon  
Chamber**  
Advancing business together

**Submission on behalf of Shannon Chamber to the  
Department of Enterprise , Trade and Employment regarding  
the  
Public Consultation for the White Paper on Enterprise Policy**

**July 2022**

We strongly support the existing policy for multi-national companies.

Future policy should build on the success of the High Value Manufacturing sectors.

But there have been significant changes since the global, and Irish, economies since the current Industrial Policy “Ahead of the Curve” was developed in 2004. We need to compensate for the areas where we have become weaker and take advantage of the areas where we have unique selling propositions.

The areas where we are weaker than we were in 2004 are largely related to the fallout from the Great Financial Crisis. Our overleveraged position led us to forgo a decade of infrastructure investment. Having returned to growth, after spending the period to 2013 underinvesting in the economy we are now experiencing capacity constraints throughout the economy.

Considerable investment in infrastructure will be needed to return our infrastructure and built environment to where it needs to be. We can however use the Green Transition as a mechanism for channelling finances towards investment in our Energy/Water/Transport networks in ways that can help our towns and cities become sustainable centres of economic growth.

### **High-level Negative trends since the implementation of “Ahead of the Curve”**

#### **Skills & Talent**

- The high cost of housing is as a cause for employees emigrating and a cause of claims for increased wages.
- Poor access to housing is a drain on productivity; either through repeated, prolonged house searches or through extended commutes to and from work.

#### **Housing & Migration**

- Poor housing options make Ireland a less attractive destination for migrants.
- Ireland does not have the same capacity to import skills from other European jurisdictions, as we did in the early 2000's.

## Energy

- Our energy mix is overly dependent on fossil fuel sources and not as secure as in the past.
- Electricity supply difficulties are resulting in reputational damage as a destination for foreign capital, and a de facto ban on new data-centres.

## Water

- Access to water resources and waste-water treatment capacity are problems for businesses looking to expand in/into, Ireland.
- A lack of effective water treatment capacity is a key reason for rejecting planning permissions.

## Taxation

- Ireland's interests are better served by embracing the international taxation reforms than by retaining the 12.5% rate of corporation tax and damaging our reputation but Ireland must change its narrative to encourage investment here without having to rely on being a low tax regime.

While there are challenges ahead for us, the outlook for Ireland over the next decade is far from negative. We are possibly the best placed of the European economies to take advantage of the opportunities that are before us. Particularly in the area of renewables, but also because of other long-term trends that we will be able to take advantage of over this decade.

## **Potential sources of growth over the next decade**

### Untapped Green Energy Resources

- Government needs to ensure that MARA operates as an "IDA for the sea".
- More ambitious offshore energy policy is required to mirror the growth of peer states (e.g Scotland).
- We should utilise REPowerEU, to fast track grid upgrades and make our electricity networks more resilient and effective.



- Hundreds of billions of euros of infrastructure is required to harness the energy of the Atlantic. This will translate into regional development, and highly-paid jobs in underdeveloped and disadvantaged parts of the country.
- Large energy users could be incentivised to transition, to reduce our dependence on imported fossil fuels while also catalysing a Green Hydrogen industry.
- We must use our underutilised harbours to export Compressed Green Hydrogen, and Green Ammonia to continental Europe.
- Ammonia created using Green Hydrogen can be used in jet turbine and diesel engines as fuel, to help decarbonise the international transport sector and can also be used as a alternative to fossil fuels to create nitrate fertilisers for farming.
- Using biomass, biowaste, farming and foodwaste to produce methane can maximise the lifespan of existing natural gas investments, while reducing the impact that naturally released methane would have on the atmosphere.

### **Brexit & Trade**

- The Island of Ireland should position itself as a logistics hub for businesses seeking to trade with both GB and the EU.
- We need to integrate rail with our ports, to facilitate smaller vessels that will have access to less strained EU and GB ports, and to support imports and exports to the US and Asia.
- Being the primary English speaking and common law country in the EU will help compensate for no longer being able to distinguish ourselves from other EU countries on the basis of taxation.

### **Deglobalisation**

- Friend-shoring and near-shoring production will lead to higher costs, shorter supply lines, and reduced inventory.
- Ireland should focus on high-value advanced engineering processes involving additive manufacturing.
- Ireland needs a large, excess electricity capacity to become a home for energy-hungry manufacturing, where products are destined for the EU market.

## **Cybersecurity**

- Ireland's weak cybersecurity is a serious business concern, especially for MNCs contributing substantial Corporate Income Tax.
- Ireland requires a cross-departmental public sector agency to pre-empt such threats.
- The strategy should involve a civilian cybersecurity agency which collaborates with Justice officials, the DPC, industry, security experts and our third level sector to actively combat cybersecurity threats.
- The national cybersecurity agency needs have an educative mission, be put on a legislative footing and mandated to conduct penetration testing on state bodies.

## **Creative Industries**

- Given our oversized global creative industries footprint and the fact that English is the primary international language in the global entertainment industry, our growth in exports for this sector has been relatively weak.
- We need to scale our cultural exports like the Republic of Korea has done, with a systemic focus on entertainment (broadly defined) as an export industry, to facilitate a strong domestic, indigenous sector. This would increase our tourism income and develop our soft-power internationally.

## **Underutilised domestic capacities**

- The considerable infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly constrained our domestic economy.
- The Department of Finance must reduce our Debt/GNI\* ratio. It can do this by either reducing the absolute levels of Debt which the state owes, or growing the denominator.
- The regulatory environment for businesses not typically supported by the state should be simplified - we need to consolidate employment law, rather than create new bills for micro issues.

- Most businesses will never be High-Performance-Startups, and HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.
- We need to develop an outward-looking medium business sector that trades internationally. For as long as our medium sized businesses remain focused on our domestic economy, they will be vulnerable to shocks that alter their sector which emerge from abroad.
- Government should optimise the construction industry by buying tens of thousands of modular homes per annum, over the next decade, or potentially decades to come.

**Helen Downes**  
**CEO, Shannon Chamber**

Shannon Chamber is the representative body for over 300 businesses in the greater Shannon area in County Clare, and its reach extends to approximately 15,000 employees.

Formed in 1995, the Chamber is now recognised as one of the most progressive and fastest growing chambers in the country. Its membership is drawn from a diverse set of categories, encompassing manufacturing, retail and service industries.

Clients of the Chamber include world-class companies operating in sectors such as aircraft leasing, aircraft maintenance repair and overhaul (MRO), pharmaceuticals, medical devices, ICT, international services, engineering and logistics.

Many different client categories are represented, including multinational companies, indigenous SMEs, sole traders and investors seeking to locate a business in the area.



Skillnet Ireland submission  
**Prospective White Paper  
on Future Enterprise Policy**



# Skillnet Ireland submission on prospective White Paper on Enterprise Policy

## Contents

1.0 Introduction .....	<b>Error! Bookmark not defined.</b>
2.0 Enterprise Productivity Levels.....	<b>Error! Bookmark not defined.</b>
3.0 Inclusive Growth Policies .....	<b>Error! Bookmark not defined.</b>
4.0 Digital Transformation .....	4
5.0 Green Transition .....	<b>Error! Bookmark not defined.</b>
6.0 Conclusion.....	5
7.0 About Skillnet Ireland.....	<b>Error! Bookmark not defined.</b>

## 1.0 Introduction

Skillnet Ireland welcomes the opportunity to submit as part of the Department of Enterprise, Trade and Employment’s consultation on the Future of Enterprise Policy White Paper. Given the multitude of complex challenges faced by enterprises in Ireland at a domestic and global level, the renewal of this policy is timely.

Skillnet Ireland, as the national agency responsible for the promotion and facilitation of talent development, ensures businesses are equipped to thrive in a future filled with both opportunities and risks. Established in 1999, our deep roots with enterprise allows us to respond to policy and skills challenges in a proactive and agile manner. In partnership with industry, we offer demand-led upskilling programmes that are innovative and flexible, to enhance the productivity, competitiveness and sustainability of the Irish economy.

Skillnet Ireland’s Business Networks provided upskilling programmes to 22,500 businesses in 2021, upskilled 86,570 workers, delivered a total of 664,267 training days and 9,853 talent development programmes to businesses nationwide, enabling them address talent gaps, boost innovation and productivity and prepare for the long-term implications of the future of work. The organisation’s 2021-2025 Strategy<sup>1</sup> sets out even more ambitious targets that the organisation is in a strong position to meet.

The organisation is ideally positioned to drive complex and highly impactful upskilling collaborations that support the various economic, social and environmental challenges future Enterprise Policy must address. Skillnet Ireland can be leveraged and scaled further given its unique position at the intersection between government, enterprise and the training and education system.

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<sup>1</sup> <https://www.skillnetireland.ie/strategy2025/>

This submission provides an overview of the work that Skillnet Ireland has undertaken to date and sets out why talent needs to be central to ever to the future of enterprise policy.

## 2.0 Enterprise Productivity Levels

Talent is central to all of challenges listed in the Background section of the consultation document. Developing talent requires constant horizon scanning, policy action and investment and by doing so it enables companies to weather short term shocks and prepare for long term challenges such as increasing digitalisation and the impact of climate change. However, the Organisation for Economic Co-operation and Development (OECD) have put forward a number of findings in recent years that suggest talent development is not being sufficiently prioritised.

- Irish businesses provide less training to employees than those in other OECD countries.<sup>2</sup>
- To meet our Sustainable Development Goals Commitment, adult skills need to be improved with participation in lifelong learning (at 24% in 2011) half the OECD average.<sup>3</sup>
- To realise the productivity gains made possible by new technologies, complementary skills will need to be nurtured (ibid).
- The proportion of youth and adults with information and communications technology skills is below the OECD average on most dimensions (ibid).

All the above points pose a threat to Ireland's productivity, particularly impacting micro and small businesses, which are the backbone of private sector employment in Ireland. To combat this, the OECD recommended 'a wider take-up of Skillnet Ireland programmes to develop management capabilities in Irish SMEs and consider a further push to target firms that are not at the technological frontier'.<sup>4</sup>

There are a number of reasons why the OECD recommended utilising Skillnet Ireland to close Ireland's productivity gap and why, more broadly, the organisation can play a crucial role in other policy future Enterprise Policy objectives.

1. As already outlined Skillnet Ireland and its Networks consistently deliver for workers and employers alike.
2. Skillnet Ireland delivers for industry of all sizes.
  - Skillnet Ireland supported over 1,100 FDI companies across a wide range of sectors in 2021
  - 93% of the companies Skillnet Ireland supported in 2021 were small to medium enterprises
  - 80% of that total number of businesses supported being small or micro enterprises.
3. Skillnet Ireland has created programmes such as MentorsWork, a free, enterprise-driven programme, that connects business owners and managers all around Ireland with experi-

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<sup>2</sup> <https://www.oecd-ilibrary.org/sites/c67bd5d9-en/index.html?itemId=/content/component/c67bd5d9-en>

<sup>3</sup> [https://read.oecd-ilibrary.org/social-issues-migration-health/the-short-and-winding-road-to-2030\\_d7dbcec5-en#page1](https://read.oecd-ilibrary.org/social-issues-migration-health/the-short-and-winding-road-to-2030_d7dbcec5-en#page1)

<sup>4</sup> <https://www.oecd-ilibrary.org/sites/66472c4f-en/index.html?itemId=/content/component/66472c4f-en#endnotea0z61>

enced and skilled mentors to address specific business issues on a one-to-one basis. The initiative was launched by Small Firms Association and Skillnet Ireland. This is part of our efforts to drive the productiveness of smaller firms, a challenge that talent development can solve.

4. Skills and talent create self-sustaining regional enterprise activity. Skillnet Ireland is active in all 26 counties with supports covering Digital Acceleration and Transformation, Climate Action and Business Sustainability, SME Leadership Development, Foreign Direct Investment (FDI) Talent Base and Workforce Innovation.
5. With a track record in the delivery of advanced green upskilling programmes in the areas of renewable energy, water stewardship, sustainable finance, and technology, Skillnet Ireland can also deliver the talent and strategic digital capacity to prepare business for the wider deployment of new climate technologies and broader trends of digitalisation that will define the future of work and industry at large. 12,000 workers benefited from Skillnet Ireland supported digital skills programmes in 2021, with a two-pronged focus on specialised talent for new or emerging technologies, and in enabling digital transformation within the SME sector.

### 3.0 Inclusive Growth Policies

The broad policy areas the White Paper is considering reflects the need to think beyond traditional sectoral boundaries and for cross-collaboration. This approach is central to future Enterprise Policy and how Skillnet Ireland currently operates.

The organisation's dynamic public-private collaboration has led to 73 enterprise bodies and other enterprise-led initiatives working together. The cost-sharing approach with employers has been a cornerstone of the success of the Skillnet Ireland model and 2021 saw record growth in our joint investment model amidst challenging economic conditions. In 2021, employers made a total contribution of €22.5 million towards the cost of upskilling programmes, a €4.6 million increase on 2020.

Employers make significant contributions because Skillnet Ireland programmes are targeted to business needs and often developed in collaboration with businesses. For example, in 2021, Skillnet Ireland piloted The Innovation Exchange in collaboration with Furthr (formerly Dublin BIC), an initiative that accelerates innovation and drives real results. Aiming to connect SMEs with multinationals facing digital challenges, it provides SMEs with access to new markets, new customers and industry expertise. It provides participating multinationals with access to start-up creativity, new ways of working, and ways to successfully harness emerging technologies. 70 companies participated in the pilot including Glanbia, IBM and Ryanair. Following the success of the 2021 pilot, The Innovation Exchange was formally launched in early 2022.

Skillnet Ireland has FDI at the heart of its strategy because within an increasingly competitive global environment, ensuring Ireland has a robust talent pipeline is instrumental to sustaining and growing FDI investment long-term. Skillnet Ireland works closely with the FDI sector and IDA Ireland to develop the talent needed to compete globally, supporting over 1,100 FDI companies across a wide range of sectors in 2021 alone. The formal partnership, announced in 2022 by the Minister of State

with responsibility for Trade Promotion, Digital and Company Regulation, Robert Troy, at the Department of Enterprise, Trade and Employment, is an example of semi-state agencies working together in pursuit of broader national goals that should be encouraged where mutual challenges exist. Our talented and skilled workforce is a critical advantage to Ireland's economic competitiveness. Facilitating upskilling and reskilling is essential to maintain that competitiveness.

## 4.0 Digital Transformation

Skillnet Ireland's specialist technology-based Networks are providing upskilling solutions to maintain Ireland's position as a leading global technology hub by supporting the growth and competitiveness of ICT enterprises through cutting edge and highly specialised education and training.

Skillnet Ireland delivered digital skills programmes to over 12,000 workers across multiple sectors in 2021 with a two-pronged focus on specialised talent for new or emerging technologies, and in enabling digital transformation within the SME sector. 48% of these participants were female.

Mixed sector Skillnet Business Networks also deliver a range of digital literacy programmes such as digital marketing and MS word/excel which focus on raising the baseline of digital skills to ensure Irish businesses position themselves with the right skills to take advantage of digital innovation.

Skillnet Ireland and its technology networks have developed a wide range of new academic programmes in partnership with enterprise over the years e.g.

- AI, Blockchain, Cybersecurity,
- Data analytics, Digital Transformation,
- Global Business Services, Fintech innovation,
- DevOps, Cloud networking technologies, and IOT
- UX design, Product management, user experience design.

For example, a new industry-driven PhD in Data Science emerged from a multi stakeholder collaboration between Skillnet Ireland, Science Foundation Ireland, University of Limerick, Maynooth University, University College Dublin, together with industry partners and companies.

Skillnet Ireland has excelled in triple helix collaborations, solving complex industry challenges and addressing future skills gaps.

## 5.0 Green Transition

Ireland's commitment to transition to a zero-carbon economy by 2050 will have serious implications for businesses and workers in every sector and region. To deliver on the wide range of Climate Action Plan priorities Ireland must have enough talented workers with the right skills in place. The development of skills for existing and new green jobs is crucial to ensuring an efficient transition to a climate neutrality.

Raising awareness of climate change sustainability practices and innovative business ideas will be key to greater adoption of low carbon transitions across Ireland. Extensive upskilling and workforce development will deliver gains in deepening stakeholders' awareness and understanding of climate change and increase their capacity to adopt new practices and deliver concrete climate action. Ensuring that business have the appropriate talent and skill to mitigate the risks brought around by climate change is a key priority for Skillnet Ireland.

In 2021, Skillnet Ireland launched Climate Ready – a national upskilling initiative designed to accelerate Ireland's capacity to transition to a low carbon and sustainable economy. This is a long-



term initiative to assist industry on their sustainability transformation journey. Leveraging the expertise of specialist Skillnet Business Networks, the Climate Ready Cluster is designed to transform innovative ideas into practical circular economy upskilling business solutions. Key areas currently being addressed include renewable energy, water management and sustainable finance. Climate Ready has scope for expansion into sectors including biopharma, financial services, construction, advanced manufacturing and food production. Skills development across sectors will also be necessary to support the transition to a circular economy, presenting new employment opportunities in a post-Covid recovery context.

## 6.0 Conclusion

The world of work has fundamentally changed because of the pandemic: a surge of remote working has presented a major challenge of managing teams remotely, unprecedented levels of resignations, the pursuit of job transfers, and skill shortages. Talent development provides a means of combatting all these challenges and cannot be ignored even when costs are increasing elsewhere.

The cross-roads industries in Ireland finds themselves in means that the policy decisions and action taken in years gone by will need to be renewed, reimagined and reinvigorated.

For enterprise to flourish, ensuring a competitive environment where talent is a central pillar will ensure the continued development of micro, small and medium enterprises in the locally traded and international economies, whilst remaining attractive to international Foreign Direct Investment. Crucially, it will also enable enterprises operating in Ireland to tackle the climate crisis and meet its Sustainable Development Goals.

## 7.0 About Skillnet Ireland

Skillnet Ireland is a business support agency of the Government of Ireland, with a mandate to advance the competitiveness, productivity, and innovation of Irish businesses through enterprise-led talent development. Skillnet Ireland partners with 60 industry bodies and enterprise clusters, supporting over 22,500 businesses a 86,500 workers through its 73 Skillnet Business Networks across most sectors and all regions in Ireland. As Ireland's only business support agency dedicated to workforce development, we put enterprise in control of the process. We partner with industry bodies that are either sectoral or geographically based and foster a networked and partnership-based approach that leverages Ireland's open culture of collaboration. Skillnet Ireland operates on a joint investment basis where Government grants are combined with contributions from enterprise, thus reducing costs and other barriers for businesses.

Through our partnerships with key industry representative groups, we drive excellence in learning for the workplace of today and the future. Skillnet Ireland has received international recognition as a best practice model from the EU, the OECD, the ILO, amongst others. Skillnet Ireland is funded through the National Training Fund through the Department of Further and Higher Education, Research, Innovation and Science.

Leo Varadkar T.D., Minister for Enterprise Trade and Employment

29 July 2022

*By email*

## **RE: White Paper on Enterprise**

The Small Firms Association (SFA) is the trusted partner of small businesses (less than 50 employees) in Ireland, with members in all sectors and parts of the country. Its mission is to deliver business-focused advice and insights to member companies, influence government policy to the benefit of small businesses and connect its members in a thriving community.

The SFA has a vision of Ireland as the most vibrant small business community in the world – supporting entrepreneurship, valuing small business, and rewarding risk takers. The SFA makes this submission to the Department of Enterprise, Trade and Employment based on our knowledge and experience of the small business community, which comprises over 272,000 businesses, employing nearly half of the private sector workforce.

SFA welcomes the opportunity to contribute to the review of Ireland's Enterprise Policy. Having been through two years of the Covid pandemic, the ongoing implementation of Brexit, and the war in Ukraine we believe this is an opportune time to undertake such a review.

The SFA supports the view, that Government must take action in areas within its control. Improving the environment for small indigenous businesses represents a huge opportunity for the countrywide economy and in meeting our decarbonisation targets. This is an area where our national enterprise policy can take decisive action and the positive effects will create a ripple effect in new businesses, job creation and regional development. The Government has acknowledged that continued economic growth cannot be taken for granted but supporting the small business community offers the possibility of creating a more resilient indigenous enterprise base for the future.

## **SFA Vision for Enterprise Policy**

For many years, the SFA sought the introduction of a Small Business Strategy to ensure that all parts of the State system get behind Ireland's indigenous businesses to release their untapped potential. In its 2019 report 'SME and Entrepreneurship Policy in Ireland', the OECD recommended the introduction of a single national strategic document for SME and entrepreneurship policy.

In 2020, SFA along with entrepreneurs, business leaders and other stakeholders actively participated on the SME Growth Taskforce which contributed to the SME and Entrepreneurship Growth Plan. As members of the SME and Entrepreneurship Implementation Group, the SFA has seen many of the recommendations move towards implementation through the backing and focus of the Ministers and officials within the Department of Enterprise, Trade and Employment and the implementation group itself.

The White Paper on Enterprise must recognise entrepreneurs and small firms' contribution to the Irish economy and their unique challenges. Therefore, a future enterprise policy must commit to a multi-year strategy for small business in Ireland, similar to the current SME and Entrepreneurship Growth Plan.

With implementation of the Growth Plan due by 2026, SFA would like to see the White Paper committing to a second multi-year strategy for small business in Ireland for the period 2027- 2032. Like the current Growth Plan an updated version should set out the policy vision, objectives, targets, lines of action and performance indicators specific to SMEs and entrepreneurship. It should cover an appropriate mix of generic policy actions – aimed at shared policy challenges – and policy actions aimed at specific goals such as regional development, increasing productivity through upskilling, digitalisation, and decarbonisation. Tailored actions could be highlighted, for example enterprise policy support for the Sustainable Development Goals. Dedicated action for other targets could also be highlighted such as female entrepreneurship or other under-represented groups and increasing exports.

As outlined in the 2019 OCED report a multi-year strategy for small business 'will increase clarity regarding the SME and entrepreneurship policy components in existing policy documents. It will also provide a basis to demonstrate alignment of all relevant policies and schemes and to consider priority areas for adjustments in the overall policy portfolio and mix. By setting out targets and performance indicators, the strategy will also provide a basis to monitor and evaluate the progress of the whole package of Government measures in achieving the national SME and entrepreneurship policy vision and objectives.'

### **Dedicated actions**

While the structure and focus of a multi-year strategy for small business will be based on the policy areas examined in its development phase, it is our view that a new small

business strategy should also focus on the below outlined policy areas, in order to meet regional enterprise goals, sustainable targets and create jobs:

- A future enterprise policy must outline its commitment to fund and resource the application of the SME Test across all government departments to reduce the regulatory burden on small businesses.
- Any new enterprise strategy must review the current State Agency supports for small firms employing less than 50 employees. The development of Local Enterprise Offices (LEOs) nationwide has assisted many small firms and micro businesses to grow and develop since being established in 2014. Nevertheless, feedback from our members shows that not all 31 LEOs provide the same level of service to small businesses. Enterprise Ireland's (EI) new Strategy 2022-2024 sets out renewed objectives to increase the number of new entrepreneurs, fast growing start-ups, and High-potential Start-Ups across all regions. The SFA welcomes this new focus and EI's commitment to work closely with LEOs to develop a clear pathway for progression from the LEOs to EI. However, it is our view that this work does not go far enough and that a new dedicated SME State Agency with a focus on domestic facing enterprise and potential exporters should be introduced under a new national enterprise strategy. Enhancement of the institutional supports for small firms alongside long-term strategic funding to accelerate scaling would help improve domestic productivity and reduce costs across the economy, whilst also allowing for broader based growth and prosperity.
- Prioritising small business at the forefront of technology and innovation and helping our small business community maximise the opportunities they bring to their business must be a priority of a new enterprise strategy. SFA believes that out to 2030, government must make innovation funding more available for small firms and provide relevant accessible training through Mentorswork, plus other learning initiatives to support business-owners to upskill themselves and their employees. Continued investment in these areas will address the twin green and digital transitions needed within our economy.
- The Sustainable Development Goals should also be at the core of a small business strategy and an overall enterprise policy, recognising that prosperity and societal well-being can only be achieved through the fruits of a successful enterprise sector.

### **Fostering an entrepreneurial culture**

The benefits of a true entrepreneurial culture include job creation, greater levels of innovation, increased tax revenues and more vibrant local economies.

Changes to taxation are the most effective measures the Government can make to encourage more people to go into business for themselves and bring about regional

enterprise growth. Tax changes can create incentives and mitigate risks, making entrepreneurship attractive.

It is our view that if a new enterprise policy is to bring about real change the Department of Finance and Revenue Commissioners must commit to taking actions to deepen the market for equity investment, encourage the use of share options, enhance investment incentives in areas such as R&D, low carbon technologies and advanced manufacturing, while continuing to reduce the burden of tax administration on small companies. Furthermore, the Department of Housing, Local Government and Heritage must introduce a review of our commercial rates system that will safeguard regional enterprise growth and foster a low carbon and circular economy.

To ensure our transition to a low carbon economy, policy makers must aim to put in place a favourable business environment where green ideas can be easily developed, financed, and brought to the market through low-carbon investment, access to training and improvements in State infrastructure to bring about circular practices.

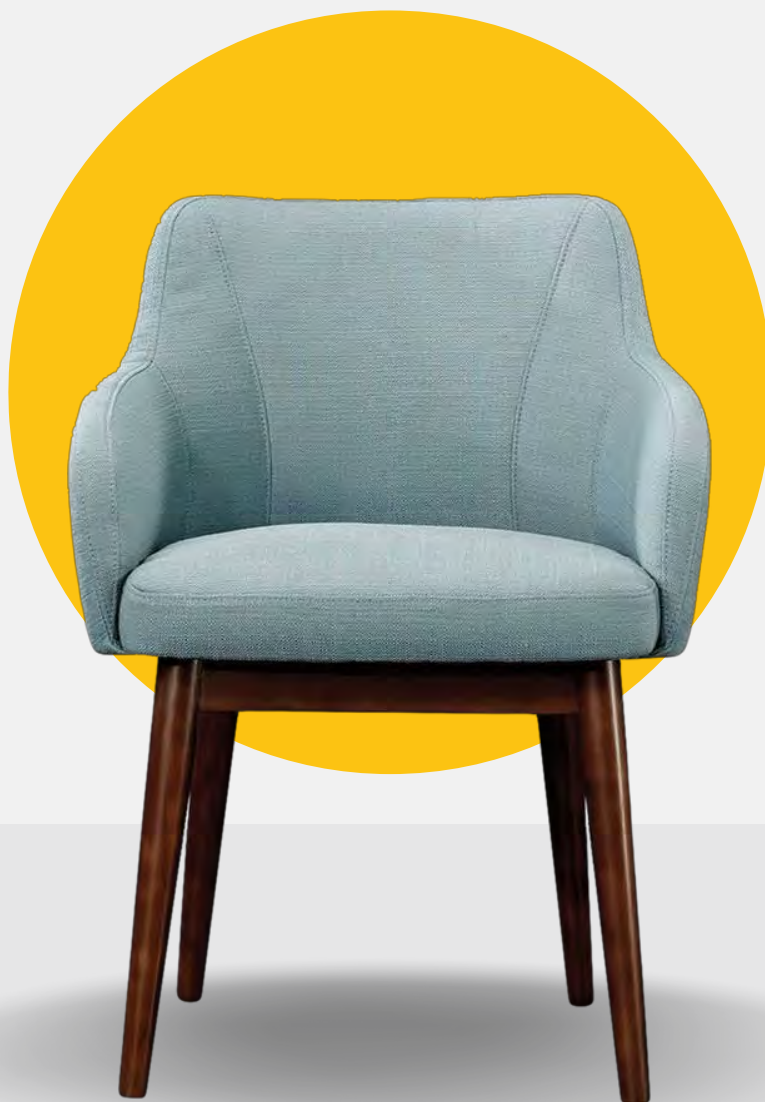
To support enterprise and job creation, policy makers must go further and focus on other areas such as making Ireland a desirable place to live. This requires more ambitious investment not just in 'hard' infrastructure like transport, public amenities, broadband, housing, and the public realm, but also 'soft' infrastructure like community amenities, childcare and long-term care, openness, and the environment.

## **Conclusion**

At the current juncture, a White Paper on Enterprise outlining the strategic direction of enterprise policy is a great opportunity to future-proof our economic model. Committing to a multi-year strategy for small business would mitigate some of Ireland's current vulnerabilities and create a true entrepreneurial culture with benefits for entrepreneurs, employees, communities, and the environment.

For further information, please contact Elizabeth Bowen, SFA Senior Executive, on [REDACTED] or e-mail [REDACTED]. More information about the SFA is available at [www.sfa.ie](http://www.sfa.ie) or on Twitter @SFA\_Irl.

# The Future of Social Enterprise



**PREPARED FOR :**

Leo Clancy,  
CEO @ Enterprise Ireland

# SERI SUBMISSION **The future of Enterprise**

Social Enterprise Republic of Ireland (SERI), the lead co-ordination and development body for social enterprises in the country, welcomes the public consultation on the future direction of Enterprise Policy being undertaken by the Department of Enterprise Trade and Employment with a view to publishing a White Paper by the end of 2022. SERI is very conscious of the economic challenges facing the country and its network of communities which have dramatically increased in recent years. The business community, which includes social enterprises, wants to, and has to, play a full and engaged part in co-creating solutions to these challenges. From digitalisation to decarbonisation – as well as geopolitical and global economic changes - Irish businesses, both domestic and international, will need to adapt and pivot to survive and thrive.

SERI wants to ensure that the capacity of the social enterprise sector is fully engaged in this process. We are making this submission to ensure success in the implementation of the policy and that the needs of Irish social enterprises are fully addressed in the upcoming White Paper. The social enterprise sector wants to be fully involved in framing the strategic direction of Enterprise Policy at this time of great challenge to sustaining prosperity.

Social Enterprise is intrinsically a powerful manifestation of enterprise activity (with social impact as a primary desired outcome). Last year it was designated as one of the 14 industrial ecosystems of the EU economy. According to the European Economic and Social Committee study on the **Recent Evolutions of the Social Economy in the European Union** there are 2.8 million social economy enterprises and organisations in the European Union that employ 13.6 million people and represent 8% of the EU's GDP. **Were Irish levels to reach a similar share, it would represent a major opportunity for increase in jobs and GDP and should surely be an outcome ambition within this review of enterprise policy.** Social Enterprise's economic value has been underlined by the publishing of the EU Social Economy Action Plan this year with endorsement and collaborative commitment from the EU Parliament, the ILO and the OECD. The plan recognises, once again, the transformational potential of the social economy and its people-centred and planet sensitive approach to the economy.

## **SERI SUBMISSION**

SERI notes the issues listed in the consultation call for submissions that the White Paper is set to explore. Those issues align very well with the key objectives of the EU Social Economy Action Plan which are to enable Social Enterprises to



start-up, scale-up, innovate and create jobs. It aims to achieve a more resilient, sustainable and digital social economy, in co-creation with member states and all stakeholders, by:

creating the right framework conditions for Social Enterprises to thrive opening up opportunities and support to capacity building enhancing recognition of the social economy and its potential

**These are the same factors that need to be embedded within the future National Enterprise Policy, having social enterprise as a fully contributing and central component rather than a fringe element.** There is now a significant opportunity to fully recognise and include social enterprise as a constituent part of the Irish enterprise ecosystem. This aligns with Government policy on Social Enterprise where it explicitly states the need to ensure such recognition and seamless support across Departments and agencies of the State. The role and contribution of Social Enterprise in the domestic enterprise landscape, the twin green and digital transitions, skills and talent availability, sustainable development and the levers and mechanisms to deliver on policy objectives must be fully recognised. Access must be given to Social Enterprises to the full range of government assistance to ensure that the contribution made is optimal and that enterprises addressing real economic and social concerns are not deprived of the opportunities to make the maximum contribution possible to the country's economic challenges.

**The EU has a stated aim of setting out to encourage member states to take tangible action to show their adoption of the Social Enterprise Action Plan** and we would encourage the Irish government to co-operate and bring us fully into line with our EU partners. SERI submit that Irish Enterprise Policy should work in harmony with the broad swathe of opinion and actions coming from the EU, ILO and OECD to bring to fruition the full contribution capacity of Social Enterprise as a full member of the enterprise family here. Those common objectives have been identified as:

- Foster a social economy culture;
- Create supportive institutional frameworks;
- Design enabling legal and regulatory frameworks;
- Support access to finance;
- Enable access to public and private markets;
- Strengthen Skills and Business Development Support;
- Encourage impact measurement and monitoring; Support the protection of data; Encourage social innovation.

## SERI SUBMISSION

Throughout the recent pandemic Social Enterprises have been to the fore in addressing local and regional needs. Social enterprise problems in communities and businesses such as health needs and the combating of social isolation. These issues were often addressed with innovative solutions, promptly and at low cost given the use of local resources and expertise.

**ensuring that all enterprises have equal access to the range of government supports afforded to business by state agencies.**

Enterprise Ireland. Removing supports simply because all of their income does not come from the traded model is wrong. Enterprise support service providers should be actively promoting and marketing appropriate opportunities to social enterprises. They must be given the opportunity to make best use of the state's resources to grow and thrive.





is most often a first responder in addressing unexpected

SERI also notes that the Tánaiste and his Department are engaging with enterprise groups and sectoral bodies, particular focus groups, business schools, and an International Panel of Experts, among others. SERI argues strongly that **consultation as it has much to offer in building a new, prosperous and inclusive Ireland.** In addition, the potential for domestic competitive global hubs should not be underestimated and indeed SERI is currently involved in a Pilot Programme with MNCs to optimise their purchases from the domestic economy. SERI believes that the potential for jobs growth in this area will greatly help in embedding foreign companies in the Irish economy building on current effective interventions by Irish Industrial policy agencies.

**It is now time for enterprise policy to reflect this by** Social

enterprises must be supported by access to the LEOs and

**the Social Enterprise sector should be included in such**

In

Social Enterprises to link to multinationals and grow

SERI firmly

**first ever data collection exercise** on social enterprise in

SERI is charged with completing the

Ireland with the Department of Rural and Community Development. We strongly believe that the time is now right to chart the way forward for the decade ahead through a focussed, in-depth review of our longer-term enterprise policy and adapt it to tackle the challenges and avail of opportunities that lie ahead. Social enterprise must become a central tenet of such a review. The potential of the sector is almost limitless and just cannot be ignored if Ireland is to meet its climate goals and challenges in the years ahead.

The participation of the social enterprise sector in the formation of the new national enterprise policy will add real value to the future prosperity of the country. It will address so many problems and deficits that are not on the private or public sector radar. It can increase the many services, facilities and products currently provided and most often using many dormant resources that are readily available.

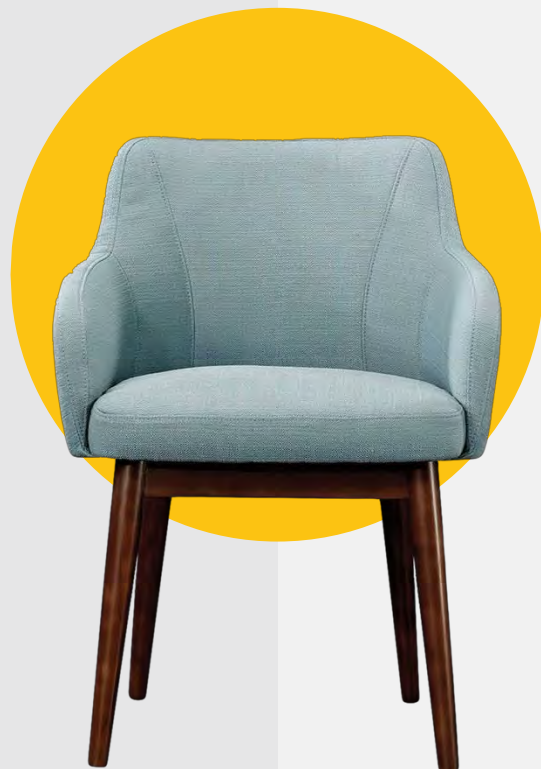


## SERI SUBMISSION

**At a time when all sectors of society, and businesses in particular, are being called on to harness the power of the 17 UN Sustainable Development Goals, social enterprise has an especially robust role to play in contributing to achieving progress on this pathway.**

The various SDGs are at the very heart of the operations of social enterprises and they lead within the business world in showing the way forward in creating a more impactful and sustainable business model.

We strongly urge that this next National Enterprise Policy embrace and reflect that. SERI representatives would welcome and will be available at short notice to discuss all aspects of enterprise policy with representatives of the Department of Enterprise, Trade and Employment.



*Social Enterprise is intrinsically a powerful manifestation of enterprise activity (with social impact as a primary desired outcome). Last year it was designated as one of the 14 industrial ecosystems of the EU economy*

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**Submission to Department of Enterprise,  
Trade and Employment**

White Paper on Enterprise

July 2022



## Contents

Introduction .....	3
Submission .....	3
The global context in which enterprises in Ireland are operating.....	3
The domestic enterprise landscape in which businesses seek to grow in Ireland .....	3
The twin green and digital transitions which all enterprises must address .....	4
Ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development.....	5
Skills and talent availability to support enterprise development.....	5
Enterprise productivity levels .....	6
Enterprise policy support for the Sustainable Development Goals .....	7
The levers and mechanisms to deliver on enterprise policy objectives.....	8

## Introduction

*Social Justice Ireland* welcomes this opportunity to make a submission to the Department of Enterprise, Trade and Employment as it prepares its White Paper on Enterprise (the White Paper). We have set out below a brief overview of our analysis under each of the eight high-level policy questions that the White Paper is expected to address, and have, for the Department's reference, also included links to further work in these areas by ourselves and others.

*Social Justice Ireland* welcomes the opportunity to engage more fully with the Department on this submission and the development of the White Paper.

## Submission

### The global context in which enterprises in Ireland are operating

Ireland is heavily reliant on multi-national corporations (MNCs), the future reliance on which is uncertain given present plans in respect of corporation tax. Over the past few years there has been a growing international focus on the way MNCs manage their tax affairs. The OECD's Base Erosion and Profits Shifting (BEPS) examination has established the manner and methods by which MNCs exploit international tax structures to minimise the tax they pay.<sup>1</sup> Similarly, the European Commission has undertaken a series of investigations into the tax management and tax minimisation practices of a number of large MNCs operating within the EU, including Ireland. The European Parliament's Special Committee on Tax Rulings has also completed a review of the EU tax system and highlighted its problems and failures (TAXE, 2015).<sup>2</sup>

Given the timeliness and comprehensiveness of this work, it is important that it leads to the emergence of a transparent international corporate finance and corporate taxation system where multinational firms pay a reasonable and credible effective corporate tax rate. We welcome progress towards this over the past year, and the acceptance by the Irish Government that the system needs to change albeit that this will result in lower corporate tax revenues to the exchequer in the years to come.

For more detail, please see Chapter 4 of <https://www.socialjustice.ie/publication/social-justicematters-2022-guide-fairer-irish-society>.

### The domestic enterprise landscape in which businesses seek to grow in Ireland

According to the CSO, more than 70 per cent of small and medium enterprises (SMEs) (some 190,000 businesses) reported a decrease in turnover in 2020 as a result of Covid-19, while 56 per cent changed their mode of operation, developing an online presence (14 per cent); increasing operating hours (8 per cent); developing new products (7 per cent); or increasing borrowing (6 per cent)<sup>3</sup>. More than one in five businesses across all sectors saw a decline in turnover by more than half, while almost two in five saw decreases of between ten and fifty per cent. The report further notes that the most common usage of any additional finance drawn down by businesses was to pay on-going costs, rather than invest in innovation or development.

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<sup>1</sup> See [www.oecd.org/ctp/beps.htm](http://www.oecd.org/ctp/beps.htm)

<sup>2</sup> See [www.europarl.europa.eu/committees/en/taxe/home.html](http://www.europarl.europa.eu/committees/en/taxe/home.html)

<sup>3</sup> [Business Impact of COVID-19 on SMEs - CSO - Central Statistics Office](#)

Increased borrowing costs; reported staff shortages; and the impact of the pandemic had an impact on the sustainability of the domestic sector even before the increases in inflation, which has seen overall inflation reach 9.6 per cent in the year to June 2022 and inflation in utilities rise by over 50 per

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cent in some cases. If domestic enterprises are to be sustainable into the future, they will need varying levels of supports from Government.

### The twin green and digital transitions which all enterprises must address

The first two carbon budgets in the programme provide for the 51 per cent reduction in greenhouse gas emissions from the State by 2030 relative to 2018 as set out in the Climate Action and Low-Carbon Development (Amendment) Act. The annual Average Percentage Change in Emissions from the first carbon budget 2021-2025 is a reduction of 4.8 per cent, the second carbon budget 2026-2030 sees a reduction of 8.3 per cent, and the third budget 2031-2035 sees a reduction of 3.5 per cent.

The first carbon budget has built in the implications of the time-lag between making decisions and investments on the one hand, and on the other hand, seeing the emissions reductions come into effect.

The Climate Action Plan sets out indicative ranges of emissions reductions for each sector of the economy. While progress has been made, a significant gap remains between climate action policy and climate action delivery. Ireland has failed to meet its 2020 target of a 20 per cent reduction in greenhouse gas emissions under the EU Effort Sharing Decision and will have to purchase emissions allowances from other Member States to meet the shortfall. Current projections also suggest the 2030 targets will be missed without the implementation of all actions in the Climate Action Plan (Climate Change Advisory Council, 2021b). Ireland is significantly off-track from paths that deliver long-term transition to climate neutrality and our 2050 national policy goals.

The potential impact of digital transition on the labour market makes access to education and training throughout adulthood a priority. As we move towards a future where digital transformation will disrupt the labour market, having the greatest impact on people with lower levels of education and skills (OECD, 2019b), it is important that this cohort are not left behind.

Further Education and Training and Lifelong Learning should play an integral role in the lives of people in the labour force to prepare people for the impact of digitalisation and to enable them to take full advantage of potential opportunities. The Expert Group on Future Skills Needs (2018) examined the potential impacts of digitalisation on the workforce in Ireland. One in three jobs in Ireland has a high risk of being disrupted by digital technologies, although the report points out that this is more likely to mean changes to job roles and tasks rather than job losses. The sectors most at risk are retail, transport, hospitality, agriculture and manufacturing.

'Adult Literacy for Life: A ten-year strategy for adult literacy, numeracy and digital literacy' was published in 2021. The strategy contains three high level targets: decrease the share of adults in Ireland with unmet literacy needs, that is PIAAC Level 1 or below, from 18% to 7%; decrease the share of adults in Ireland with unmet numeracy needs, that is PIAAC Level 1 or below, from 25% to 12%; decrease the share of adults in Ireland without basic digital skills from 47% to 20%. Although the strategy makes commitments to funding to mitigate educational disadvantage, support community education and target vulnerable cohorts, there is no amount allocated for the lifetime of the strategy. We recommend that Government resource the strategy by implementing the recommendation of the 2006 Adult Literacy report which proposed a quadrupling of the adult literacy tuition budget from €25

million to about €100 million over seven years with an additional €25 million for improving ancillary and support services.<sup>4</sup>

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<sup>4</sup> [http://archive.oireachtas.ie/2006/REPORT\\_20060531\\_1.html](http://archive.oireachtas.ie/2006/REPORT_20060531_1.html)

For more detail, please see Chapter 8 of <https://www.socialjustice.ie/publication/social-justicematters-2022-guide-fairer-irish-society>.

### Ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development

The main driver of Ireland's rural economy has moved from the primarily agricultural to a more diverse base involving services, manufacturing, tourism and other industries. Covid-19 had a devastating impact on some of these sectors and ongoing support may be required. Areas of job creation identified for rural areas include social enterprise and social services (e.g., childcare and elder care), tourism, 'green' products and services, and cultural and creative industries. For rural areas to become sustainable in the long-term these sectors must form an integral part of regional employment strategies. Rural areas with an ageing population can face labour shortages and higher service provision costs. However, demand for labour in health and social care is high in rural areas and points to the growth potential of secondary and tertiary economies to boost the employment potential of rural areas (OECD, 2018).

Investment in improved public services is essential to the success of 'Our Rural Future' and 'Making Remote Work', and it also makes rural areas more viable and attractive areas for investment. Rural economic policies must focus on sustaining, developing, and diversifying existing small enterprises as much as developing new ones. Local Enterprise Offices (LEOs) have a key role to play here. Social and physical infrastructure must be in place to enable rural economies to diversify. Public policy can play a key role here by ensuring flexible education, training and labour market policies for rural areas; it can also ensure that transport policy is focussed on those areas not already well served by links and on incentivising the use of rail transport, particularly for freight transport. This would decrease traffic congestion on the road network and reduce transport emissions.

Structural shifts in employment and manufacturing and other industries combined with ageing and population loss has left many rural communities struggling. A withdrawal of public services (school, health services, post offices) can contribute to a community's decline. Government policy must recognise that low density rural economies are fundamentally different to urban economies and require different policies to meet a different set of opportunities and challenges (OCED, 2018). Ireland has the opportunity to be at the forefront of developing renewable energy, sustainable farming, the circular economy, and protecting and enhancing natural resources.

For more detail, please see Chapter 12 of <https://www.socialjustice.ie/publication/social-justicematters-2022-guide-fairer-irish-society>.

### Skills and talent availability to support enterprise development

While Ireland performs relatively well in terms of skills development among young people, a comparatively small share of the adult population perform well on all levels of the PIAAC. Managing digital transformation in the labour market and the shift to a green economy requires investment in human capital and a well-trained and skilled general workforce at all levels (Cedefop, 2020). Educational success is now about creative and critical approaches to problem solving, decision making

and persuasion, applying the knowledge that we have to different situations. It is about the capacity to live in a multifaceted world as an active and engaged citizen.<sup>5</sup> Continuous investment in skills development, adult learning and lifelong learning are the best policy tools available, allowing investment in human capital and ensuring we can manage these transitions.

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<sup>5</sup> <http://oecd.org/general/thecasefor21st-centurylearning.htm>

Ireland's performance on digital skills is concerning. Over 55 per cent of the population have low or basic digital skills. Over one third of the adult population (36 per cent) has low digital skills, well above the EU average (28 per cent). Only one fifth of the population have basic digital skills. This general gap in digital skills is also confirmed by the OECD PIAAC survey of adult learning. Clearly one implication is that expenditure on training will have to increase, especially if we are to meet our digital literacy target. Across the OECD average spending on training for the unemployed and workers at risk of involuntary unemployment is only 0.13 per cent of gross domestic product (GDP).

A report by the OECD on Well-being in the Digital Age (OECD, 2019b) found that the digital transformation could compound existing socio-economic inequalities, with the benefits in terms of earnings and opportunities accruing to a few, and the risks falling more heavily on people with lower levels of education and skills. The report notes that 14 per cent of all jobs are at high risk of being lost due to automation, with another 32 per cent at risk of significant change over the next 10 to 20 years. This means that nearly half of the labour force will be impacted by changes to their jobs as a result of automation by 2040. The pandemic provided a powerful test of the potential of online learning, and it also revealed its key limitations, including the prerequisite of adequate digital skills, computer equipment and internet connection to undertake training online, the difficulty of delivering traditional work-based learning online, and the struggle of teachers used to classroom instruction (OECD, 2020b).

Our training and skills development policy must be adapted to meet this challenge.

For more detail, please see Chapter 8 of <https://www.socialjustice.ie/publication/social-justicematters-2022-guide-fairer-irish-society>.

### Enterprise productivity levels

A recent study by the CSO on Productivity in Ireland, 2020 found that while Gross Value Added (GVA) growth for the total economy was 5.5 per cent in 2020, despite the impact of the pandemic, the 'Domestic and Other' sector recorded a negative growth rate of -5 per cent, again demonstrating Ireland's reliance on FDI growth which has "limited gains" for Irish households<sup>4</sup>. Labour Productivity grew by 14.1 per cent, the highest percentage growth rate since 2015, however this is more likely due to the number of hours worked falling by 8.6 per cent.

In terms of sectoral contributions, the largest was made in the sector Manufacturing: Foreign, which contributed 7.8 per cent to overall growth, followed by Information and Communications (4.4 per cent contribution); and Real Estate Activities (1 per cent contribution).

However, there needs to be a shift in how we determine productivity. In 2018, we emphasised in our 'Measuring Success: Sustainable Progress Index 2018' report that many economists and institutions, like the World Bank, are arguing for a broader conception of economic growth; specifically of

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<sup>4</sup> [Productivity in Ireland 2020 - CSO - Central Statistics Office](#)



investment and capital<sup>5</sup>. Until relatively recently, economic growth was understood to be the result of investing in physical capital (plant and equipment) to raise output per worker (productivity). It is obvious today that productivity is determined by more than how many machines workers use, and that a growing economy and a prosperous society is based on investing in human capital (education and skill development), natural capital (natural resources and the environment), and social capital (culture and institutions of collective action) in addition to manufactured and finance capital. Further,

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these additional capitals are not effectively managed or regulated by markets and the profit motive but require collective decision-making for the common good.

We noted that GDP is particularly problematic as a measure of economic activity in the Irish context, for example, GDP growth for 2015 reached 25 per cent. This is not possible if GDP is a measure of actual economic activity. Due to the many limitations of GDP as a measure of social wellbeing, many alternative measures have developed in recent years, and we note the Government's own endeavours to develop a Wellbeing Framework in place of a purely economic model.

*Social Justice Ireland* proposes that the White Paper be cognisant of these alternative measures in considering productivity, particularly in the domestic SME sector.

### Enterprise policy support for the Sustainable Development Goals

The acceptance of prioritising economic growth regardless of how it is achieved, or the effects it has, is no longer justifiable. The great injustices that have been carried out in the name of economic progress cannot be justified just because they eventually led to an increase in the standard of living which we now enjoy. In any case, in the 21<sup>st</sup> century there is a level of scrutiny over the means used to promote economic growth, and at the more basic level of what constitutes economic growth, just as there is a broader understanding, or at least discussion, of social wellbeing and happiness. This has spread to a more critical attitude of how we conceive and measure progress, particularly GDP and what is now referred to as the Beyond GDP movement.

Each year, *Social Justice Ireland* publishes 'Measuring Progress: Sustainable Progress Index' which compares Ireland's progress towards the SDGs with the EU-14 (formerly EU-15). As part of this year's publication<sup>6</sup>, we reviewed six selected indicators under SDG12, Responsible Production and Consumption. Economic growth has long been linked to an increase in resource and energy consumption. SDG12 calls for adopting sustainable practices and procedures for business and an increase in environmentally friendly activity by consumers to enhance sustainable consumption and production. In the EU, the focus is on developments in decoupling environmental impacts from economic growth, energy consumption, and waste generation and management.

Ireland ranks poorly on this SDG, based on our selected indicators. The production of municipal waste is one of the highest among the countries here (Ireland is ranked 11). The recycling rate of municipal waste is very low and the indicators of circular material use (%) is one of the lowest in our sample. The pattern for CO<sub>2</sub> emissions from new passenger cars paints a more favourable picture, as does the

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<sup>5</sup> <https://www.socialjustice.ie/content/publications/ireland-vs-eu28-our-report-monitoring-irelands-progressachieving-sdgs>

<sup>6</sup> <https://www.socialjustice.ie/publication/measuring-irelands-progress-sustainable-progress-index-2022>

indicator reflecting resource productivity. The overall score and rank of 11 shows the extent of the challenge facing Ireland on this goal.

In past reports we have analysed the many problems with GDP as a measure of progress. Much of the growth in GDP in the past forty years has really been the result of social and environmental decay producing market transactions. However, it should be mentioned that a reliable indicator of economic performance or output is needed to measure economic activity and capacity (potential output). National Income Accounting systems were mostly developed to give government planners information on the capacity of the economy. GDP measures all final market transactions and incomes, and it can be helpful in determining the level of resources that are available to society for public and private purposes. Yet when large corporations use transfer pricing as a tool for avoiding taxes and incomes get booked as if earned in one country, yet that income is not available to be used for public

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or private purposes in a country, then GDP can be a gross distortion of the level of economic activity in a country.

As outlined above, *Social Justice Ireland* proposes that the White Paper be cognisant of these alternative measures in considering productivity, particularly in the domestic SME sector.

#### The levers and mechanisms to deliver on enterprise policy objectives.

*Social Justice Ireland* believes the White Paper should explore the adoption of the recommendations made by the OECD in its 2019 study on SME and Entrepreneurship Policy in Ireland<sup>7</sup>, namely to:

- Draft a unified national SME and entrepreneurship strategy document to increase policy visibility.
- Expand the use of online business diagnostic tools as entry points into the business advisory services system.
- Encourage SME involvement in innovation collaborations to increase their knowledge absorption capacities.
- Create a network of regional enterprise network managers to identify local cluster challenges and broker joint responses involving a range of public sector and private sector actors.
- Increase support for international standards adhesion by SMEs as an additional lever for encouraging upgrading to international best practice business management approaches.
- Scale up current SME internationalisation initiatives to increase SME direct exporting and expand the range of markets addressed.
- Expand current access to credit initiatives for SMEs, particularly to segments of the enterprise population with the greatest access to financing challenges.
- Develop an action plan for financial education to strengthen the financial skills and financial management of small business owners and managers.

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<sup>7</sup> OECD (2019), *SME and Entrepreneurship Policy in Ireland*, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, <https://doi.org/10.1787/e726f46d-en>.

- Ramp up support for the digitalisation of SME business processes to address low digital skills and awareness among SMEs and increase SME take up of key digital technologies.

The Department may note that we have made two exceptions to the recommendations. *Social Justice Ireland* is of the view that both the R&D tax credit system, and the Special Assignee Relief Programme should be discontinued as part of a full review and reform of the tax expenditures in Ireland. We would therefore not be in favour of simplifying the approval procedure for R&D tax credits to facilitate the participation of SMEs in this initiative; or the introduction of a tax relief for non-domiciled new hires by Irish SMEs to increase access to international talented labour. We need to focus on skilling and transitioning the existing labour force.

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**[www.socialjustice.ie](http://www.socialjustice.ie)**

***Social Justice Ireland*** is an independent think-tank and justice advocacy organisation of individuals and groups throughout Ireland who are committed to working to build a just society where human rights are respected, human dignity is protected, human development is facilitated and the environment is respected and protected.

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The work is partly supported by the Department of Rural and Community Development via the Scheme to Support National Organisations and Pobal.





**Submission on behalf of South Dublin Chamber to  
the Department of Enterprise , Trade and  
Employment regarding the Public Consultation for  
the White Paper on Enterprise Policy**

29<sup>th</sup> July 2022

South Dublin Chamber acknowledges the success of our current Industrial Policy “Ahead of the Curve” and sees the need to formulate new policy to take account of the changed industrial landscape since 2004.

Considerable investment in infrastructure is needed to return our infrastructure and built environment to where it needs to be. We can however use the Green Transition as a mechanism for channelling finances towards investment in our Energy/Water/Transport networks in ways that can help our towns become sustainable centres of economic growth in particular our main towns of Tallaght, Clondalkin and Lucan.

## **High-level Negative trends since the implementation of “Ahead of the Curve”**

### **Skills & Talent**

- The high cost of housing is as a cause for employees emigrating and a cause of claims for increased wages.
- Current talent shortages can be addressed through greater connectivity between education, industry, migration / work permits and life long learning.
- Poor access to housing is a drain on productivity; either through repeated, prolonged house searches or through extended commutes to and from work.

### **Housing & Migration**

- Poor housing options make Ireland a less attractive destination for migrants.
- High rental costs and tenant / landlord protection causes challenges in provision.
- Ireland does not have the same capacity to import skills from other European jurisdictions, as we did in the early 2000's.

## **Energy**

- Our energy mix is overly dependent on fossil fuel sources and not as secure as in the past.
- Electricity supply difficulties are resulting in reputational damage as a destination for foreign capital, we have also in South Dublin County have a proposed ban on new data centers in our new development plan.

## **Water**

- Access to water resources and waste-water treatment capacity are problems for businesses looking to expand in/into, Ireland.
- A lack of effective water treatment capacity is a key reason for rejecting planning permissions.
- Businesses experience problems with connecting to water supplies and are challenged by the high cost of water.

## **Taxation**

- Ireland's long term interests are better served by embracing the international taxation reforms than by retaining the 12.5% rate of corporation tax and damaging our reputation but Ireland must change it's narrative to encourage investment here without having to rely on being a low tax regime.

While there are challenges ahead for us, the outlook for South Dublin County over the next decade is positive. We are possibly the best placed of the European economies to take advantage of the opportunities that are before us. Particularly in energy renewables, primarily wind energy on our west coast, but also because of other long-term trends that we will be able to take advantage of over this decade.

## Potential sources of growth over the next decade

### Untapped Green Energy Resources

- Government needs to ensure that MARA operates as an “IDA for the sea”.
- More ambitious offshore energy policy is required to mirror the growth of peer states (e.g. Scotland).
- We should utilise REPowerEU, to fast track grid upgrades and make our electricity networks more resilient and effective.
- Hundreds of billions of euros of infrastructure is required to harness the energy of the Atlantic. This will translate into regional development, and highly-paid jobs in underdeveloped and disadvantaged parts of the country.
- We should support the engagement of large energy users such as Data Centres in the supply of green energy.
- Large energy users could be incentivised to transition, to reduce our dependence on imported fossil fuels while also catalysing a Green Hydrogen industry.
- We must use our underutilised harbours to export Compressed Green Hydrogen, and Green Ammonia to continental Europe.
- Ammonia created using Green Hydrogen can be used in jet turbine and diesel engines as fuel, to help decarbonise the international transport sector and can also be used as an alternative to fossil fuels to create nitrate fertilisers for farming.
- Using biomass, biowaste, farming and food waste to produce methane can maximise the lifespan of existing natural gas investments, while reducing the impact that naturally released methane would have on the atmosphere.

### Brexit & Trade

- The Island of Ireland should position itself as a logistics hub for businesses seeking to trade with both GB and the EU.



- We need to integrate rail with our ports, to facilitate smaller vessels that will have access to less strained EU and GB ports, and to support imports and exports to the US and Asia.
- Being the primary English speaking and common law country in the EU will help compensate for no longer being able to distinguish ourselves from other EU countries on the basis of taxation.
- We must ensure the effective operation of the Northern Ireland / Ireland protocol and promote cross border synergies between business.

### **Deglobalisation**

- Friend-shoring and near-shoring production will lead to higher costs, shorter supply lines, and reduced inventory.
- Ireland should focus on high-value advanced engineering processes involving additive manufacturing.
- Ireland needs a large, excess electricity capacity to become a home for energy-hungry manufacturing, where products are destined for the EU market.

### **Cybersecurity**

- Ireland's weak cybersecurity is a serious business concern, especially for MNCs contributing substantial Corporate Income Tax.
- Ireland requires a cross-departmental public sector agency to pre-empt such threats.
- The strategy could involve a civilian cybersecurity agency which collaborates with Justice officials, the DPC, industry, security experts and our third level sector to actively combat cybersecurity threats.
- The national cybersecurity agency needs have an educative mission, be put on a legislative footing and mandated to conduct penetration testing on state bodies.

### Underutilised domestic capacities

- The considerable infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly constrained our domestic economy.
- The Department of Finance must reduce our Debt/GNI\* ratio. It can do this by either reducing the absolute levels of Debt which the state owes, or growing the denominator.
- The regulatory environment for businesses not typically supported by the state should be simplified - we need to consolidate employment law, rather than create new bills for micro issues.
- Most businesses will never be High-Performance-Startups, and HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.
- We need to develop an outward-looking medium business sector that trades internationally. For as long as our medium sized businesses remain focused on our domestic economy, they will be vulnerable to shocks that alter their sector which emerge from abroad.
- Government should optimise the construction industry by buying tens of thousands of modular homes per annum, over the next decade, or potentially decades to come.

### Services and Supports to Business

- During covid-19 the State responded with speed and accuracy in series of measures of supports to business that enabled business to address the impact of covid 19.
- Supports to business are an essential part of the economic mix and must be targeted to ensure they add value to the business and growing our economy.
- Agencies supporting business have proved to be of critical importance particularly with inward investment, growth, and exporting.

- In some cases, supports to business are being provided despite their availability in the private sector at a lesser cost than that provided by the state. This mission creep is diverting scarce resources away from areas where they can add value and make a difference.

### Digital Euro

- The rapid progress of digitalization is leading to financial innovation including the potential introduction of digital central bank currencies. In the EU, the European Central Bank (ECB) and the European Commission are currently working on plans for the introduction of an electronic form of money issued by the Eurosystem (the ECB and national central banks), a digital euro, which would be accessible to all citizens and firms as a complement to cash.
- In future policy we should highlight our engagement with digital currencies, outline our preparedness for the digital euro and showcase how we will maximise the opportunities presented by these new developments.

For and on behalf of South Dublin Chamber

Peter Byrne

CEO



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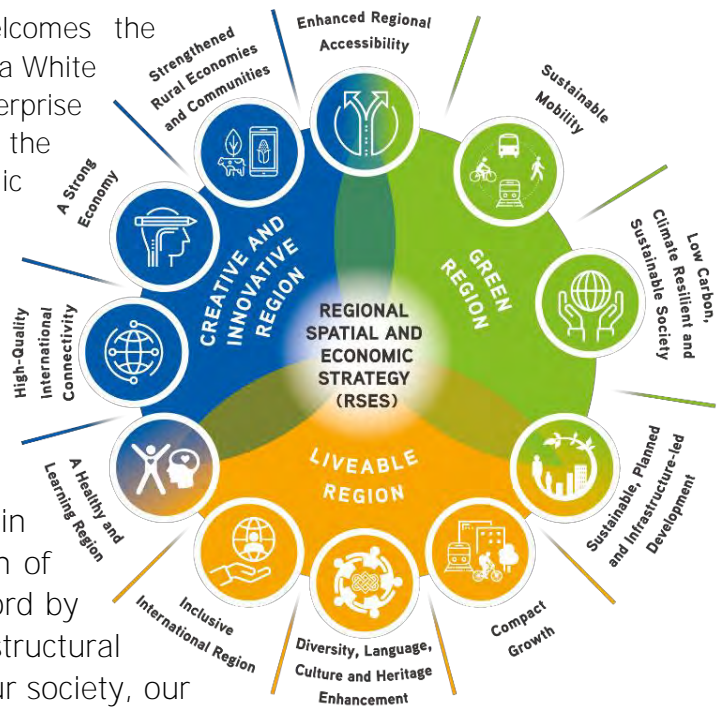
**July 2022**

**Southern Regional Assembly's  
Submission  
To the Public Consultation on the  
White Paper on Enterprise**



The Southern Regional Assembly (SRA) welcomes the opportunity to comment on the development of a White Paper on Enterprise. Government policy on enterprise has the potential to be a foundation to achieve the vision of the Regional Spatial and Economic Strategy (RSES) for The Southern Region (SR) **to become one of Europe's 'most creative, innovative, greenest and liveable regions'** (Figure 1).

Project Ireland 2040, the National Development Plan and the National Planning Framework (NPF) contains transformative proposals for the state and in particular the SR. These include the growth of our three cities; Cork, Limerick and Waterford by up to 60% to 2040, as part of a structural realignment for the overall betterment of our society, our economy and environment in population, homes, and jobs away from the Greater Dublin Area with a 50:50 distribution of growth between the Eastern and Midlands region and the Southern and Northern and Western Regions.



The primary objective of the RSES is to implement this programme for transformative change. The RSES develops the NPF in a regional context and sets the framework for the transformation required under three headings; A Green, A Creative & Innovative and A Liveable Region.

The RSES economic vision for the SR, is to enable sustainable, competitive, inclusive, and resilient growth and is based on five economic pillars (Figure 2)

It is critical that the White Paper aligns with and supports the transformative change required under Project Ireland 2040 and the RSES.

## Regional Development

### Key Enablers – What Does RSES Success RSES Look Like

The following Key Enablers summarise what success for the NPF and RSES will look like in the SR in relation to Enterprise Development:

- Delivering the structural realignment in population, homes, and jobs away from the Greater Dublin Area with a 50:50 distribution of growth between the Eastern and Midlands region and the Southern and Northern and Western Region as outlined in the NPF and RSES.
- Creating an inclusive and Learning Region, building on our higher education institutions including establishing the new technological universities of MTU and TUSE, the TU application by Limerick IT with Athlone IT, a new Learning Region Network

- Achieving a Smart Region
- Positioning the SR as **Ireland's International Gateway**.
- Placemaking -Creating the Greenest and Liveable Metropolitan Areas for diverse communities, culture and enterprise
- Investing in Public Services to tackle legacies, support planned population and employment growth, providing education, health, transport, community and social services and infrastructure.

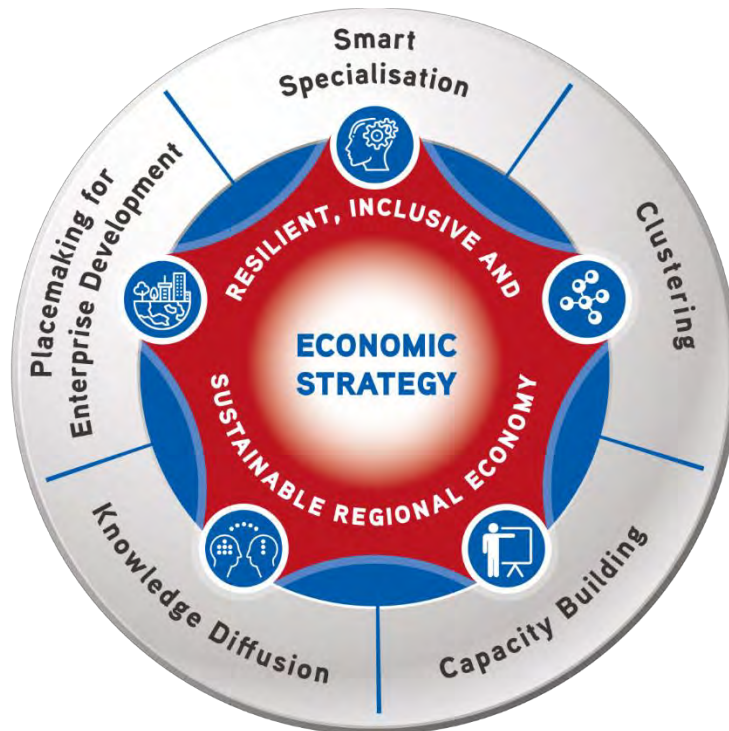


Figure 1: RSES Economic Principles

### Placemaking – A Tailored Approach

The SR has the State's most significant proposition to achieve the aim of Regional Parity. The NPF and RSES targets our three cities to grow by over 50% to 2040 and the overall strategy builds on cities and their associated metropolitan areas as engines of growth and seeks, in parallel to re-position the Region's strong network of towns, villages and diverse rural areas in an economically resilient way.

The RSES identifies the economic role played by smaller scaled settlements for their surrounding rural hinterlands and opportunities for collaboration, sharing assets and opportunities between different settlements to drive rural economic growth.

To truly achieve regional development the RSES advocates the development of placemaking ensuring we develop an attractive sustainable living environment to support a positive living

environment for citizens but also critically to support an attractive enterprise environment for local enterprise and attract footloose international investment and enterprise makers.

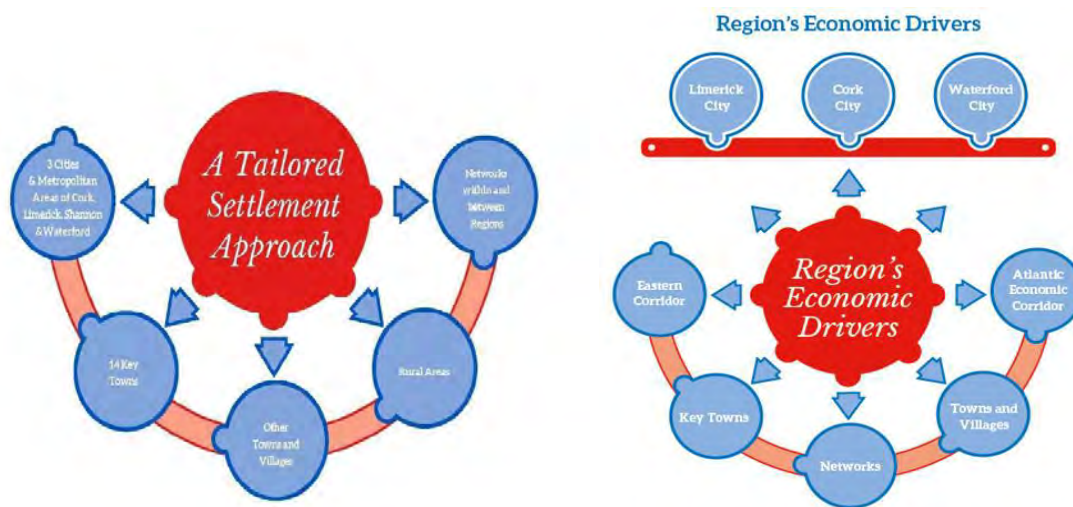


Figure 3: RSES Settlement Strategy and Drivers for Economic Growth Align

### Enhancing the Southern Region's human capital levels

The SR's ability to develop, nurture, retain and attract talent is critical to keep pace in today's dramatically changing world.

To develop a more resilient economy and society, the RSES recognises the value and necessity for Lifelong Learning and together with regional stakeholders have developed *Towards a Learning Region* identifying 19 actions to establish a Learning Region.

Promoting this culture of learning will assist enterprise to build capacity and resilience for the future while supporting access to a flexible and skilled workforce. This is consistent with the RSES economic principles of Knowledge Diffusion and Capacity Building.

*Towards a Learning Region* has identified the Region is a considerable distance behind high performers in Lifelong Learning on a European and international scale. Intervention is required to address this gap and the initiative includes proposals for:

- skills and talent availability to support enterprise development
- ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development
- enterprise policy support for the Sustainable Development Goals (Quality Education, Decent Work and Economic Growth, Reduced Inequalities)

Building on the strengths and priorities of the regions through a regional approach to Smart Specialisation (S3)

The RSES vision is led by the need for transformative change reinforced by the priorities set out in the Southern, Eastern & Midland Regional Programme (SEM RP) 21-27. SRA welcome the newly published S3 having worked closely with DETE to incorporate a regional perspective

reflecting the differing strengths of Ireland's three Regional Assembly areas. By applying a targeted **regional dimension to Ireland's S3**, central government can now invest in regional investment priorities more effectively, underpin regional competitive advantages and leverage the unique role the Regional Assemblies have in connecting EU, national and local stakeholders through coordination of RSES and MASP Implementation and as the Managing Authority for the ERDF SEM RP 2021-2027.

Despite its strong economic performance the Region faces significant challenges and it is imperative the SR sustains what we have in the immediate term and transforms our enterprise base for longer term resilience. Accordingly, the SRA worked with external experts Bable to advise on a Regional Approach to S3([http://www.southernassembly.ie/uploads/general-files/SRA\\_S3\\_Final\\_Report.pdf](http://www.southernassembly.ie/uploads/general-files/SRA_S3_Final_Report.pdf)). This included a regional macroanalysis identifying 21 priority areas to consider, the results of which informed the national S3. The priorities build on existing sectoral strengths and focus on transformation (appendix 1).

Benchmarking comparisons indicate the Region ranks highly in specialisation in high-tech and knowledge-intensive sectors but faces significant challenges in terms of recent rises in unemployment resulting from the Covid pandemic. To future-proof against major economic challenges and ensure long-term inclusive prosperity the Region needs to drive structural transformation and enhance local capabilities.

This is the first step towards implementing the S3 at national and regional level and provide a **'strategic direction to enterprise policy'**. The next critical step is to further define these priority areas with the local innovation ecosystem and develop individual transformation roadmaps, outlining activities and programmes to enable the transformation of priority areas. The SRA recommend an implementation group and co-ordinator is established for each selected priority areas to co-develop the transformation roadmap.

As an active member of the S3 Implementation Group the SRA will work with DETE and relevant stakeholders in the next steps of the EDP process for effective S3 implementation and it is recommended that the White Paper reflect this innovation.

## Towards a Smart Southern Region

A key focus of the Territorial Cohesion programme (2021-27) is **'A Smarter Europe' with a strong emphasis on innovative, digitalisation & smart economic transformation building on place-based strengths & potentials**. Digitalisation and ICT are key enablers underpinning the success of many of the high-performing sectors and the Covid pandemic has accelerated the need for investment in digitalisation to facilitate online working. In parallel the EU Green Deal places a great focus on leveraging digitalisation to improve quality of life. For the region to achieve a smart future, we must understand the opportunities, benefits and challenges that smart technologies can offer beyond the traditional applications.

There is a need for all locations, urban and rural, to collaborate on Smart Region Initiatives. The RSES ambition is to achieve a 'Smart Southern Region' (SSR) recognising Smart Cities as the engines of a Smart Region and key drivers in the successful delivery of S3 priorities at the regional level. Collaboration through Smart City/Town/Village initiatives is a significant opportunity where ALL locations can work together to solve problems, share knowledge, cultivate best practice and foster innovation.



Despite the many economic opportunities 'Smart' presents it can be a complex process and sometimes perceived as an academic pursuit. The SRA have taken a leadership role working with Maynooth University to create a framework to progress as a Smart Region. This innovative work includes the achievement of measurable outputs such as agreeing a definition for the SSR with stakeholders, identifying key priority areas to action, capacity building through targeted training and an interactive smart mapping tool which will form the basis from which to measure progress against.

The SRA is also pursuing establishing the Region as a living pilot testbed. Following experience in Finland, the concept of 'agile piloting', a co-creation method where companies develop their products in close collaboration with residents and city government will be explored further as the Smart Region work evolves in collaboration with the Local Authorities, Regional Enterprise Programmes, HEI's, Regional Government agencies, Industry reps, and relevant key stakeholders.

The rapid pace at which societies will transition to a carbon-neutral, connected and digital urban environment has accelerated the need for adopting technological innovations. Tackling climate change and achieving global net zero targets is a complex challenge and requires rethinking how areas of all sizes are designed and function. The SSR initiative will support our work in harnessing advancements in technological innovation and digitalisation to effectively deliver on climate action targets.

We recommend that the smart agenda and Smart Regional Initiative should form a key element of the future enterprise policy

## Conclusion

The SRA strongly support the Department in providing future direction to enterprise policy and thank you for the opportunity to comment on the White Paper. It is critical to recognise that the status quo is no longer an option for enterprise and there is a need for disruptive and transformative change. The key message is that the White Paper should align with the programme for national and regional transformation identified in Project Ireland 2040 and the RSES. The paper should incorporate the progressive initiatives being undertaken by the SRA as outlined above. I would be very happy to engage further with the Department on the development of the White Paper including meeting in person.

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David Kelly

Director Southern Regional Assembly

Appendix 1 – 21 priority areas for consideration in setting the strategic direction of Enterprise Policy

Priority Area	Target Sectors and Markets	Rationale	Key Stakeholders
<p><b>1. Additive Manufacturing</b></p>	<ul style="list-style-type: none"> <li>Life Sciences (Prosthetics, Orthotics, Implants, Devices, etc.)</li> <li>High Tech Manufacturing (Embedded Sensors, Aerospace, Automotive, Construction)</li> </ul>	<ul style="list-style-type: none"> <li>The medical devices industry in Southern Region has invested strongly in the development and commercialisation of additive manufacturing for the health and life sciences sector.</li> <li>The region has a strong applied R&amp;D focus in the area with several research centres offering facilities for technology development and application.</li> <li>Additive manufacturing is predicted to be a highly disruptive force within the global manufacturing industry and the market is expected to shift from prototyping to mass production. The field is projected to grow at a rate of 26% over the next years.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>Rapid Innovation Unit</li> <li>SEAM</li> <li>Irish Manufacturing Research centre</li> <li>CONFIRM</li> <li>SSPC</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>Stryker (Amagine Institute)</li> <li>Additive</li> <li>Croom Precision medical</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>STEM South-West cluster</li> <li>Emerald Aerospace group</li> </ul>
<p><b>2. Advanced Transport &amp; Mobility Systems</b></p>	<ul style="list-style-type: none"> <li>Transport (connected and autonomous vehicles, shared EV modalities)</li> <li>Aerospace (unmanned aerial vehicles, autonomous drones)</li> <li>Digital industries (IoT, advanced software, advanced connectivity)</li> </ul>	<ul style="list-style-type: none"> <li>Investments in the relevant technologies across the mobility landscape are continuing to accelerate. The market is expected to reach USD 91b by 2026 (CAGR 18.4% from 2020)</li> <li>Europe's ambitious climate goals are also pushing the sector forward with increased investments in the transition</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>Lero</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>Red Hat</li> <li>Shannon Group</li> <li>Cluster members</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>Shannon Cluster</li> </ul>

		<p>towards more sustainable mobility.</p> <ul style="list-style-type: none"> <li>• Research capabilities and testbed infrastructures are present in the region, with strong industry collaboration and partnerships</li> </ul>	
<p><b>3. Applied IoT</b></p>	<ul style="list-style-type: none"> <li>• Digital industries (cloud computing, It, networks, etc.)</li> <li>• High-tech manufacturing (IIoT)</li> <li>• Agrifood (agritech, precision agriculture, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• IoT is being applied across a wide-ranging of industries, driving a market that reached USD 250b in 2019 and is projected to reach USD 1,463b (CAGR 24%).</li> <li>• This is a crosscutting area of specialisation that taps into the region's research strength in software, ICT, and cyber-physical systems and innovative applications being developed together with the industry.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• IMaR</li> <li>• Nimbus</li> <li>• TSSG</li> <li>• Dell IoT Lab</li> <li>• ACORN</li> </ul> <p><b>Clusters</b></p> <p>Applied IoT Gateway Cluster</p>
<p><b>4. Bio-based economy</b></p>	<ul style="list-style-type: none"> <li>• Agri-food (biomass resource)</li> <li>• Bioeconomy (biorefining, bioconversion, sustainable materials)</li> <li>• Blue Growth Industries (bioplastics from seaweed)</li> </ul>	<ul style="list-style-type: none"> <li>• Lisheen is a leading area for the development of the Irish bioeconomy.</li> <li>• The Bioeconomy Innovation and Piloting Facility is a critical infrastructure for scaling technologies that convert Ireland's abundant natural resources to high-value products.</li> <li>• Extensive research into the conversion of biomass to food ingredients, feed ingredients, pharmaceuticals, natural chemicals, fertilisers, and biodegradable</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Teagasc</li> <li>• Higher Education Institutions</li> <li>• Shannon ABC</li> <li>• National Bioeconomy Campus Lisheen</li> <li>• Irish Bioeconomy Foundation</li> <li>• Walton Institute</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Glanbia Ireland</li> <li>• Carbery Group</li> <li>• Dairygold</li> <li>• NutraMara</li> <li>• BioAtlantis Ltd.</li> </ul> <p><b>Clusters</b></p>

		<p>plastics, is ongoing in the region.</p> <ul style="list-style-type: none"> <li>Development of bio-based composite materials for producing carbon fibres for use in end-user sectors such as transportation, renewable energy, and construction is also underway.</li> </ul>	<ul style="list-style-type: none"> <li>Circular Bioeconomy Cluster SW</li> </ul>
<p><b>5. Biopharmaceuticals and Pharmaceuticals 4.0</b></p>	<ul style="list-style-type: none"> <li>Life Sciences (Molecular and cellular communication, Clinical and Translational research)</li> <li>High Tech Manufacturing (Bio) Process Engineering, Process Analytics, Continuous Processing, Model predictive Control)</li> <li>Bioeconomy</li> </ul>	<ul style="list-style-type: none"> <li>All the world's top 10 pharmaceutical companies have substantial operations in Ireland.</li> <li>Circa €2 billion invested in Biopharma R&amp;D by IDA client companies annually.</li> <li>Manufacturing excellence in Biopharmaceuticals is a hallmark of Ireland's success in the sector making the country the 3rd largest exporter of pharmaceuticals globally.</li> <li>The COVID-19 pandemic has put the biopharma industry at the centre of global attention with substantial investments in innovation and digitalisation to improve cost and time effectiveness.</li> <li>The biopharma industry is expected to grow at a 10.6% CAGR between 2020 and 2027.</li> <li>The European Cluster Observatory (2015) found the emerging Biopharma industry 'to show the most dynamic cross-</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>SSPC</li> <li>PMTC</li> <li>CONFIRM</li> <li>Rapid Innovation Unit</li> <li>SEAM</li> <li>Synbiocentre</li> <li>PMBRC</li> <li>Cork University Hospital</li> <li>HRB Clinical Research Facility Cork</li> <li>Mercy University Hospital</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>AbbVie</li> <li>Abbott</li> <li>Astellas</li> <li>Regeneron</li> <li>Eli Lilly</li> <li>Stryker</li> <li>Additive</li> <li>Croom Precision medical</li> <li>Novartis</li> <li>BD</li> <li>Rowa Pharmaceutical etc.</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>STEM South-West cluster</li> </ul>

		<p>sectoral link-ages', with many linkages to other industries and technological areas.</p> <ul style="list-style-type: none"> <li>The Southern Region has a strong presence of pharmaceuticals companies and research centres conducting state-of-the-art research which can be leveraged to be leaders in the bio-pharma industry and manufacturing of pharmaceuticals.</li> </ul>	
<p><b>6. Blue Bioeconomy</b></p>	<ul style="list-style-type: none"> <li>Blue Growth Industries (bioplastics from seaweed/fish waste)</li> <li>Bioeconomy (Sea vegetable aquaculture, microalgal biofuels)</li> </ul>	<ul style="list-style-type: none"> <li>The objective to create commercially viable alternatives to existing fuels, cosmetics, plastics, livestock feed etc. from marine plants and animals has not been fully realised but is an area of high research interest, globally and to the region. (Emerging Sector)</li> <li>Ireland is one of the three largest producers of algae biomass in Europe.</li> <li>The European Economic and Social Committee has requested that the blue bioeconomy become one of the flagship areas of EU policy.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>MaREI</li> <li>AFDC</li> <li>Bantry Marine Research Station</li> <li>Teagasc</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>Wild Irish Seaweeds Ltd</li> <li>Brandon Bioscience</li> <li>Green Biofuels Ireland Ltd</li> <li>ESB</li> </ul>
<p><b>7. Blue Energy</b></p>	<ul style="list-style-type: none"> <li>Energy (energy storage and transmission)</li> <li>Blue Growth Industries (Wind turbines,</li> </ul>	<ul style="list-style-type: none"> <li>The region has strong renewable energy resources, including wave, tidal and offshore wind. The planned Celtic Interconnector will</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>IERC</li> <li>MaREI</li> <li>CEEDD</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>Resolute Marine</li> </ul>

	tidal/wave energy technologies)	<p>further foster the development of the region's renew-able resources.</p> <ul style="list-style-type: none"> <li>• The region is the only one in Ireland with a coal-fired power plant.</li> <li>• Growth in intermittent renewables will require in-vestment in energy storage (batteries) and grid solutions.</li> <li>• Sustainable energy will be a crucial component of reaching Ireland's commitment towards carbon neutrality by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>• Ocean Energy Ltd.</li> <li>• Suir Engineering</li> <li>• Fastnet Shipping Ltd</li> <li>• Shannon Foynes Port Company</li> <li>• ESB</li> <li>•</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Shannon Energy Valley</li> <li>• Energy Cork</li> </ul>
<p><b>8. Creative Industries</b></p>	<ul style="list-style-type: none"> <li>• Digital industries</li> <li>• General industries (industrial/product design, UX-tech, service design, etc.)</li> <li>• Digital content (advertising and brand, social media, online distribution, mobile applications, AR/VR/XR platforms)</li> </ul>	<ul style="list-style-type: none"> <li>• Creative industries are increasingly seen as a source of structural economic transformation.</li> <li>• Therefore, under Future Jobs Ireland, a roadmap for the Creative Industries is underway to push for the creative economy in Ireland.</li> <li>• There is a need to diversify the region's enterprise base from high-tech manufacturing to more (high-tech) knowledge-intensive services.</li> <li>• There is an opportunity to leverage the region's existing research capabilities in design and creative services (incl. digital technologies such as AR/VR) and pockets of design-based industries.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Digital Arts Lab at ACADEmy</li> <li>• ISRG's Centre for Creative informatics</li> <li>• CEIDE</li> <li>• XRIL Nimbus Research Centre</li> <li>• gameCORE</li> <li>• designCORE</li> <li>• Design+ Gateway</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Creative Ireland</li> </ul>

<p>9. <b>Cyber- security</b></p>	<ul style="list-style-type: none"> <li>• Digital Industries</li> <li>• Public administration &amp; services</li> <li>• Critical infrastructure sectors</li> <li>• General industries</li> </ul>	<ul style="list-style-type: none"> <li>• Increased regulations on data privacy, more sophisticated scamming and phishing, and growth in identity theft are major trends that will demand sophisticated solutions that will lead to significant job creation within the cybersecurity sector.</li> <li>• While many cybersecurity clusters are emerging around the world, they all face the same fundamental challenge: a shortage of skilled talent. As such, the industry landscape is at a tipping point where those clusters that succeed in generating, attracting, and retaining sufficient talent will be the ones that establish themselves as the world's most prominent.</li> <li>• Cyber Ireland is boosting the industry forward by tackling the urgent skills shortage challenges, but also the need for research and innovation infrastructure, the promotion and education about cyber, as well as internationalisation.. Cork is the centre of Ireland's cybersecurity cluster and has proven to be a successful location for both FDI and indigenous companies.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Lero</li> <li>• Insight</li> <li>• CONNECT</li> <li>• MTU</li> <li>• Walton Institute</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• AT&amp;T Cybersecurity, Blackberry Cylance, eSentire, FireEye, Forcepoint, IBM, VMware, John-son Controls, Keeper Security, McAfee, McKesson, Nuix, Qualcomm, So-lar-winds, Sonicwall, Sophos, TransUnion, Trend Micro, UTRC, Red Hat, CipherTechs, Security Risk Advisors</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Cyber Ireland</li> </ul>
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<p>10. <b>Digital service sectors for smart regions</b></p>	<ul style="list-style-type: none"> <li>• Life Sciences (E-health, Telemedicine)</li> <li>• Energy (Smart Homes and Smart Grids)</li> <li>• Digital &amp; ICT (E-governance)</li> <li>• Mobility (Autonomous Mobility, MaaS)</li> </ul>	<ul style="list-style-type: none"> <li>• The Southern Region has the ambition to be a Smart Region and is working with the local authorities across the region to realise this ambition.</li> <li>• The Smart Specialisation and the Smart Region ambitions of the Southern Region hold the opportunity to be the foundation for an emerging specialisation in digital services for smart regions.</li> <li>• Regions are at the core of the EU Green Deal with a great focus on leveraging digitalisation to improve the quality of life in regions.</li> </ul>	<p><b>Public Sector</b></p> <ul style="list-style-type: none"> <li>• SRA</li> <li>• Local Authorities</li> <li>• City Councils</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• IoT and Smart services providers 33</li> </ul> <p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Future Mobility Campus Ireland</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• All Ireland Smart Cities Forum</li> </ul>
<p>11. <b>Efficient and Sustainable Manufacturing</b></p>	<ul style="list-style-type: none"> <li>• High tech manufacturing (Eco-conscious production)</li> <li>• Life Sciences (Waste and water management, Resource Recovery, Recycling)</li> <li>• Energy (Waste incineration, Energy Efficiency)</li> <li>• Bioeconomy (active carbon filtration, biological degradation, membrane filtration technology)</li> </ul>	<ul style="list-style-type: none"> <li>• The manufacture of medicines and drugs makes use of chemicals, materials and other substances that are potentially toxic if allowed into the environment. Ireland currently exports half of this hazardous waste to foreign countries.</li> <li>• As the Southern Region has a huge critical mass of pharmaceutical and med-tech manufacturing companies, there is a strong opportunity to invest in waste and wastewater management which complements the manufacturing growth. (Emerging Sector)</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• PMTC</li> <li>• CONFIRM</li> <li>• Cork University Hospital</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Pharma and biotech companies in the region</li> <li>• Waste Management companies (e.g., Veolia, Invader)</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• STEM South-West cluster</li> </ul>



		<ul style="list-style-type: none"> <li>With the ambitious carbon neutrality goal set by the Irish government, the pharma and MedTech manufacturing industry there is a huge opportunity for energy-efficient production and development of healthcare solutions that use low energy during operations.</li> </ul>	
<b>12. FilmTech</b>	<ul style="list-style-type: none"> <li>Screen Industries (audio-visual post-production/visual effects)</li> <li>Digital industries (software development, AI-based design, cloud computing)</li> </ul>	<ul style="list-style-type: none"> <li>There is an emerging screens industry in the Mid-West, which is gaining momentum thanks to the promotion efforts of Film in Limerick and the recent establishment of Troy Studios – Ireland's newest and largest studio facility.</li> <li>Many of the region's strengths in software and ICT, can also be redirected to meet the growing demands for advanced digital technologies within the screens industries.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>Troy Studios</li> <li>ENGINE Hub</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>Film in Limerick</li> </ul>
<b>13. Fintech</b>	<ul style="list-style-type: none"> <li>International Financial Services - IFS (Investments, funds, &amp; trading, Ratings agencies, Corp. treasury operations, Payments &amp; banking, Insurance, Reinsurance, Lending &amp; SMB finance)</li> <li>Digital Industries (FinTech, Insurtech, Regtech, WealthTech, Infosecurity/Cybersecurity, Blockchain/</li> </ul>	<ul style="list-style-type: none"> <li>Ireland is home to leading global financial services institutions and the IFS sector makes a significant contribution to the economy, creating spill-over effects (30% of employment is outside Dublin) across the Southern Region in key locations (Cork, Limerick, Waterford, and Wexford).</li> <li>The Southern Region offers an attractive alternative to Dublin</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>GRCTC (Cork)</li> <li>UCC's Centre for Investment Research (Cork)</li> <li>UCC's FSIC (Cork)</li> <li>RDI Hub (Kerry)</li> <li>WIT's RIKON (Waterford)</li> </ul>

	<p>Cryptocurrency, Paytech, CX-Tech)</p> <ul style="list-style-type: none"> <li>• Aerospace (Aviation financing)</li> <li>• Global business services -GBS (Analytics &amp; BI, LegalTech, HR &amp; prof. services)</li> <li>•</li> </ul>	<p>for IFS firms and boasts emerging high-tech indigenous enterprises, skills and talent from renowned Business Schools, and key clusters pushing the advancement of the industry.</p> <ul style="list-style-type: none"> <li>• There is a terrific opportunity to make the Southern Region a European Hub for tech start-ups serving the IFS and leverage the priority set for the sector at the national level.</li> </ul>	
<p><b>14. Future Sustainability &amp; Food Tourism</b></p>	<ul style="list-style-type: none"> <li>• Tourism (Hospitality, Leisure, Food &amp; Beverage)</li> <li>• Agri-food</li> </ul>	<ul style="list-style-type: none"> <li>• New post-COVID-19 behavioural trends are pointing at the increasing relevance of sustainable tourism.</li> <li>• The Southern Region is best positioned to exploit this consumer demand trends by focusing on carbon off-setting in tourist transport and destinations, increased emphasis on outdoor activities, more hands-on heritage and cultural experiences, local food production, and slow tourism hubs.</li> <li>• Food Tourism is a strategic priority for Fáilte Ireland in for the post-pandemic recovery of the tourism industry.</li> <li>• The region's long tradition in agriculture and food products could be used as a brand for high-quality sustainable and affordable food</li> </ul>	<p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Shannon Heritage</li> <li>• Cluster members</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Kerry Tourism Industry Federation</li> </ul>

		experiences that can attract both domestic and international visitors.	
<b>15. Marine Technology</b>	<ul style="list-style-type: none"> <li>• Blue Growth Industries (Marine sensors, Subsea power cables, Subsea re-motely operated vehicles)</li> <li>• Digital Technologies (Smart Ports, Blue data management)</li> </ul>	<ul style="list-style-type: none"> <li>• This area combines the Southern Region's natural marine resources and expertise in ICT. In addition, the region hosts multiple testing sites and research centres focused on the area.</li> <li>• The region is home to 4 of Ireland's 5 ports of national significance, all of which stand to benefit from smart and sustainable digitalisation strategies.</li> <li>• Blue growth is a focus of Ireland's goals and extending Industry 4.0 to the marine sector is a logical play towards the region's strengths.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• HMRC</li> <li>• CRIS</li> <li>• CONFIRM</li> <li>• MMRRC</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• 8 West Consulting</li> <li>• Central Solutions</li> <li>• DARE Technology</li> <li>• Luxcel Biosciences Ltd</li> <li>• Transas</li> <li>• EpiSensor</li> <li>• MAC</li> <li>• MeteoGroup Ireland</li> <li>• Ocean Survivor</li> <li>• SonarSim</li> <li>• UAV Evolution Ltd</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• SmartOcean Innovation Cluster</li> </ul>

<p><b>16. Nutritional food &amp; high-value ingredients</b></p>	<ul style="list-style-type: none"> <li>• Agri-food (enhanced nutrition, novel product development)</li> <li>• Bioeconomy (biotechnology)</li> </ul>	<ul style="list-style-type: none"> <li>• There is increased exploitation of the abundant sea-weed resource in the Southern region. The development of marine ingredients and extracts from seaweed is opening new value chains for the region.</li> <li>• Due to a greater understanding of human nutrition, research into nutritional solutions and higher value-added dairy products for infants, athletes, and the ageing population has increased.</li> <li>• The global functional food market size is estimated to reach approximately \$268 billion, registering a CAGR of 6.7% from 2021 to 2027.</li> <li>• Product development, ingredient interactions, sensory and product analysis, and the development of new components and bio-active compounds from environmental and natural sources are some of the re-search focuses of companies and top research institutes in the region.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Teagasc</li> <li>• Higher Education Institutions</li> <li>• Shannon ABC</li> <li>• DAFM</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Glanbia Ireland</li> <li>• Kerrygold</li> <li>• Carbery</li> <li>• Arrabawn</li> <li>• North Cork Creameries</li> <li>• Tipperary Coop</li> <li>• Dairygold</li> <li>• DairyMaster</li> <li>• Dansko</li> <li>• CP Ingredients</li> <li>• Glenstal Foods</li> <li>• BioAtlantis Ltd.</li> <li>• NutraMara</li> <li>• NutriScience</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Irish Food Tech</li> </ul>
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<p><b>17. Precision Agriculture and Smart Farming</b></p>	<ul style="list-style-type: none"> <li>• Agri-food (Agri-tech, Precision Farming)</li> <li>• Digital Industries (ICT, Advanced data analytics, Block-chain)</li> </ul>	<ul style="list-style-type: none"> <li>• There is a unique collaboration between the agri-food sector and information technology companies and research institutes in Ire-land, through the VistaMilk SFI research centre in Cork.</li> <li>• Ongoing cutting-edge re-search on developing new algorithms to optimise soil, weather, animal, and grass growth data from satellite imagery for making precise decisions related to inputs, technologies, and management practices.</li> <li>• Numerous blockchain pro-jects on food traceability, genetic trait performance, animal health and welfare, and end-to-end supply chain assurance for beef and dairy farmers are underway. (Emerging Sector)</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Teagasc</li> <li>• SFI</li> <li>• DAFM</li> <li>• TSSG</li> <li>• ICBF</li> <li>• Tyndall National Institute</li> <li>• UCC</li> <li>• IDA Ireland</li> <li>• Smart Agri Hubs</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Glanbia</li> <li>• Dairygold</li> <li>• Cork Grassland Services</li> <li>• ICT Companies in Block-chain (IBM, ConsenSys, Fidelity, Deloitte)</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Irish Food Tech</li> </ul>
<p><b>18. SportsTech</b></p>	<ul style="list-style-type: none"> <li>• Sports &amp; Leisure</li> <li>• Digital media (fan engagement, broadcast)</li> <li>• Digital industries (IoT, data analytics, sports eCommerce, wearable tech)</li> <li>• Footwear &amp; apparel industries</li> </ul>	<ul style="list-style-type: none"> <li>• Sport technologies and innovations have gained popularity both in outdoor and indoor activities, with an expected market growth of over USD 41b by 2026 (CARG 21.4% from 2020).</li> <li>• In the Mid-West, there is a growing cluster of international SportsTech companies concentrated in the region, which are leveraging data and</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• PESS</li> <li>• University of Limerick</li> <li>• eSports Lab</li> <li>• SportsTech Accelerator</li> <li>• Lero</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• STATS</li> <li>• Cluster members</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• SportsTech Cluster</li> </ul>

		<p>technology for better insights.</p> <ul style="list-style-type: none"> <li>• By building on its research strength and innovation ecosystem, the region could become a springboard for a unique new area of specialisation, which intersects with software, ICT, media, health, nutrition, wearables, etc.</li> </ul>	
<p><b>19. Sustainable Finance</b></p>	<ul style="list-style-type: none"> <li>• International Financial Services – IFS (Investments, funds, &amp; trading, Banking, ESG investments and management)</li> <li>• Digital industries (fintech, insurtech, regtech)</li> </ul>	<ul style="list-style-type: none"> <li>• The growth of ESG investment is steadily increasing and Ireland already has a cluster of renewable energy infrastructure fund managers with €7 billion of assets under management.</li> <li>• EU developments on sustainable finance represent a significant opportunity for Ireland and the Southern Region to be in the Vanguard of this growing area.</li> <li>• Synergies with the local digital industries to explore new opportunities with emerging tech strengths to develop unique tech solutions for this space.</li> </ul>	<p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• South-East Financial Services Cluster</li> <li>• Cork Financial Service Forum</li> </ul>

<p><b>20. Sustainable livestock management</b></p>	<ul style="list-style-type: none"> <li>• Agri-food (sustainability, efficiency, optimisation)</li> <li>• Life Sciences (Plant and animal genomics, breeding strategies)</li> </ul>	<ul style="list-style-type: none"> <li>• Ireland's ruminant production systems have one of the lowest carbon footprints in the EU due to the predominantly grass-based dietary plan for Irish cows.</li> <li>• The South-East and South-West have the highest proportion of specialist dairy farms and since the abolition of quotas in 2015, the Irish dairy sector is striving to be a global leader in the development of high value, environmentally sustainable products.</li> <li>• There is ongoing research at top-level institutions on how to sustainably grow a greater quantity of consistently higher quality herbage for animal consumption, as well as optimized management and breeding strategies.</li> <li>• The Origin Green sustainability programmes under Board Bia, including the Sustainable Dairy Assurance Scheme (SDAS), provide a strong regulatory environment that promotes improved sustainability practices amongst farmers.</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Teagasc</li> <li>• DAFM</li> <li>• Bord Bia</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Farmers</li> <li>• Primary producers</li> <li>• Processors</li> </ul> <p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Irish Food Tech</li> </ul>
<p><b>21. Tech for Tourism Regeneration</b></p>	<ul style="list-style-type: none"> <li>• Tourism (hospitality, leisure)</li> <li>• Passenger transport sector</li> <li>• Digital Industries</li> <li>• Creative industries</li> </ul>	<ul style="list-style-type: none"> <li>• The industry has been disproportionately affected by the pandemic over the past year, and major national efforts are underway not only to ensure that</li> </ul>	<p><b>Research Centres</b></p> <ul style="list-style-type: none"> <li>• Shannon Propeller Accelerator</li> <li>• XRIL at Nimbus Research Centre</li> <li>• Lero</li> </ul> <p><b>Private Sector</b></p> <ul style="list-style-type: none"> <li>• Shannon Heritage</li> <li>• Cluster members</li> </ul>

		<p>businesses survive but to ensure that they thrive.</p> <ul style="list-style-type: none"> <li>• Technology is increasingly seen as pivotal in supporting recovery and rebuilding traveller confidence.</li> <li>• There is a vibrant and growing tech start-up community in the region, underpinned by strong innovation infrastructure, which could be.</li> <li>• Local (digital) entrepreneurs may be already looking for market opportunities to help tackle the global pan-demic crisis. If presented with the right challenge and provided with the right re-sources, they could support the recovery and revitalisation of the tourism industry.</li> </ul>	<p><b>Clusters</b></p> <ul style="list-style-type: none"> <li>• Kerry Tourism Industry Federation</li> </ul>
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Date: 29 July 2022

To: [enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie)

Subject: Review on Non-EU immigrants living in Ireland as spouse / dependent (Stamp 3 visa)

Submitted by: On behalf of Reform Stamp 3 Ireland: -  
Tracey Milledge and Fernandos Ongolly representing General Work Permit spouse and dependents  
and representing Non-EU PhD Students Society

## TIMELINE

03/2018 Stamp 3 Association commence the foundation for change with the primary goal of allowing Stamp 3 visa holders the right to work.

2018 P00046/18 Support Stamp 3 / Spouse Visa Holders for the Right to Work submitted by the Stamp 3 Association to House of Oireachtas. (Petition Closed)

03/2019 Government approve the right to work for spouse of Critical Skills Permit holders.

11/2020 New group formed to continue raising the consideration for change under the name Reform Stamp 3 Ireland.

05/2021 Presentation to Department of Justice highlighting the concerns and issues faced by those living in Ireland with a Stamp 3 visa.

06/2021 Presentation to Department of Enterprise, Trade and Employment highlighting the concerns and issues faced by those living in Ireland with a Stamp 3 visa and the difficulties obtaining a work permit and employment.

07/2021 Public Petition - <https://my.uplift.ie/petitions/support-stamp-3-spouse-dependent-visa-holders-of-phd-students-for-the-right-to-work> To date 451 signatures.

09/2021 Public Petition - <https://my.uplift.ie/petitions/support-stamp-3-visa-holders-to-access-employment-in-ireland> To date 417 signatures.

03/2022 Petition No P00004/22 Petition to represent access to employment for non-EU spouse and dependents In Ireland of General Work Permit holder submitted by Tracey Milledge to House of Oireachtas. (Referred to Department of Enterprise, Trade and Employment)

05/2022 Petition No P00043/21 Petition to represent access to employment for non-EU PhD student's spouse in Ireland. Submitted by Fernandos Ongolly to House of Oireachtas. (In Consideration by Committee)

## AFFECTED

Spouse and dependents of non-EU immigrant workers on the General Work Permit Stamp 1.

Spouse and dependents of non-EU immigrant workers on Stamp 4 after 5 years on General Work Permit.

Spouse and dependents of non-EU PhD students without a hosting agreement, on a scholarship contract.

## CONSEQUENCE

### Lack of direct access to the job market.

Spouse and dependents of non-EU immigrant workers and PhD students are allowed to join their partners in Ireland under the Family Reunification Policy after one year. However, despite them being allowed in the state, not all of them are given direct access to employment.

### Inequality

Spouse of PhD student on a scholarship contract cannot access employment without the lengthy application process of applying for a work permit **IN CONTRAST TO** Spouse of PhD student on a hosting contract/agreement can access employment immediately.

Spouse and dependents of General Work Permit holders cannot access employment without the lengthy application process of apply for a work permit **IN CONTRAST TO** Spouse of a Critical Skills Work Permit holders can access employment immediately.

As new immigrants in Ireland with only a CV as a reference of previous employment is already a disadvantage. Most job applications are sourced online, and this is a further drawback when highlighting as a non-EU immigrant. On top of that recruitment agencies that handle hiring and a large number of businesses don't have a thorough knowledge of the work permit application process. As a result, many holders of Stamp 3 visas are unable to be considered and find gainful employment. Regardless of competence or experience, businesses choose not to go through the lengthy work permit process.

Many non-EU spouse and dependents who want to work and contribute to Ireland's economy and society are forced to live outside the community and within financial constraints, making it difficult for them to successfully participate despite the skills and qualification that they come with when moving to Ireland. This has led to direct mental health problems, like depression, which have a direct impact on their capacity for job searching and employability.

Long periods of unemployment make it difficult for an individual to keep up with changes in the corporate environment, which results in skill loss.

Due to the time period, they have not worked and the professional positions for which they may have previously been qualified, consideration for hiring in those positions is made all the more challenging.

If opportunity arose to acquire employment in the future, they will face more challenges if their CV indicates that they have been unemployed for five to eight years. The risk of being employed below their skill level is increased.

One of the advantages of the Stamp 3 visa is the aspiration to become an Irish citizen and this should be taken into consideration of the commitment to become a contributing member of society.

Despite their abilities, credentials, and professional experience, the spouse and/or dependents of these two groups of non-EU immigrants and researchers are regarded unequally. The spouse is equally capable of helping the government fill the gap in the labour and/or research market, or even as a small business owner. People who voluntarily choose to work or launch a business do so because they want to support the economy and participate in the competitive global marketplace, with the chance to strive toward securing improved living conditions and quality of life with the aim of one day becoming a contributing Irish citizen.

## BENEFITS TO THE STATE

Due to the barriers of accessing employment to immigrant workers and doctoral research students who are choosing to move to Ireland many skilled workers and researchers are opting not to choose Ireland as a destination for employment and doctoral research. They are seriously considering opting for other countries such as the United States of America, Canada, Australia and other countries that will allow them to access employment as well as their spouse and dependents.

Changing the policy in Ireland to allow access to dependents of General Work Permit holders and Doctoral Research Students will come with the following benefits to the state: -

- I. Increased retention of researchers in the state to continue with cutting-edge research after doctoral research training. Currently most doctoral research students/PhD students are considering to move to other European countries or America and Canada despite the heavy investment that the state has already invested in them. Most of these students would benefit from state funds through scholarships and could possibly remain after their studies to contribute to the Irish workforce as skilled workers, however, despite the investment they will take their expertise outside Ireland based upon on how the system has unfairly treated their family members.
- II. The current immigration regimes that are linked to the work permit system applied to spouse and dependents of non-EU immigrant workers and doctoral research students discourages potential highly skilled researchers and immigrant workers from choosing Ireland as a work destination.
- III. Ireland will not only tap into the doctoral research students and skilled workers on a general work permit talents but also that of the spouse who may be equally qualified.

## CONSIDERATIONS

It is understood and accepted that Ireland must give priority to their own citizens as well as EU immigrants living in Ireland. People, in particular non-EU immigrants, have to take into account the implication of having a single source income, lack of integration, restriction on their employability and the long-term consequence of a decision made in support of the primary family member who has sponsored them to Ireland. Those non-EU immigrants whom have made the move typically did so in support of the primary family member with the work permit and to keep their family unit intact. In retrospect, the decision's full implications aren't always clear. Due to the current situation, where a significant shift decision was made, it is a difficult decision to reverse. Stamp 3 visa holders remain in a precarious status quo with no way forward.

## PROPOSAL FOR DELIBERATION

To ensure quality of life and living standards an introduction to a fast-track work permit approval system for spouse and dependents currently living in Ireland.

To evaluate the current procedure for requesting a work permit for a spouse or dependent traveling to Ireland to join a family member who has a valid work permit or research PhD visa.



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# Submission

**To:** Department of Enterprise, Trade and Employment – [[enterprisepolicy@enterprise.gov.ie](mailto:enterprisepolicy@enterprise.gov.ie)]  
**From:** Technological University Dublin - (TU Dublin)  
**Contact email:** [REDACTED] or [REDACTED]  
**Date:** 29.07.22  
**Re:** Public Consultation – White Paper on Enterprise

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This document is provided by Technological University Dublin (**TU Dublin**) in response to the invitation to make a submission on the **White Paper on Enterprise**. As one of Ireland’s largest universities and its first technological university with a remit for strong enterprise engagement, TU Dublin welcomes the opportunity to input into this consultation process. The National Development Plan states that *“higher education institutions [are] anchors for enterprise and regional growth”*. The observations provided in this paper are informed by the breadth and depth of TU Dublin’s experience in this space. Along with inputs for the White Paper, a short profile of TU Dublin is provided in Appendix A for context and general information. A snapshot of TU Dublin is also given in the infographic on Page 2.

TU Dublin recommends the following:-

- Continue to put enterprise development and entrepreneurship education at the centre of Government policy
- Support Technological Universities in their remit to support enterprise development and regional growth through innovative strategic initiatives at all stages of the enterprise cycle
- Build on the existing system of enterprise spaces and supports within higher education to increase the level of new start-ups in knowledge-intensive sectors.
- Continue the focus on targeted measures for the establishment of female-led ventures and gender-balanced management teams in companies.
- Support the establishment of the Entrepreneurship Research Centre - that will underpin national enterprise development frameworks and inform strategy and policy development for education, industry, enterprise development agencies and Government.
- Increase the investment in research and development capacity in higher education institutions, to grow the outputs and impact, particularly in areas of targeted need.
- Provide stable investment support for knowledge transfer mechanisms in the Higher Education sector to ensure ongoing success and increase the rate of new start-ups and spin-outs.
- Support the development of Science Park initiatives, to address physical infrastructure deficits and create an innovative ecosystem in the greater Dublin region appropriate for a new generation of entrepreneurial ventures.
- Continue to support higher education in developing and delivering innovative education solutions that meet the needs of enterprise in terms of new skills and competencies, particularly in the dual transitions of climate action and digitisation, but also in addressing major social, political and economic impacts such as COVID, BREXIT etc.

- Support the development of EUt+, that will provide transnational higher education opportunities for learners, but can also provide a platform for Irish entrepreneurs and technology-led enterprises to access local European innovation ecosystems.
- To address the significant challenge of climate action and support the development of skills and research capacity in sustainability, TU Dublin recommends the urgent introduction of appropriate investment vehicles that would help expedite the development and commercialisation of green innovations from the Irish research and development community.

# TU Dublin at a Glance

## Key Fact & Figures

**eUT+** OLLSCOIL  
TEICNEOLAÍOCHTA  
NA HEORPA

**Partner in the EUt+**  
Alliance of **8** European universities



**3**  
campuses



**30,000+**  
students



**8,000+**  
part time students



**2,500+**  
international students  
from 140 countries



**Award Winning  
Technology  
Transfer Activities**



**7,000 m<sup>2</sup>**  
of incubation space



**100+**  
start-ups p.a.  
(facilitated on campus)



**200**  
entrepreneurs p.a.  
(on TU Dublin enterprise  
programmes)



**18%**  
STEM  
% of national provision



**14%**  
business  
% of national provision



**21%**  
services  
% of national provision



**24%**  
apprenticeships  
% of national provision



**+75%** in  
research award value  
(over the past 3 years)



**20,000+**  
citations  
(in the past 5 years)



**+11M**  
Open access research  
downloads [Arrow@TUDublin](mailto:Arrow@TUDublin)



**Award Winning  
Staff**



**1:17**  
Staff : Student Ratio

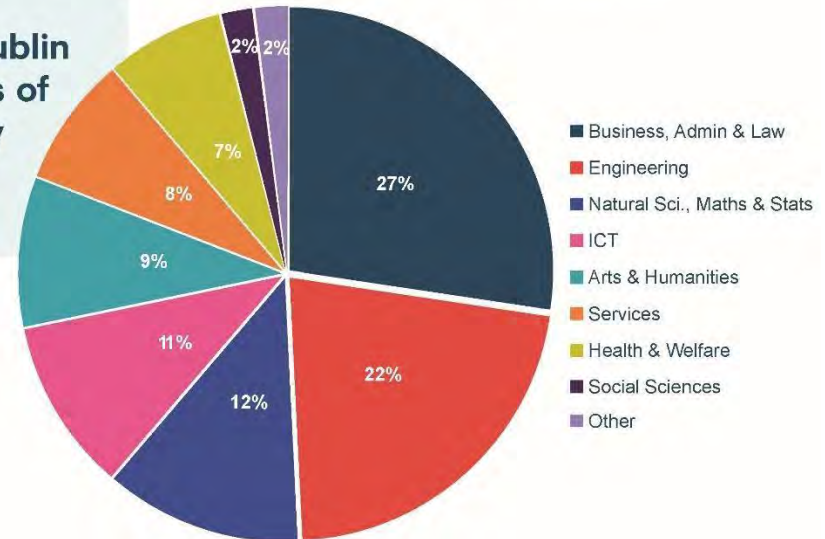


**Athena SWAN  
Bronze Award**



**8,000+**  
graduates per year

### TU Dublin Fields of Study



**26%**  
of undergraduate  
new entrants via  
**access routes**



**1,000+**  
academic  
collaborations



**800+**  
collaborations with  
industry



**1,000+**  
students working  
with community  
organisations



# Inputs for the White Paper on Enterprise

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TU Dublin has significant expertise and has had noteworthy successes in entrepreneurship and enterprise, examples of which are outlined below. Coupled with our experience, our reflection has been informed by a range of material including, the EU industrial and SME strategies<sup>1,2</sup>; National strategies on skills, research and innovation<sup>3,4</sup>; the OCED report on SME and Entrepreneurship<sup>5</sup>; the UN SDGs; the World Economic Forum, the Global Entrepreneurship Monitor<sup>6</sup> and should be contemplated in the White Paper to contribute, support and enhance entrepreneurship and enterprise performance in Ireland and the role of Government policy to deliver it.

## Entrepreneurship

It is recognised universally that entrepreneurs make an unparalleled contribution to the economy and to employment. Thus, continued support for the development and success of entrepreneurs within government policy is critical and fitting. TU Dublin is a pioneer in supporting entrepreneurship. TU Dublin created its own vision for entrepreneurship (Appendix B) and encourages that the essence of the vision is considered as a meaningful contribution to define the Government's policy in relation to technological universities and the supports they require.

TU Dublin advocates for targeted measures that nurture the development of entrepreneurial mindsets, imbue graduates with the skills and aptitudes relevant for knowledge-intensive enterprises, and support active entrepreneurs as they create new ventures. By way of example, the University has the following successful elements in place:-

- In TU Dublin, **30,000** students and **8,000** graduates per year, study on **practice-based, industry-focussed programmes**, from NFQ levels 6-10, in full-time, part-time and blended learning modes. With new models of education, the University provides flexible & collaborative programmes with enterprise that help develop graduates with the attributes and capabilities necessary for tomorrow's world of enterprise. Entrepreneurship is deeply embedded across the University and there is a rich culture where daring to discover and exploring opportunities are celebrated. Our goal is that every student at TU Dublin has the opportunity to engage in learning experiences that develop their entrepreneurial mindset and competences. This is achieved through curricular and co-curricular activities that provide experiential learning, experimentation, development of critical skills in creative problem solving, design thinking, team building and leadership.
- **GrowthHub**, an initiative launched in 2021, further empowers our students and graduates to be brave, bold, and ambitious. Funded by the HEA *Human Capital Initiative (HCI)*, this €3M+ collaborative project with South East Technological University and industry, encourages an entrepreneurial mind-set amongst students, staff and partners, creating an environment of idea generation, exploration and implementation.
  - A dedicated student *Ideation Lab* has been established and used for design thinking and training for students working on collaborative entrepreneurship projects. The *Ideation Lab* includes makerspace resources including technology supports for AR and VR learning experiences and 3D printing.
  - The Talks at GROWTHhub programme was launched with entrepreneurs and innovation leaders sharing their stories and lessons learned, with students.
  - New and innovative pedagogical resources that support the different stages of student entrepreneurial learning have been developed, including:- digital entrepreneurship, disciplined innovation process management, developing entrepreneurial resilience, and design thinking for neurodiverse students.
  - Entrepreneurship bootcamps to introduce students from all discipline areas to entrepreneurship learning and develop entrepreneurship competences.
  - Establishment of Entrepreneurial Ambassadors initiative to provide students at all levels with access to role models and expert advice from successful entrepreneurs and innovation leaders.

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<sup>1</sup> [A New Industrial Strategy for Europe](#)

<sup>2</sup> [An SME Strategy for a sustainable and digital Europe](#)

<sup>3</sup> [Ireland's National Skills Strategy 2025 - Ireland's Future](#)

<sup>4</sup> [Impact 2030 : Ireland's Research and Innovation Strategy](#)

<sup>5</sup> [SME and Entrepreneurship Policy in Ireland](#)

<sup>6</sup> [Global Entrepreneurship Monitor Report 2021/22](#)

- A range of entrepreneurship and innovation modules have been designed, and several new programmes were launched, including the *Postgraduate Certificate in Entrepreneurship and Innovation*, a programme designed specifically to support the development of women entrepreneurs and innovation leaders. Other new programmes launched included the *Postgraduate Certificate in Design Thinking, Entrepreneurship and Innovation* and the *Postgraduate Certificate in Digital Entrepreneurship*.
- For students who wish to start their own ventures, TU Dublin delivers:
  - **ivenTUre**: The TU Dublin Student Entrepreneur Accelerator Programme. ivenTUre nurtures student ideas, fosters entrepreneurial ambition and helps students develop the know-how, skills and network to turn these ideas into reality, and
  - **IMMERSE**: The TU Dublin Summer Start Up Experience. Our students IMMERSE in a 3 month summer placement in TU Dublin located start-ups and early-stage enterprises, gaining hands on experience in business start-up and learning from experienced entrepreneurs.

Building on our success to date we also intend to:- (i) engage groups that are underrepresented in entrepreneurship including women, migrants, ethnic minorities, and people who identify as having disabilities; (ii) strengthen the TU Dublin Career Service to promote entrepreneurship as a serious career option; (iii) roll out an entrepreneurial ambassador programme, providing access to successful entrepreneurs and innovation leaders; and (iv) continue to apply entrepreneurial approaches to SDG challenges, including initiatives such as the Hack4Sustainability and ClimateLaunchpad.

## Enterprise Creation

The OECD report noted the rate of start-ups in Ireland has been relatively low. This obviously needs a greater focus. A framework that enables supports for entrepreneurs through the challenging start-up phases will be fundamental in the Government's policy on enterprise. At TU Dublin we currently have in place a system of physical spaces and supports on all our campuses that enable fledgling ideas to grow into start-ups. These startups come from our staff, researchers, students, alumni and from entrepreneurs from across the greater Dublin Region. The portfolio of entrepreneurial support services include:

<b>4</b>	<b>7,000</b>	<b>100+</b>	<b>150</b>
High-Tech Business Incubators	Sqm of Incubation Space	Start-up companies located on campus	Companies supported each year on the New Frontiers Programme

- The **New Frontiers Programme** (funded by Enterprise Ireland), provides space, mentoring, supports and funding to high-growth early stage start-up founders in the Dublin region. TU Dublin has an unparalleled track record in supporting nascent companies from this Programme through to High Potential Start-Up (HPSU) funding and beyond.
- Start-ups have access to **Research & Innovation** supports and facilities and a team of experienced and dedicated enterprise support staff.
- Over 7,000sqm of **business incubation space**, with a wide range of options in our incubators, from hotdesks in a co-working environment to own-door office spaces. Our incubators are a highly networked and creative environment which brings together entrepreneurial, academic and research talent. They are home to some of Ireland's top entrepreneurial talent and most promising export focused start-up companies. Fourteen businesses working with our enterprise incubation facilities - *Hothouse*, the *LINC* and the *Synergy Centre* - were shortlisted for the [2021 National Start-up Awards](#). Out of the [Enterprise Ireland 2021 'Hot 100 Start-ups'](#) list that showcases emerging Irish companies set for global success, twelve businesses originated in TU Dublin.
- The under-representation of **women in business** continues to be an issue worldwide. In terms of enterprise creation it is a particularly stark picture, and in Ireland less than 1/5 of start-ups were led by female founders in 2022 (up from 7% in 2011!). At TU Dublin we now have a specific focus on supporting female entrepreneurs through our New Frontiers Programme. The targeted suite of supports include:- networks, masterclasses, workshops, meet-ups, mentoring and bespoke supports. Our goal is to build upon our successes to date, towards a community where over 40% of our start-up companies are female-led.

## Research that Supports Entrepreneurial Ambition

TU Dublin's strong reputation for entrepreneurship support is underpinned by international best practice methodologies and comprehensive research in entrepreneurship. In recent years

- o More than thirty PhD projects on entrepreneurship and venture scaling themes have been conducted
- o Research has been published in leading international journals including Long Range Planning, Journal of World Business, Organisation Studies, Global Strategy Journal, Journal of Technology Transfer, Small Enterprise Research, and Journal of Business Venturing Insights.

- o Major international conferences including International Council for Small Business World Conference and Technology Transfer Society International Conference have been hosted
- o New enterprise development frameworks have been developed for digital entrepreneurship, inclusive entrepreneurship, and entrepreneurial leadership.
- o New pedagogical approaches for teaching entrepreneurship have been prepared, including several volumes of case studies.

To build on this experience and deepen our knowledge and impacts in entrepreneurship and innovation, TU Dublin intends to establish an Entrepreneurship Research Centre. The centre will enhance our research capability, producing work to inform education, industry, enterprise development agencies and Government.

## Co-operation in RDI for Knowledge-Intensive Enterprises

The world is facing major, complex challenges to ensure food and energy security, tackle climate change, eradicate poverty and promote economic growth. As has been seen in recent years, the research community has much to offer in addressing such challenges and can be a rich source of innovative solutions, new products and new businesses. TU Dublin has a commitment to research and innovation that supports the knowledge economy, the regions we serve, industry and the wider society. This is reflected in the state-of-the-art facilities on our campuses in Grangegorman, Tallaght and Blanchardstown and in our active participation in national and European research programmes, supporting high impact research and innovation outputs.

TU Dublin has the expertise, techniques and facilities that support several targeted research areas, delivering results that have impact regionally, nationally and globally. Research is conducted through our **Research Institutes, Centres and Groups**, that operate across a range of fields - details can be found at the following [link](#). The University also hosts two Technology Gateways (supported by Enterprise Ireland):- [CREST](#) and [MiCRA](#) and is a partner in a number of SFI Research Centres:- [ADAPT](#), [Connect](#) and [MaREI](#). It is active in a range of collaborative research initiatives with industry.

From the Global Entrepreneurship Monitor (GEM) Report 2021/22, Ireland ranked 13<sup>th</sup> along with Japan, Colombia and Italy under its National Entrepreneurship Context Index (NECI) 2021. Areas for improvement in the Entrepreneurial Framework Conditions (p126-127), included 'Research and Development Transfers' and 'Physical Infrastructure'.

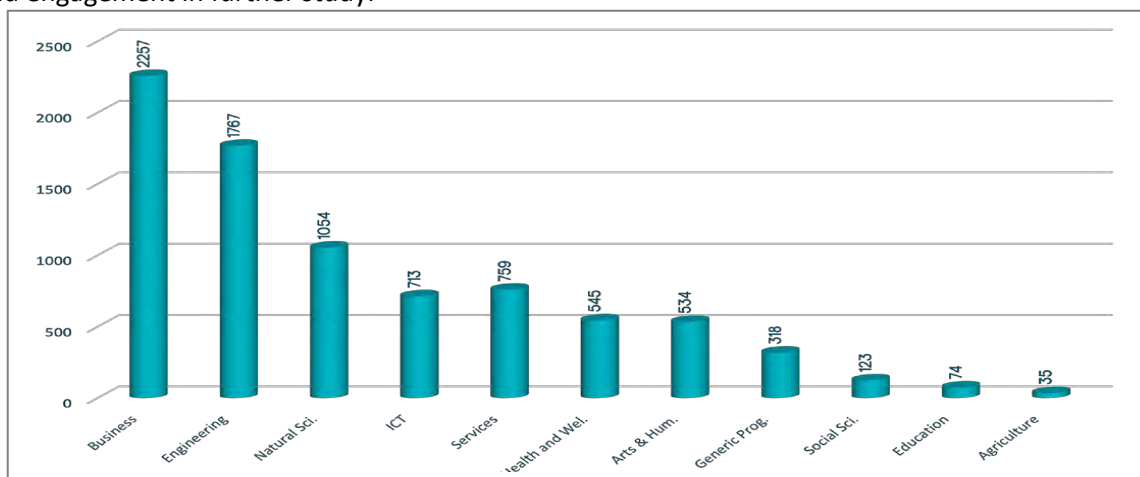
- TU Dublin has been a leader in an Irish context in its knowledge transfer activities. The Dublin Region Innovation Consortium (DRIC), which is led by TU Dublin, is a consortium that includes IADT, NCI and DIAS. It supports the development of new products and companies, delivering real impact in the Dublin region. The [KTI Annual Report](#) (2021), shows DRIC in the top three consortia for most knowledge transfer (KT) categories and a leader in licencing and spin-out creation. (See Figure 4 in Appendix A).

- Addressing the ‘Physical Infrastructure’ deficits identified in the GEM report, TU Dublin plans include expanding the already successful TU Dublin incubators and developing science parks on the campuses for knowledge-intensive enterprises. The TU Dublin Science Park initiative, with ultimately 50,000m<sup>2</sup> of space, will provide a vibrant urban hub for the next generation of creators, designers, technologists and entrepreneurs. It will stimulate and facilitate the flow of knowledge and technology amongst students, researchers and graduates from TU Dublin, with other Universities and R&D institutions and with knowledge-intensive companies. It will build on TU Dublin’s successful track record in supporting the start-up and growth of innovation-led businesses, whilst also providing an environment where larger, established and international businesses can develop specific and close interactions with the R&D and enterprise communities. In addition to providing flexible office space; laboratory space and test facilities; high-quality conference rooms & meeting areas; and the necessary access to high-speed broadband and telecommunication facilities, the Park will provide training programmes, seminars, networking and showcasing events in a contemporary digitally-enabled environment that underpins a vibrant innovation ecosystem. Government support will be required to realise this ambitious and important project, one that will complement other initiatives in the greater Dublin region and thus should be underpinned in the Enterprise Policy.

[Open Labs](#) is an exciting strand of activity in which TU Dublin’s aim is to help small companies overcome barriers to engaging in R&D. Open Labs has supported over 150 start-ups and SMEs to develop new products and services since it was established in 2018. During that time, it has generated over €1.5m in research income and has provided industry sectors that are critical to the Irish economy with access to over 600 researchers and to high-tech facilities to support early-stage research and innovation.

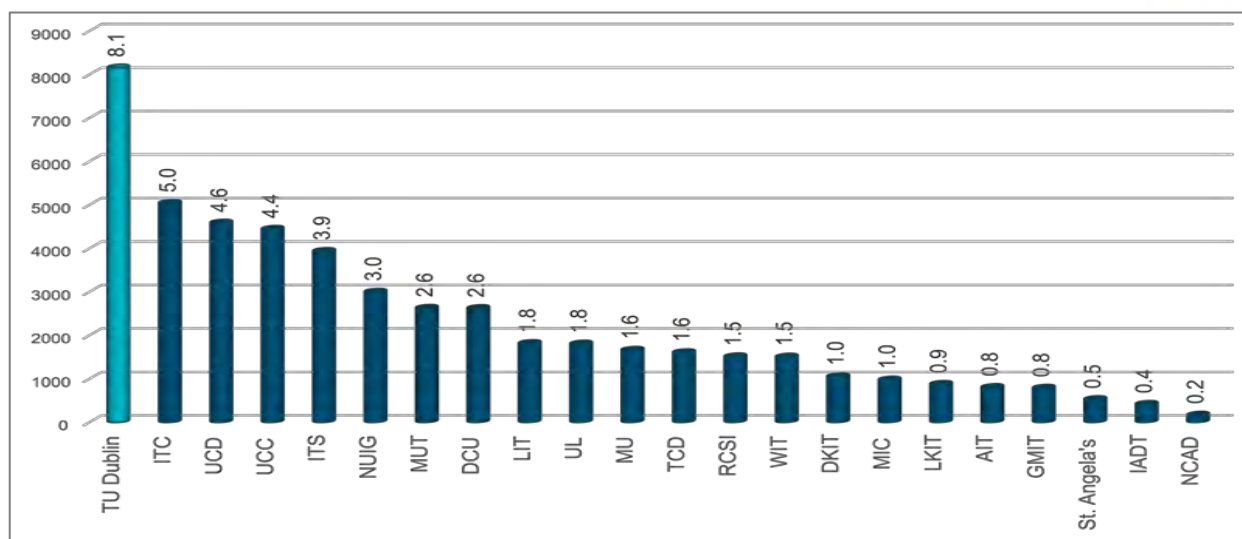
### **Ongoing Support for Enterprise - Developing Future Talent**

TU Dublin is proud to graduate almost 8,000 students annually, providing a strong talent pipeline responsive to the needs of enterprise, public service and community sectors and, in particular, in the Engineering, Sciences and Technology sectors (see figure below). Graduates are very successful following graduation with high employment levels and engagement in further study.



**TU Dublin Graduates by Field of Study 2020/21**

TU Dublin is the largest provider of part-time education (see figure below) accounting for almost one fifth of all part-time students nationally. Enrolments at Level 6 and 7 accounts for 40% of TU Dublin’s part-time enrolments. These programmes provide critical entry points for those who may not have had access to higher education in the past and help to upskill those already in employment. Postgraduate enrolments make up over a third of TU Dublin’s part-time cohort. Flexible enrolments (which includes part-time learners, distance and e-learning education, Springboard and CPD learners) increased to almost 9,500 in 2020/21 and accounts for 33% of total enrolments. The average for HEIs nationally is 23%.



Part-Time Student Enrolments by HEIs Nationally 2020/21

○ **Developing Skills to Meet Specific Employment Opportunities**

**Springboard+** is the upskilling initiative in higher education that offers subsidised programmes at certificate, degree and masters level leading to qualifications in areas where there are employment opportunities in the economy. In 2021, TUDublin offered a total of 28 courses under this initiative, in Architecture & Built Environment, Art, Design & Media, Business and Computing, IT & Maths, Engineering and Sciences. See further information [here](#).

TU Dublin has supported students in a range of **apprenticeship** programmes for many years. In addition to the traditional ‘craft’ apprentices, it also offers new generation programmes (NFQ levels 6-9) in areas such as Biopharma, CGI Technical Art, Logistics, and Telecommunications. [Access to Apprenticeship](#) is an innovation from TU Dublin that supports the transition of young people (16-24 years old) from disadvantaged backgrounds into an apprenticeship scheme. The 12-week full-time programme gives the opportunity to sample a range of apprenticeships in Construction, Engineering, Electrical, Motor and Aviation industries.

○ **Developing Accredited Talent Development Solutions to Enterprise Challenges**

**CONVENE** is an initiative funded under the Human Capital Initiative (HCI). A collaboration between TU Dublin and UCD, the project is intended to deliver the skills and innovation needed to rebuild Irish enterprise for a more sustainable and resilient post pandemic Ireland. The project will see the roll out of a TU Dublin Enterprise Academy, supported by workplace simulators and other physical infrastructure. Initial focus is on major employment sectors including ICT, Fintech, Tourism, Hospitality, Retail, Food, Creative & Cultural, Social Enterprise, MedTech and Pharma and there are 36 industry partners involved

○ **New Programmes and Initiatives at the Forefront of Knowledge and Skills Development**

TU Dublin continues to develop innovative programmes across the disciplines to address skills needs and shortages within the economy.

- With weaknesses identified by the OECD report in terms of management skills, the launch of the TU Dublin executive [MBA in Life Sciences Leadership](#) was an exciting development and the first of its kind in Ireland. The course is designed to enhance leadership capabilities in one of Ireland’s fast-growing sectors.
- Partnering with Skillnet networks, TU Dublin has established innovative and high impact programmes. These include a suite of programmes for the global business services sector, including the world’s first Masters in Global Business Services, for a sector employing 40,000 people, the MSc Leadership, Innovation and Technology for ICT sector leadership development, and Ireland’s first MSc Product Management for the software industry.

- Recognising the exponential increase in the use of timber as a sustainable material, another of the new programmes launched was [Sustainable Timber Technology](#), designed to educate timber technologists for the increasingly wide-ranging roles in the industry. It is projected that jobs in the sector will grow to 20,000 by 2030. The Programme is an immersive, four-year, full-time course that has a mix of theoretical and skills-based modules. Cross- disciplinary skills such as critical thinking, creativity, management, collaboration and professionalism complement the central focus on wood science, timber skills and production management.
- The [Build Digital Project](#), led by TU Dublin, is a consortium, with the *Construction Sector IT Alliance* (CITA) and other HEIs (MTU, ATU, and SETU). Over 50 industry personnel from across the full construction lifecycle are working directly with the project team. The project, supported under Project Ireland 2040, aims to drive digital transformation and create a more circular economy in the built environment sector. It is focused on five pillars:- Digital Leadership & Cultural Change; Digital Standards; Digital Education & Training; Digital Procurement; and Sustainability & Climate Action. Initiatives such as the Build Digital Project will require support under the new Enterprise Policy if meaningful progress is to be made in helping enterprise sectors make the dual transitions necessary in respect of climate action and digitisation.

### **Building International Capacity**

Operating in an open global economy, a key focus for ambitious Irish enterprises has always been on exporting opportunities. With the easy dependency on the UK market, it is no surprise that the OCED report identified a lack of activity by SMEs in other international markets. Post-BREXIT, this can no longer be the case and the development of other markets will need to gain greater focus.

TU Dublin is a founding member of the EUt+ ([European University of Technology](#)), which comprises eight European technological universities:-

- Bulgaria: Technical University of Sofia (TUS)
- Cyprus: Cyprus University of Technology (CUT)
- France: University of Technology of Troyes (UTT)
- Germany: Hochschule Darmstadt, University of Applied Sciences (h\_da)
- Ireland: Technological University Dublin (TU Dublin)
- Latvia: Riga Technical University (RTU)
- Romania: Technical University of Cluj-Napoca (UTCN)
- Spain: Polytechnic University of Cartagena (UPCT)

The alliance was formed as part of the European Universities Initiative to revolutionise European higher education, research and innovation, and facilitate seamless, transnational higher education opportunities for learners. TU Dublin is leading on a number of initiatives, including the embedding of EUt+ industry engagement in the local environments. This includes aiming to facilitate access of Irish students, entrepreneurs and enterprises, for example, to the EUt+ partners' education, research and development and outreach services, in addition to access to local networks. This could provide remarkable opportunities for innovative new start-ups, export oriented businesses and those wishing to pursue international collaborations.

EUt+ is currently operating on a pilot basis under the European Universities Initiative and it is hoped that it will progress to becoming one of the 20 European Universities selected as part of the process. Ongoing support for EUt+ and its work will be important. This will enable an extremely innovative international knowledge network to be established on a long-term basis, providing a platform for Irish entrepreneurs and technologyed enterprises to access local European innovation ecosystems.

## Meeting the Grand Challenge – Climate Action

The climate action imperative and the need to decarbonise is a challenge that we all face together. Supporting enterprise to transition to clean technologies and carbon-neutral processes is part of TU Dublin’s agenda, as is the support for the development of ‘eco-preneurs’ and ‘green enterprises’ that can develop and launch new products and new sustainable solutions to tackle climate change. TU Dublin’s Strategic Intent to 2030 embraces the sustainability priority comprehensively, with ‘Planet’ as one of its three key pillars. Indeed, TU Dublin was one of the first University’s to establish the role of Vice-President of Sustainability and this person leads the University’s commitment across the portfolio of teaching, learning, research and innovation - a number of examples of current activity has already been given in earlier sections of this submission.

However, one of the issues that has been identified is the difficulty of rapidly bringing forward sustainability solutions and in a commercially viable fashion. This was highlighted at the World Economic Forum meeting with the announcement of the [First Movers Coalition](#), which aims to invest in innovative green technologies and fasttrack the development and launch of sustainable products and businesses in the marketplace with targeted interventions.

It is suggested that consideration be given within the Enterprise policy for investment supports that would help to expedite the development and commercialisation of such green innovations led by Irish researchers, entrepreneurs and enterprises. This might be done on a co-financing and/or tax incentivised basis. In any case, there must be realisation that for effective sustainable solutions to be progressed at the pace required, urgent investment vehicles are necessary.

## APPENDIX A - TU DUBLIN - SHORT PROFILE

Technological University Dublin ([TU Dublin](#)) was legally established on 1 Janury 2019, becoming Ireland’s 1<sup>st</sup> technological university. Bringing together DIT, ITB and ITT, the University is building on a strong legacy of technological education. The investment in the University represents a significant change in the Irish higher education landscape and TU Dublin’s ambitions are to achieve the type of impact and success that technological universities do worldwide.

### The Facts & Figures - a profile of TU Dublin

- Today, TU Dublin is one of the largest Irish Higher Education providers, accounting for **11-12 % of all national enrolments** annually. In 2020/21 TU Dublin enrolled **30,091 students**. Figure 1 shows the distribution of student enrolments for all Irish higher education in 2020/21.

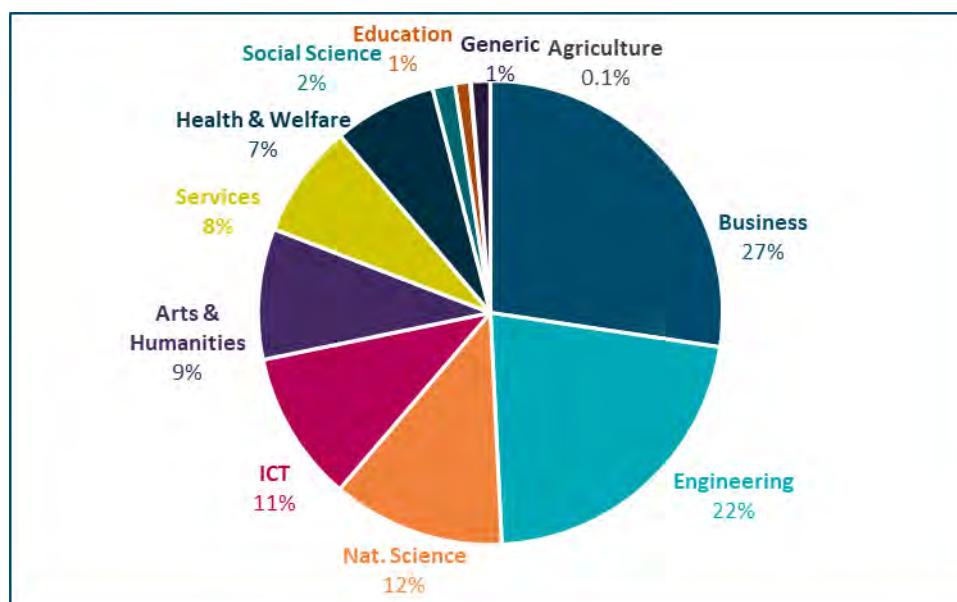
Figure 1. – Total National Higher Education Enrolments 2020/21 by Institution



- the student numbers do not include apprenticeship and junior music

- Annually TU Dublin confers awards on **8,000+ graduates**
- **Full-time enrolments** in TU Dublin represent about **1/10** of all full-time enrolments nationally
- It is by far the **largest provider of part-time education** with **16%** of all national part-time students enrolled with the University and **over 40%** in the Dublin region.
- Traditional craft **apprenticeship** is still significant in TU Dublin and the University delivers **¼** of the provision nationally. It is the only Dublin university to provide this offering. In addition ‘new apprentices’ across different NFQ levels are an increasing feature in the portfolio.
- TU Dublin is the largest provider of **level 6 & 7** education nationally, enrolling **1/5** of all these students.
- In TU Dublin **over ¼** of total undergraduate new entrants are through ‘**Access**’ routes
- By **fields of study** TU Dublin shows its continued strength in **STEM**, half of all TU Dublin enrolments in this field (44%), whilst Business is the largest single field overall (27%). Figure 2 also shows a strong presence in Arts & Humanities representing 9% of its student population – this is primarily in the areas of creative and performing arts.

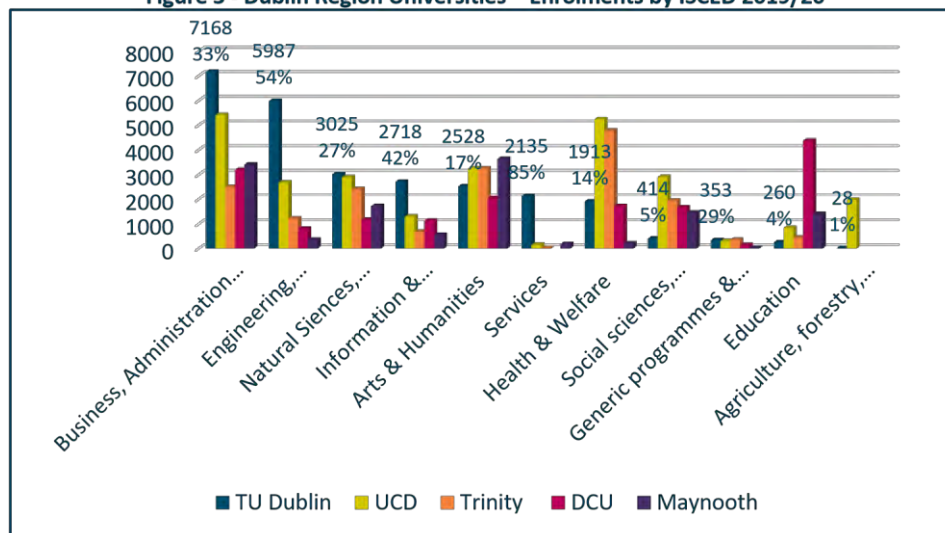
Figure 2. – Total TU Dublin Student Enrolments 2020/21, by ISCED category



- Relative to other HEIs, TU Dublin represents a large proportion of the provision in several ISCED categories, including at **national level - Engineering, Manufacturing & Construction (22%); ICT (19%) and Services (21%)**. The comparative numbers for 2020/21 for the Dublin universities is provided in the Figure 3.



Figure 3 - Dublin Region Universities – Enrolments by ISCED 2019/20



- **Research** is an increasingly important facet of TU Dublin
  - The [FOCAS Research Institute](#) a PRTL-funded institute, underpins postgraduate research, undergraduate project work and undergraduate and graduate course curriculum development. It houses state-of-the-art microscopy and spectroscopy equipment in core laboratory spaces and provides administrative and technical support to more than 180 staff and students.
    - The [Environmental Sustainability and Health Institute \(ESHI\)](#), is another research institute supported under PRTL and involves partnerships with the Health Service Executive (HSE) and Dublin City Council (DCC), the University of Ulster (UU), Dublin City University (DCU), and the Institute of Public Health (IPH). Its focus is on environmental health sciences research, in areas such as lifestyle & policy, water quality, air quality, radiation & noise, bio-monitoring, energy and food safety & quality.
    - The [Greenway Hub](#) is a state-of-the-art facility for research and innovation that has been developed on the new campus at Grangegorman and is now home to the EHSI, and [Hothouse](#) (which offers programmes and incubation support for entrepreneurs and new business start-ups). The Greenway Hub is purposely located in the centre of campus so that innovation and research are at the heart of academic and student activity. While the laboratory and incubation spaces are specific to their purposes, the building also includes seminar rooms and meeting rooms which can be available to colleagues and students based on the campus.
    - The [Centre of Applied Science for Health](#) (PRTL-funded) is a collaborative effort between biology and chemistry research groups at TU Dublin, Maynooth University, DCU and Tallaght Hospital. Research students are co-located with other researchers and also the [Synergy Centre](#), which is a state-of-the-art business and bio-incubation facility, on the campus at TU Dublin Tallaght.
    - The [LINC \(Learning and Innovation Centre\)](#) is a tangible link between the University and the business community and again research students are co-located with other researchers at LINC on the campus in Blanchardstown.
    - The University supports a range of other Research Institutes, Centres & Groups - details can be found [here](#)
    - In respect of **doctoral education** developments include:-
      - (a) Successful awards in three Science Foundation Ireland (SFI) collaborative Centres for Research Training<sup>7</sup> - Digitally-Enhanced Reality ([D-REAL](#)); Machine Learning ([ML-Labs](#)); and **Advanced Networks for Sustainable Societies ([Advance-CRT](#))**; and
      - (b) Two Marie Skłodowska-Curie actions for European doctoral training networks- TU Dublin now coordinates [SelSTEM](#), an initiative focused on the spatial ability of children to help address the large gender gap in STEM education; and [CISC](#), supporting a 'human-centric' approach to artificial intelligence
- TU Dublin has been a pioneer in **Innovation & Enterprise Development** through its founding partners, and continues to provide the facilities and support for the development of new innovative products & services and new knowledge-based businesses.

<sup>7</sup> <https://www.sfi.ie/funding/centres-research-training/>

Led by TU Dublin, with IADT, NCI and DIAS as partners, the Dublin Region Innovation Consortium (DRIC) is committed to the development of new products, services and companies and to delivering real impact through investment in the region, the creation of high value jobs and the delivery of enduring economic and societal impact. Supported by Enterprise Ireland and Knowledge Transfer Ireland, DRIC has been in existence for several years and has consistently been a leader in knowledge transfer metrics in the Irish education environment. The comparative performance of DRIC for 2020 is provided in the following table:-

**Figure 4 - Comparative performance of the Irish consortia, per €10M research expenditure (KTI Report, 2021)**

Consortium	Research Expenditure	Licences, Options & Agreements	Spin- outs	No. Collaborative Research Agreements with industry	Invention Disclosures	Total No. New Patent applications filed during the year	Total No. New Patents granted in the year	Market Launches of products or services in year based on RPO licence
<b>DRIC</b>	<b>€ 18.6</b>	<b>9.1</b>	<b>2.7</b>	<b>9.1</b>	<b>26.3</b>	<b>9.1</b>	<b>2.7</b>	<b>0.5</b>
DCU-led	€ 37.4	7.0	0.8	18.7	10.7	1.6	2.4	0.3
Ignite West	€ 66.9	1.3	0.6	25.3	4.9	3.6	0.9	0.7
MU - led	€ 57.8	2.1	0.0	6.2	4.0	1.4	1.2	0.0
TCD - led	€ 122.6	3.2	0.4	9.4	6.5	2.8	1.6	0.8
UCD - led	€ 96.1	2.8	0.6	20.7	8.7	2.3	1.1	0.3
BRIDGE Network	€ 172.6	3.5	0.3	8.0	6.7	1.3	1.2	1.0
UL - led	€ 38.7	1.6	0.5	22.0	6.2	3.6	3.6	0.3

\* Consortia members are as follows:- DCU-led (DCU & DKIT); Ignite West (NUIG, GMIT, ITS, LYIT); MU-led (MU, AIT, ITC, WIT); TCD-led (TCD, RCSI); UCD-led (UCD, NCAD); Bridge Network (UCC, CIT, Teagasc, ITT); UL-led (UL, LIT)

- o In addition to the strong technology transfer activity, TU Dublin hosts three [Business Incubators](#) as mentioned above. It also hosts an off-campus incubation facility for scale-up companies, Synergy Global, based in City West, Dublin 24. The suite of supports delivered through these facilities ranges from mentorship, on-site expertise, pre-accelerator programmes and funded programmes through to physical space, onsite technical facilities and access to knowledge and key business networks. In 2020, circa 200 entrepreneurs engaged in one the University's enterprise programmes and over 100 companies were facilitated in the four incubation centres.
- The [European University of Technology \(EUT+\)](#) is a significant opportunity in the development of TU Dublin's international agenda. Supported under the [European Universities Initiative](#), it is one of 41 'Pilot Alliances' across the whole of the EU that will result ultimately in 20 European Universities to have the privilege and obligation to become the universities of the future, promoting European values and identity, and revolutionising the quality and competitiveness of European higher education.

The European University of Technology comprises **eight EU partner HEIs<sup>8</sup>** with the ambition to establish a new type of institution on a confederal basis, creating a sustainable future for students and learners in European countries. The vision for the **EUT+** is "*Think Human First*", adopting a human-centred approach to technology. The EUT+ will implement a transformation agenda to establish knowledge creating teams at the European level; support a common curricula spanning Europe; focus on inclusiveness and embeddedness; and create shared doctoral programmes, a European Culture and Technology Laboratory to foster transversal and interdisciplinary research and the creation of a number of common EUT+ Research Institutes.

**Figure 5 – Map of European University of Technology Members**

<sup>8</sup> Technical University of Sofia (Bulgaria); Cyprus University of Technology (Cyprus); University of Technology of Troyes (France); Hochschule Darmstadt, University of Applied Sciences (Germany); Technological University Dublin (Ireland); Riga Technical University (Latvia); Technical University of ClujNapoca (Romania); Technical University of Cartagena (Spain)



## APPENDIX B - TU DUBLIN - VISION FOR ENTREPRENEURSHIP

*“Our ambition is to inspire the next generation of entrepreneurs; to embed entrepreneurship in the curriculum and in our research activity and make it pervasive across the whole University.*

*TU Dublin will be the place where all budding entrepreneurs, potential entrepreneurs and creators will wish to come, where the entrepreneurial environment; the network; the expertise; and the practical facilities and support are second to none, providing a launch-pad and support framework that enables ambitious and talented people to start and grow successful businesses.*

*Our role must be to advocate for entrepreneurship as a serious career choice and facilitate entrepreneurs on their journey to realising infinite possibilities.”*





## **Technology Ireland Submission to the Consultation on a White Paper on Enterprise**

### **Technology Ireland vision for Enterprise Policy**

#### **Introduction**

Technology Ireland is an Association within Ibec, which represents the ICT, Digital and Software Technology Sector. We are a pro-active membership organisation with over 200-member companies located throughout Ireland. We advocate on behalf of Ireland's indigenous and foreign direct investment (FDI) technology companies to Government and policy makers, working to make Ireland a global technology powerhouse. It was estimated that there were 240,000 employed in 'digitally intensive' sectors in 2019.

Our diverse and innovative sector makes a significant contribution to Ireland's knowledge economy and Technology Ireland advocates to Government on its behalf; calling for the investment in skills and infrastructure that will support our sector towards a dynamic future.

#### **Build the future workforce**

As people need technology, so too does the technology sector need people. A crucial ingredient in Ireland's success story has been the talent available to both our indigenous and multinational companies. The digitally intensive sector now directly employs over 240,000 people. That talent has been supplied through two streams, the output from our third level colleges and the flexibility and attractiveness of Ireland in accommodating overseas talent. Both these streams are now under pressure.

Ireland has an open international economy particularly within the tech sector. Easy, frictionless access to international talent is crucial to providing Ireland with a competitive edge. To be successful in retaining the talent we attract we require a talent centric policy that focuses on areas such as making Ireland a desirable place to live. This requires ambitious investment not just in 'hard' infrastructure like transport, public amenities, broadband, housing and the public realm, but also 'soft' infrastructure like community amenities, childcare and long-term care, openness, the Experience Economy, and the environment.

To maintain and grow the technology sector in Ireland, we need to build the future workforce to attract and retain talent to our sector.

- Streamline and resource visa and work permit application process to match best in class international standards. Delays or impediments to bringing in key skilled staff from abroad must be eliminated.

- Implement the second phase of Tech/Life Ireland to attract and retain international talent. Locating to Ireland should be as frictionless as possible for overseas talent.
- Support the priority areas identified in the 3rd ICT Skills Action Plan to increase the number of places available in higher education and to provide alternative pathways into the tech sector. Greater attention must be given to expanding the overall diversity of the workforce including support for neurodiverse candidates.
- Implement the STEM Education Review Policy Statement in full to promote STEM subjects and to ensure a better gender balance.
- Allocate resources from the National Training Fund to launch a dedicated digital education innovation funding call to enhance digital education capacity in the tertiary education sector

### **Advocate future technology policy**

As our reliance on digital technologies increases and their importance to our daily and working lives accelerates, the rules which govern everything from digital markets and services to AI and data are being shaped at a European level. Ireland, through its EU membership and alliances with other countries, can shape these rules to ensure they enable innovation and do not unnecessarily restrict industry. Ireland should focus on showing the world why we are the destination of choice; implementing the National Digital Strategy and kick-starting a joint-up Government approach to future-proofing Ireland, providing certainty and good governance, investing in skills and enabling innovation.

As the European HQ of many international technology companies, Ireland must lead the way in becoming a global regulatory hub. Clear, evidence-based regulation, demonstrating best practice in implementation is essential to attracting and retaining international technology organisations.

To remain a global technology powerhouse in the future Ireland must:

- Lead on digital nationally and internationally; build alliances and work with EU and international partners to shape and agree shared standards on key areas for our industry such as data flows and AI. Prioritise 'open' strategic autonomy and ensure that discussions on digital sovereignty do not lead to a protectionist approach for Ireland and the EU. Resource Ireland's outreach abroad so it can enhance its focus on advocating our standards and approaches to digital.
- Attract and retain major global technology companies with a renewed, coherent approach to regulation which positions Ireland as Europe's regulatory hub. Recognise the benefits of a harmonised regulatory environment and the timely implementation of requisite legislation. A properly resourced and coherent approach to digital regulation, aligned with EU law and obligations and in regular consultation with industry, is key to attracting and retaining technology companies in Ireland.
- Enhance our capabilities as regards innovation, digital, AI and immersive technologies such as virtual and augmented reality to attract and retain FDI and creative benefits for SMEs. By focusing on these drivers and ensuring all are equipped with the skills to realise them, Ireland can ensure workers and organisations adopt and adapt to new technologies and build broad-based growth and future-proofed competitiveness.

## **Support SMEs and Founders**

SMEs and founders are the lifeblood of the Irish economy. Technology Ireland recognises that the SME-specific needs are different to those of other organisations, and it is imperative that the SME voice is to the fore in all policy development. We are committed to ensuring SMEs and founders have access to all the necessary supports to ensure these Irish-owned businesses can continue to innovate and excel.

Monitor reports find that one-in-five people in Ireland aspire to start a business. This is very encouraging, as it suggests a strong pipeline of entrepreneurs into the future. However, as we plan for the future, we need the right policies to ensure entrepreneurs have access to the necessary resources, from funding to technology and talent to compete globally.

SMEs and founders are undoubtedly apprehensive about the period ahead, however, with the right policies in place we believe Ireland can provide a backdrop against which they can thrive.

To safeguard Ireland as a location of excellence for SMEs and Founders we must:

- Build a strong high potential start-up pipeline of ambitious and diverse founders with a comprehensive suite of financial supports including new feasibility grants and additional nonfinancial supports to build connections and capability.
- Advocate for fit for purpose funding supports and ecosystem in light of changing market dynamics, which are simple accessible and granted in a timely fashion and produce an SME tax roadmap.
- Ensure that the labour market systems remain agile to respond appropriately and in a timely fashion to the fast-paced changing model of business.
- Raise the profile of start-ups and the contribution they make to a thriving innovation ecosystem and Ireland's value proposition.
- "Think small first": Rolling out this principle across Government would ensure SMEs, new enterprises and scaling companies are not unduly burdened by regulations. Government must make it easy for companies to understand which regulations apply to their business activity, and why.

## **Promote sustainability**

As we face the climate crisis together, carbon emissions are a key focus area for every sector. The digital transformation of modern society is contributing to reducing carbon emissions and material consumption. Even prior to the COVID-19 pandemic, digitalisation was enabling an increase in working from home, and a reduction in the need to travel to access services such as retail, banking, and Government. The pace of this transformation in daily lives was dramatically accelerated when in 2020, much of the world entered an unprecedented period of lockdowns related to COVID-19. This involved restrictions on travel and forced much of life online, with a huge increase in working from home and videoconferencing, replacing commuting to offices, and travelling to business meetings.



The power and accessibility of data centre services unlocks a range of new sustainability applications, which leverage the power of the cloud to drive decarbonisation. Many of these applications involve energy efficiency, whilst others may involve efficiency of other resources, e.g., water or raw materials, and yet others involve applications of sustainable alternatives, such as renewable energy. The modelling, software platforms, and communications that underpin these applications often rely on cloud service providers.

The potential for emissions savings from digitalisation is 6 times higher than the carbon footprint of digital technologies. Digitalisation saves carbon by removing the need for physical objects or activities in some sectors and enabling greater efficiency in others.

Data centres are critical enablers of decarbonisation as they significantly reduce emissions from computing, they typically use 80% less energy than traditional on-premises server to do the same amount of work and reduce the need for travel and physical goods, lowering emissions from transport and manufacturing. They support digital technology being deployed across the economy to deliver emission reductions and efficiency gains.

## **Conclusion**

Technology Ireland believes that the priorities above highlight our vision to support the Irish technology sector into the future by helping to build the future workforce, advocate for future tech policy, supporting founders and SME's and using technology to achieve the green transition. By its very nature the technology sector is best placed to adapt to change and indeed be a primary agent of change for the improvement of our society. Technology Ireland looks forward to continuing to engage with the Department of Enterprise, Trade and Employment, Government, and other key stakeholders.





Stronger Charities.  
Stronger Communities.

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SUBMISSION TO THE ENTERPRISE WHITE  
PAPER PUBLIC CONSULTATION

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August 2022

# CONTENTS

Introduction .....	3
Summary of Recommendations .....	5
About the Social Enterprise Sector and the Social Economy .....	8
Social Enterprise and the Social Economy.....	10
The twin green and digital transitions which all enterprises must address .....	11
Just Transition .....	11
Digital Divide.....	12
Enterprise Policy Support for the Sustainable Development Goals.....	13
Ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development.....	14
Skills and talent availability to support enterprise development.....	15
About The Wheel.....	16
Contact Details.....	16



## Introduction

The Wheel warmly welcomes the Government decision to develop a White Paper on Enterprise in 2022. This presents an opportunity to outline the context for, identify the challenges and opportunities in, and set policy priorities to support the development of sustainable enterprises between now and 2030.

We agree fully with the sentiment expressed in the Department's briefing note that *"As Ireland looks towards 2030, the country is facing a variety of mutually reinforcing challenges – from digitalisation to decarbonisation as well as geopolitical and global economic changes. Arguably, Ireland now faces a 'hinge moment', a pivotal turning point that could profoundly shape our future economy and society."*

If Ireland is to succeed in making the **digital transition**, making the **green transition**, **decarbonising** the economy, achieving a **circular economy** and **upskilling** the labour force, all types of enterprises must be included.

The Social Economy was identified as a key component in the European Commission's *A New Industry Model for Europe*, while its *Annual Single Market Report 2021* presented an analysis of the challenges and the transformative initiatives to achieve the twin green and digital transitions and increase resilience. The Social Economy was identified as one of the 14 industrial ecosystems to be supported.

The Commission is preparing to launch a transition pathway for the Social Economy industrial ecosystem which will inter alia boost the capacity of the social economy to adopt and develop greener practices, products and services, and to improve their digital capacities.

The forthcoming White Paper should also recognise and put in place the supports to harness the potential of Ireland's social enterprises. Social enterprise organisations are private entities running economic activities whose main purpose is to provide goods and services to their members or the community at large, with profits coming second. They build on local roots; solidarity and participation are core principles driving their activities.

**It estimated that in 2019, the Irish nonprofit sector turned over €13.9 billion , of which 44% – less than half (€6.2 billion) – came from Government.** The sector is comparable in size to the tourism sector. Fáilte Ireland estimates that in 2019 overseas and domestic tourists and the airfares to come to Ireland came to €9.5 billion and said that represents 3.6% of GNP in revenue terms.

While the state provides *"a range of tailored supports for enterprise of all sizes in Ireland"*, social enterprises have historically found it difficult to access them. The supports which *"include access to finance, management development, mentoring supports, business development programmes, market supports and trade promotion"*, should be equally available to social enterprises.

The social economy can play a much larger role in the post-COVID phase to inspire transformation to a more inclusive and sustainable economy and society. Across the world, the social economy has proven to be a pioneer in identifying and implementing social innovations and alternative ways of organising economic activities, e.g. fair trade, organic food movements and ethical finance.

The OECD points out that, *"Social economy organisations also have the potential to expand social innovation to address pressing environmental and societal challenges. They do so by focusing on social impact and working with local stakeholders (citizens, civil society, policymakers, entrepreneurs, researchers) in collaborative ways that promote the use of new practices."*

*“In the long term, social economy organisations can help reshape the post-crisis economy by promoting inclusive and sustainable economic models. Relying on decades of experience, its specific features and underlying principles, the social economy can inspire models of social innovation and a sense of purpose to firms operating in the market economy.”*

As our economy, and the society in which it operates, responds to these challenges, there is a discernible convergence towards a new approach to economic activity taking place. Traditional commercial businesses are finding ways of making themselves more accountable, becoming in their own way more like community-based organisations, while at the same time traditional communitybased organisations and charities are becoming more commercial in their approach. We call this ‘new way’ **social enterprise**. Social enterprises are emerging as a key model for the sustainable production of goods and services.

In this context, we need to ensure that the state’s Enterprise White Paper, and all subsequent statutory departmental and agency strategies, recognise and support this growing model. This can be achieved by ensuring that the form a business or enterprise takes (be it private, for profit or a not-for-profit company or cooperative that reinvests its profits in services for the benefit of the community) should present no barrier to accessing business and enterprise supports and services.

The OECD Council at Ministerial level on 10 June 2022 adopted a series of recommendations to member states on the Social and Solidarity Economy and Social Innovation. Among the wide-ranging recommendations, OECD members are to:

*“Strengthen skills and business development support within the social economy by:*

*Providing access to coaching as well as affordable and adapted mentoring programmes for social economy organisations and social entrepreneurs.*

*Facilitating access to capacity and business development support for social economy organisations in all places (urban and rural) tailored to their needs and affordable.*

*Allowing, where appropriate, social economy organisations to access existing business development services.”*

This is the simple purpose of our submission: to ensure that social enterprises and non-privateprofit-making organisations (traditionally understood as community and voluntary organisations as many are registered charities) – which will play an ever-increasing role in the emerging circular economy and in the sustainable provision of goods and services in the future – are supported in full in their business activities by the State’s enterprise support infrastructure and services. **What do we mean, and why?**

In general, traditionally-understood ‘commercial’, private-profit making and distributing shareholder-owned businesses (the firms traditionally viewed as the ‘productive’ sector and understood as the group served by the Department of Enterprise and its agencies) are becoming more accountable to their customers, the communities they operate in, their employees and the general public.

This is being driven by a general acceptance by firms of the need to demonstrate and show sustainable and responsible raw-material sourcing, product design, production, marketing and distribution processes. There is a new focus on keeping operations local and reducing energy consumption. It is happening because of the increasing competition for skills too, and because of the expectations of shareholders who are more aware of the unsustainable nature of current

approaches. In this way, **businesses are moving from a Corporate Social Responsibility (CSR) model towards an Environmental, Social and Governance (ESG) model**. Increasingly, they are also moving towards a social-enterprise model to show that they are making their operations sustainable in a world of limited resources.

At the same time, traditionally-understood non-profits, charities and community and voluntary organisations are seeking to put their operations on a more sustainable footing by increasing the proportion of their income that is earned from trading in goods for services. In doing this, **they face the very same challenges as private firms** (developing markets, creating demand or addressing deficient demand, recruiting and managing workforces, developing goods and services, achieving standards, producing business plans, managing cashflows etc).

Many such organisations are involved in providing essential supports and services in Ireland; there are for example over 12,000 registered charities. Many of these receive some funding from the state through departments such as Health, Education, Children, Justice and Community, but many also raise very significant sums towards their activities themselves. **The sector has turnover of over €14bn with circa €7bn of this being independently earned**, often through trading activities or fundraising.

These organisations value this independently-earned income because it increases their scope for innovation and development into new areas, making them more responsive, secure and sustainable. The state departments they partner with also value this as it reduces demand on the exchequer for the cost of services. **The move towards social enterprise is seen as a win-win for all stakeholders.**

In summary, increasing numbers of community and voluntary organisations are transforming into social enterprises as they become more market-oriented and business-like in their general approach, becoming more like traditionally-understood commercial firms. Simultaneously, commercial firms are becoming more accountable and sustainable through the ESG transition towards a social enterprise approach, moving from being primarily shareholder-driven to being more stakeholder driven.

We are very clear, social enterprises should qualify on an equal basis for state supports just as privately owned SMEs and micro-businesses do. Being **community-owned, being a registered charity or having the legal form as a company limited by guarantee should not be a relevant consideration when it comes to accessing business supports.**

Additionally, we believe that there are a wide range of other implications for public policy that will flow from the recognition and acceptance of the irrelevance of this traditional distinction. These will be crucial in putting our society's economic activity on a sustainable footing in the years ahead.

## Summary of Recommendations

Government departments and agencies should

- Enable social economy organisations to better access general business supports for SMEs (and any special COVID-19 business supports)

- Ensure that the forthcoming White Paper aligns with the European Commission's *A New Industry Model for Europe* and includes measures to support social enterprises
- Work with stakeholders to identify how to improve opportunities for social enterprises in the business-to-business supply-chain and in public procurement
- Include social economy organisations automatically in any post-COVID and impact-of-inflation funding and policy measures emanating from DETE
- Compile and make available information on the various business supports available to social enterprises, along with details of the providers of those supports
- Identify any gaps which may exist in business supports available to social enterprises and work to address those gaps
- Provide improved access to advice and supports to assist social enterprises and social entrepreneurs, including through standard Local Enterprise Office services where appropriate, or alternatives, to develop their business proposals
- Provide tailored training for social enterprises in areas such as business planning, mentoring, leadership, governance, capacity building, financial planning and digital innovation to help them to improve their business potential as well as leadership and governance skills
- Ensure that social enterprises have access to supports available to SMEs regionally, including through the Local Enterprise Offices and Local Authorities, in order to support a just transition (the *National Social Enterprise Policy 2019–2022* acknowledges the range of supports available)
- Support the creation of local partnerships between social enterprises and mainstream businesses in line with the European Commission's *Social Economy Action Plan*
- Introduce a bespoke workforce skills and training framework for the community, voluntary and social enterprise sector (CVSE sector) to serve the needs of the 165,000 paid employees and volunteer workers
- Invest in the skills and training of these employees and volunteer workers through the National Training Fund
- Develop a process to produce the workforce skills and training framework for CVSE that is agreed upon by a wide range of stakeholders (including Solas, ETBI, ETBs etc) in an inclusive manner and which is led by the sector
- Work to ensure DETE's full involvement, liaising closely with DRCD to support further enhancement of this approach in the next *National Social Enterprise Policy*, which is currently under development
- Prioritise collaboration between DETE, DRCD and other departments to fulfil the spirit of this approach in the next stage of policy delivery by Government
- Incorporate the approach taken in the *Climate Action Plan*, prioritising collaboration between relevant departments and agencies to ensure community-based energy delivery is acknowledged and incorporated into DETE planning and policy
- Ensure adequate investment in communities for implementation of the *Circular Economy and Miscellaneous Provisions Act 2022*
- Invest in digital equity through the community and voluntary sector and social enterprises who are able to reach those most in need
- Ensure that enterprise development aimed at ensuring a just transition is inclusive of social enterprises

- Ensure that DETE takes a joined-up approach to policy design, underpinned by Ireland's SDG commitments.



# About the Social Enterprise Sector and the Social Economy

Social Enterprises are involved in every community in the country providing employment and community services. Many provide essential health and social supports, services and advocacy on behalf of people with disabilities, older people, young people, children, people experiencing poverty and disadvantage, and people at every stage of their lives.

**This social economy drives employment while simultaneously meeting the demand for essential services**, works to progress social inclusion, equality, and the health and wellbeing of our communities, and makes a difference to millions of lives here and across the world.

Since 2020, the COVID-19 pandemic has demonstrated the extent to which we rely on social enterprises, especially in difficult times. These organisations played a key part in sustaining communities during the crisis, demonstrating their core role as part of Ireland's service infrastructure. They restructured services to deliver remotely, responded to the need for sociallydistanced and safe provision, cut costs, redirected resources to priority areas and designed new service responses targeted at meeting emergent need.

The Community, Voluntary and Social Enterprise sector (CVSE sector) constitutes a significant social economy within the broader economy. It comprises almost 35,000 CVSEs, involves over 86,481 unpaid directors and trustees, directly employs 165,000 people, and manages income of €14.2bn per year. **These organisations raise over half of this income (circa €7bn) themselves, majorly subsidising the cost of public services in Ireland.** Indecon Economic Consultants (in a report published by the Charities Regulator in 2018) estimate that the total direct, indirect, and induced value of the work of Ireland's charities exceed €24bn per annum and supports 289,000.

Despite a huge variance in the size, structure and composition of organisations within the sector, they share a few things in common. They are all:

- Governed by Boards made up of unpaid directors
- Operated for the common good / public benefit on a not-for-private-profit basis, putting the needs of people and communities first.

This activity creates significant social value (sometimes called 'social capital') and, quite simply, it sustains communities, builds a sense of common purpose and creates trust and a willingness to work together in our society. There are unique characteristics that are observable in the way that CVSEs carry out their work in providing everyday social and community services for the people who need them:

- Responsive, tailored and holistic approaches to identifying and meeting needs
- Flexibility, innovation, integration and collaboration in delivering services
- Ownership, involvement and empowerment of service-beneficiaries and the wider community in shaping services and supports
- Contributions to building social capital and social cohesion
- Committed, motivated and person-centred staff

- Bringing additional assets and sources of funding to support the work that would not otherwise be available to the state.

# Social Enterprise and the Social Economy

The current review of enterprise policy should clearly acknowledge the significant function, role and contribution of social enterprise and the social economy to the economy as a whole, in line with overall government and EU policy. Government has acknowledged the need to support SMEs and support for social enterprise is of significant importance in this respect. Bolstering the sector through access to business supports will help to strengthen economy and society alike.

The social economy (SE) includes entities like cooperatives, mutuals, associations (including charities), and foundations. **SE organisations make up 10% of all EU businesses**<sup>1</sup>. 13.6 million people (6.2% of EU workforce) work for SE organisations and the equivalent of an additional 5.5 million full-time workers are mobilised through volunteering<sup>2</sup>.

International recognition for SE is building rapidly. The EU published its *Social Economy Action Plan* in 2021, a landmark document that aims to enhance social investment and support SE organisations to scale up and create jobs. The *Action Plan* states that SE organisations “create and retain quality jobs, contribute to social and labour-market inclusion of disadvantaged groups and equal opportunities for all, drive sustainable economic and industrial development, promote the active participation of citizens in our societies, play an important role in Europe’s welfare systems, and revitalise Europe’s rural and depopulated areas”<sup>3</sup>.

In May 2021, the European Commission in updating its *Industrial Strategy*, gave such an acknowledgement and identified the social economy as one of 14 industrial ecosystems to be analysed for the identification of “transformative initiatives to achieve the twin green and digital transition and increase resilience”<sup>4</sup>.

To support the social economy fully, there needs to be increased greater cross-departmental attention and co-operation to address its needs. For example, **a study by Indecon, *Investment Appraisal of Upskilling Employees in the Nonprofit Sector 2020*, indicated a clear net benefit to investing in social economy workforce development** with, on average a return of €2.86 for every €1 invested.

Key issues on which DETE could offer support include:

- Working with stakeholders to identify how to improve opportunities for social enterprises in the business-to-business supply-chain and in public procurement
- Enabling Social economy organisations to better access general business supports for SMEs (and any special COVID-19 business supports)
- Including social economy organisations automatically in any post-Covid and impact-of-inflation funding and policy measures emanating from DETE.

In addition, internal impact auditing in DETE should in particular address the effectiveness of supports provided to the outgoing *National Social Enterprise Policy for Ireland 2019–2022*.

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<sup>1</sup> <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

<sup>2</sup> <https://www.socialeconomy.eu.org/the-social-economy/>

<sup>3</sup> <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

<sup>4</sup> <https://www.oecd.org/cfe/leed/social-economy/>

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Specifically, it should focus on the section with aims to “improve business and leadership supports for social enterprises” and states that “The Government, in collaboration with stakeholders, will”:

- Compile and make available information on the various business supports available to social enterprises, along with details of the providers of those supports
- Identify any gaps which may exist in business supports available to social enterprises and work to address those gaps
- Provide improved access to advice and supports to assist social enterprises and social entrepreneurs – including through standard Local Enterprise Office services where appropriate – to develop their business proposals
- Provide tailored training for social enterprises in areas such as business planning, mentoring, leadership, governance, capacity building, financial planning and digital innovation to help them to improve their business potential as well as leadership and governance skills.

Finally, the *National Social Enterprise Policy* committed to “Establish a National Social Enterprise Policy Implementation Group, chaired by the Department of Rural and Community Development, with representation from other relevant Government Departments, public bodies and social enterprise stakeholders”. We recommend:

- Working to ensure DETE’s full involvement, liaising closely with DRCD to support further enhancement of this approach in the next *National Social Enterprise Policy*, which is currently under development
- Prioritising collaboration between DETE, DRCD and other departments to fulfil the spirit of this approach in the next stage of policy delivery by Government

## The twin green and digital transitions which all enterprises must address

Like many other micro, small and medium-sized enterprises, organisations in the social economy face big challenges as they seek to evolve their practices and processes to achieve green and digital transitions. In order to maintain an innovative and resilient social economy sector, organisations need to be supported to assess the right course of action, upskill their workers, adapt and adopt best practices and implement agile responses to fast-changing conditions.

### Just Transition

The Government’s *Climate Action Plan* will be a prime focus of future enterprise policy, to ensure sustainability of industrial development in line with the government’s climate justice goals. For many years, community and voluntary organisations have led the way on both advocacy and action in relation to climate issues and the *Plan* acknowledges the role played to date by community organisations in a range of areas. **The sector is well placed and appropriately skilled to work towards a just transition**, achieving net zero by 2050 and implementing the Sustainable Development Goals.

For example, the *Climate Action Plan* notes that at least 500 MW of renewable energy will be delivered through local community-based projects, subject to competition as appropriate. The

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proposals in 11.3.3 of the *Plan on Microgeneration and Community-Based Projects* have the potential to empower and drive engagement and participation, creating opportunities for “domestic, community, farming, and small commercial customers” to take the first steps towards investment in renewable technologies on a community basis. The *Plan* also commits to further strengthening the community energy framework, including consideration of community-benefit funds and community ownership provisions and a Microgeneration Support Scheme (MSS).

We welcome the recent announcement that the *Circular Economy and Miscellaneous Provisions Act 2022* has been signed into law. As well as marking a shift towards “a more sustainable pattern of production and consumption”, The *Act* also takes specific account of the social dimensions of the circular economy to safeguard, for example, low-income households and people with disabilities. The *Act* introduces a legal requirement that, when a *National Circular Economy Strategy* is being prepared, the national policies in relation to the needs of socially and economically disadvantaged communities, and persons with disabilities must be factored in.’

We recommend:

- Incorporating the approach taken in the *Climate Action Plan*, prioritising collaboration between relevant departments and agencies to ensure community-based energy delivery is acknowledged and incorporated into DEYE planning and policy
- Ensuring adequate investment in communities for implementation of the *Circular Economy and Miscellaneous Provisions Act 2022*.

## Digital Divide

In a recent survey carried out by The Wheel amongst employers in the social economy, a significant digital skills gap amongst workers was identified, with over 56% noting that over the past 12 months workers in the organisation have not had the necessary digital skills to carry out their current roles. More research is needed to identify the current and emerging digital skills gaps and digital resourcing needs of social economy organisations.

With almost one in two Irish adults lacking basic digital skills,<sup>5</sup> the social economy, with its **unique reach into communities that public policy interventions find challenging to engage**, will be a key partner in tackling the “digital divide”. Digital equity is necessary in order for all of society and our economy to thrive through the digital transition and ensure that no communities are left behind as we move towards the goal of 80% of adults having sufficient digital skills by 2030.

We recommend:

- Investing in digital equity through the community and voluntary sector and social enterprises who are able to reach those most in need.

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<sup>5</sup> Adult Literacy for Life Strategy, <https://www.adultliteracyforlife.ie/>

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## Enterprise Policy Support for the Sustainable Development Goals

The 2030 Agenda for Sustainable Development is the only universally agreed and universally applicable framework for global evidence-based policy making. It is vital that **implementation of the SDGs underpins policy design across Government** and reflects a joined-up approach to tackling the primary global challenges of our time.

As a member of Coalition 2030, an alliance of civil society organisations working together to ensure Ireland keeps its promise to achieve the SDGs, we welcome the recognition in the draft second *National Implementation Plan for the SDGs* of the essential roles of civil society, which includes social enterprises and the wider social economy, in implementing the SDGs in Ireland. All social enterprises address one or often more of the SDGs through their work, but they face big challenges as they seek to evolve their practices and processes to deliver on the SDG targets and support a just transition for communities.

We call on DETE to ensure that enterprise development and support, aimed at ensuring a just transition for communities, is inclusive of social enterprises. **Social enterprises need to be supported to adopt best practices in delivering a just transition** and upskilling their workers in order to meet future demands in the face of fast-changing conditions.

Local authorities have a critical role to play in ensuring that the enterprise development and support locally addresses social and environmental, as well as economic, sustainability considerations. We recommend that DETE work with other relevant government departments to seek a commitment that each County Development Plan and the associated local area plans include policy objectives to work towards the achievement of the SDGs generally and sustainable enterprise development and support specifically, recognising the critical role of social enterprises and the wider social economy in their achievement.

We recommend:

- Ensuring that enterprise development and support is aimed at ensuring a just transition is inclusive of social enterprises
- Ensuring that DETE takes a joined-up approach to policy design, underpinned by Ireland's SDG commitments.

## **Ensuring enterprise growth policies are inclusive and the role of enterprise policy in further enhancing regional development**

The European Green Deal recognises the importance of a just transition for communities across the country in order to take effective climate action. Achieving a just transition calls for investment in SMEs and provision of training and reskilling so that local businesses and communities can adjust to a low-carbon transition. Thus, it is essential that the White Paper addresses the need to apply the principles of just transition in a regional context, including the ensuring the provision of supports for social enterprises.

We recommend:

- Ensuring that social enterprises have access to supports available to SMEs regionally, including through the Local Enterprise Offices and Local Authorities, in order to support a just transition (the *National Social Enterprise Policy 2019–2022* committed to the full range of these supports being available.)
- Supporting the creation of local partnerships between social enterprises and mainstream businesses in line with the European Commission's Social Economy Action Plan.

# Skills and talent availability to support enterprise development

A study carried out by Indecon, *Investment Appraisal of Upskilling Employees in the Nonprofit Sector 2020*,<sup>6</sup> quantifies for the first time the levels of training and upskilling undertaken by people in the social economy, both paid and unpaid. The authors also produced a rigorous cost benefit analysis of investment in upskilling amongst these workers.

The report indicates that investment in training in the social economy workforce in Ireland is low, in comparison with other sectors in the Irish workforce, and with comparable social economy workforces in other countries. Specifically, it identifies barriers that impede necessary investment, such as the cost of training and lack of time available to engage with training amongst workers, and points the way towards the solutions needed in this regard.

The research also includes a cost benefit analysis which demonstrates a **clear net benefit to investing in social economy workforce development**. On average, for every €1 invested, there will be a return of €2.86, in terms of increased innovation and impact, demonstrating clearly the positive return that would follow from increased investment in training in the social economy, including increased innovation in work practices, productivity benefits and lower operating costs.

**A social economy workforce that is skilled and primed to meet the challenges of the twentyfirst-century workplace benefits the overall labour force**, ensuring all workers are more mobile, agile, and able to share transversal knowledge and innovation from one sector to the other. The social economy supports thousands of people in communities across Ireland to access education, upskilling opportunities and employment schemes who would otherwise be excluded from the workforce. It provides those farthest from the labour market with vital stepping-stones into employment in all sectors of the economy.

We recommend:

- A bespoke workforce skills and training framework for the CV/SE sector to serve the needs of the 165,000 paid employees and volunteer workers
- Investment in the skills and training of these employees and volunteer workers from the National Training Fund
- A process to develop the framework agreed upon by a wide range of stakeholders (including Solas, ETBI, ETBs etc) in an inclusive manner led by the sector.

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<sup>6</sup> <https://www.wheel.ie/sites/default/files/media/file-uploads/202012/Investment%20Appraisal%20of%20Upskilling%20-%20Indecon.pdf>



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## **About The Wheel**

The Wheel is Ireland's national association of community and voluntary organisations, charities and social enterprises. We are the representative body for this vibrant and diverse sector, and together with our members, we shape and promote conditions in which people and their communities thrive.

We passionately believe that community and voluntary action improves and enriches communities and society. Our simple but ambitious mission is to make Ireland a fair and just place for all by strengthening the capacity and capability of community and voluntary organisations, charities and social enterprises to play their part.

We do this by representing these organisations, supporting these organisations to do their work, and, promoting the importance of the voluntarism and community values that power these organisations.

The Wheel has over 2,000 members and provides support services and representation on behalf of its members relating to matters that reflect their collective interests.

## **Contact Details**

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## **Public Consultation: White Paper on Enterprise**

### **Submission – TASC**

**29 July 2022**

This submission is made on behalf of TASC, an independent think-tank whose mission is to address inequality and sustain democracy by translating analysis into action. TASC's Constitution presents its main objectives as:

- Promoting education for the public benefit
- Encouraging a more participative and inclusive society
- Promoting and publishing research for public benefit

TASC engages in research and public outreach concerning inequality, democracy, and climate justice in the current political, economic, and social environment. Through its work, TASC seeks to increase public knowledge of economic and social policy, improve working conditions, facilitate a just transition to advance climate action and protect livelihoods and communities, and more generally, contribute to positive social change in Ireland and the EU.

As part of its climate justice stream, TASC is committed to tackling climate change in a way that protects the rights and livelihoods of workers. Based on years of research, in November 2020, TASC published *The Peoples Transition* — a model that views climate action as an enabler of local development, gives people and communities ownership of the transition to

zero carbon societies and enhances public support for a Just Transition. With social inclusion at its heart, it advocates for a healthy environment for all and ensures nobody in the community is left behind.

A key finding from the application of the People's Transition within two communities (Phibsborough, Dublin; Ardara, Donegal) is the benefits that co-operatives and community owned enterprises can have for community engagement regarding climate action. The benefits of developing community owned enterprises include their ability to build public support for climate measures alongside enhancing standards of living and well-being for rural and urban communities. As noted by the National Economic and Social Council (2020), supporting the transition to a greener economy requires a development framework which enables community enterprise and empowers collective community action. Focusing on agriculture in particular, the use of co-operatives can build capacity and resilience among farmers and support farm diversification. This can assist in reducing concerns relating to the potential loss of income due to the need to move away from pollutant forms of agriculture. The people-centric nature of co-operatives can also allow for an enhanced level of community trust as the wealth that is created from the move towards greener practices is retained within the community (McCabe, 2020).

TASC recommends that measures be taken to facilitate the creation of community-led co-operatives in areas relating to the shift to a greener economy. This is relevant to several sectors. The first of these relates to the attainment of an enhanced role of farmers within the production of energy in contrast to marginalised position they hold in certain livestock value chains. This may include their role in the production of renewable energy via solar PV and wind as well as in the production of biogas. A finding from the undertaking of the Ardara People's Transition case study was the positive perception of members of the community regarding the creation of a Biochar co-operative. The application of a co-operative model was viewed as being a measure which encourages shared responsibility and ownership alongside providing a collective means of undertaking climate action. A further benefit of the application of a co-operative approach to renewable energy is that it can enhance the positioning of farmers within value chains. This can ensure that the shift to a greener economy does not replicate aspects of the carbon economy whereby farmers are 'price takers', dependent on large agricultural businesses for the income they receive. Alongside its relevance to the agricultural sector, the role of co-operatives and community owned enterprise is relevant to other sectors where decarbonisation is essential. The Phibsborough People's Transition case study notes the relevance of co-operatives to transport and housing.

From utilising the People's Transition model whereby the composition of communities are mapped and the needs, priorities and strengths are communities are listened to, solutions were identified to challenges facing the community of Phibsborough. These include the development of a Retrofitting co-operative and a Bicycle Courier Cooperative. The creation of a retrofitting co-operative can support job creation alongside reducing energy costs facing communities. The creation of a bicycle co-operative can support a reduction in emission creation from transport alongside minimising traffic congestion within urban centres. The emphasis on justice within the co-operative model also underlines their ability to act as a counterforce to the precarious forms of employment which workers in the delivery sector face.

Thank you in advance for your consideration.  
Regards,  
Kieran Harrahill.

On behalf of  
TASC

**References:**

McCabe, S. (2020) The People's Transition: Community-led Development for Climate Justice. TASC.

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**Submission on behalf of Tralee Chamber Alliance Chamber  
to the Department of Enterprise , Trade and Employment  
regarding the Public Consultation for the White Paper on  
Enterprise Policy**

July 2022

Tralee Chamber is the largest business representative body across the Tralee and North Kerry area with a cross sectoral membership of business types. The Chamber is committed to improving the business environment and quality of life in the region. We strongly support the existing policy for multi-national companies. Future policy should build on the success of the High Value Manufacturing sectors.

But there have been significant changes since the global, and Irish, economies since the current Industrial Policy “Ahead of the Curve” was developed in 2004. We need to compensate for the areas where we have become weaker and take advantage of the areas where we have unique selling propositions.

The areas where we are weaker than we were in 2004 are largely related to the fallout from the Great Financial Crisis. Our overleveraged position led us to forgo a decade of infrastructure investment. Having returned to growth, after spending the period to 2013 underinvesting in the economy we are now experiencing capacity constraints throughout the economy.

Considerable investment in infrastructure will be needed to return our infrastructure and built environment to where it needs to be. We can however use the Green Transition as a mechanism for channelling finances towards investment in our Energy/Water/Transport networks in ways that can help our towns and cities become sustainable centres of economic growth.

## **High-level Negative trends since the implementation of “Ahead of the Curve”**

### **Skills & Talent**

- The high cost of housing is as a cause for employees emigrating and a cause of claims for increased wages.

- Poor access to housing is a drain on productivity; either through repeated, prolonged house searches or through extended commutes to and from work.
- Availability of affordable housing in the North Kerry area is at an all-time low and needs considerable attention

### **Housing & Migration**

- Poor housing options make North Kerry and across Ireland a less attractive destination for migrants.
- Ireland as a whole does not have the same capacity to import skills from other European jurisdictions, as we did in the early 2000's.

### **Energy**

- Our energy mix is overly dependent on fossil fuel sources and not as secure as in the past.
- Electricity supply difficulties are resulting in reputational damage as a destination for foreign capital, and a de facto ban on new data-centres.

### **Water**

- Access to water resources and waste-water treatment capacity are problems for businesses looking to expand in/into, Ireland.
- A lack of effective water treatment capacity is a key reason for rejecting planning permissions.

### **Taxation**

- Ireland's interests are better served by embracing the international taxation reforms than by retaining the 12.5% rate of corporation tax and damaging our reputation but Ireland must change it's narrative to encourage investment here without having to rely on being a low tax regime.

While there are challenges ahead for us, the outlook for Ireland over the next decade is far from negative. We are possibly the best placed of the European economies to take advantage of the opportunities that are before us. Particularly in the area of renewables, but also because of other long-term trends that we will be able to take advantage of over this decade.

## **Potential sources of growth over the next decade**

### **Untapped Green Energy Resources**

- Government needs to ensure that MARA operates as an “IDA for the sea”.
- More ambitious offshore energy policy is required to mirror the growth of peer states (e.g Scotland).
- We should utilise REPowerEU, to fast track grid upgrades and make our electricity networks more resilient and effective.
- Hundreds of billions of euros of infrastructure is required to harness the energy of the Atlantic. This will translate into regional development, and highly-paid jobs in underdeveloped and disadvantaged parts of the country.
- Large energy users could be incentivised to transition, to reduce our dependence on imported fossil fuels while also catalysing a Green Hydrogen industry.
- We must use our underutilised harbours to export Compressed Green Hydrogen, and Green Ammonia to continental Europe.
- Ammonia created using Green Hydrogen can be used in jet turbine and diesel engines as fuel, to help decarbonise the international transport sector and can also be used as an alternative to fossil fuels to create nitrate fertilisers for farming.



- Using biomass, biowaste, farming and foodwaste to produce methane can maximise the lifespan of existing natural gas investments, while reducing the impact that naturally released methane would have on the atmosphere.

### **Brexit & Trade**

- The Island of Ireland should position itself as a logistics hub for businesses seeking to trade with both GB and the EU.
- We need to integrate rail with our ports, to facilitate smaller vessels that will have access to less strained EU and GB ports, and to support imports and exports to the US and Asia.
- Being the primary English speaking and common law country in the EU will help compensate for no longer being able to distinguish ourselves from other EU countries on the basis of taxation.

### **Deglobalisation**

- Friend-shoring and near-shoring production will lead to higher costs, shorter supply lines, and reduced inventory.
- Ireland should focus on high-value advanced engineering processes involving additive manufacturing.
- Ireland needs a large, excess electricity capacity to become a home for energy-hungry manufacturing, where products are destined for the EU market.

### **Cybersecurity**

- Ireland's weak cybersecurity is a serious business concern, especially for MNCs contributing substantial Corporate Income Tax.
- Ireland requires a cross-departmental public sector agency to pre-empt such threats.

- The strategy should involve a civilian cybersecurity agency which collaborates with Justice officials, the DPC, industry, security experts and our third level sector to actively combat cybersecurity threats.
- The national cybersecurity agency needs have an educative mission, be put on a legislative footing and mandated to conduct penetration testing on state bodies.

### **Creative Industries**

- Given our oversized global creative industries footprint and the fact that English is the primary international language in the global entertainment industry, our growth in exports for this sector has been relatively weak.
- We need to scale our cultural exports like the Republic of Korea has done, with a systemic focus on entertainment (broadly defined) as an export industry, to facilitate a strong domestic, indigenous sector. This would increase our tourism income and develop our soft-power internationally.

### **Underutilised domestic capacities**

- The considerable infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly constrained our domestic economy.
- The Department of Finance must reduce our Debt/GNI\* ratio. It can do this by either reducing the absolute levels of Debt which the state owes, or growing the denominator.
- The regulatory environment for businesses not typically supported by the state should be simplified - we need to consolidate employment law, rather than create new bills for micro issues.
- Most businesses will never be High-Performance-Startups, and HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.
- We need to develop an outward-looking medium business sector that trades internationally. For as long as our medium sized businesses remain focused on our

domestic economy, they will be vulnerable to shocks that alter their sector which emerge from abroad.

- Government should optimise the construction industry by buying tens of thousands of modular homes per annum, over the next decade, or potentially decades to come.



## Trinity College Dublin

Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

David Hegarty  
Dept of Enterprise, Trade & Employment,  
23 Kildare Street,  
Dublin 2,  
D02 TD30

28<sup>th</sup> July 2022

Dear David,

Thank you for the invitation to submit a proposal to your policy review. I have made a terse contribution below as I have been under time pressure due to competing duties as Business School Dean. I can elaborate later if any of the suggestions herein are of interest to you. Below, I define the context and policy options. I have not included research citations for the many statements of an empirical nature below but will do so if these areas are of interest. Current context and potential policy priorities below cover eco-sustainability & short v long-term business performance, Dual eco-econ sustainable enterprise policy, inclusivity and socio-economic cohesion, and the high-skilled project v low-skilled gig freelance economies:

1. We are in the midst of a climate emergency. Eco-sustainability and ethical business are at the core of the new frontier of competition. Consumer demands, worker motivation and sense of purpose, investor/lender ESG requirements and increasing international regulatory requirements in this space will make it difficult for any business that is not humane and environmentally friendly to survive in the long-term. The dilemma facing many (but not all) firms is that transforming to 'good business' involves a short-term loss of competitiveness in order to attain longer term competitiveness. The more myopic firms are in their outlook the less likely they will make this transition and the more likely that the economy in which they operate will not be competitive in the long run. Now is the time when first mover advantages in technology, human capital, reputation, brand and most importantly economy wide eco-friendly infrastructure and expertise are being created. Thus, eco-sustainable and ethical business will be a huge threat or opportunity for Ireland depending on how the priorities of industrial policy are designed and implemented now. Economic historians will either view industrial policy today as a missed opportunity due to a short-sighted approach or inspirational by taking a long-term perspective which safeguarded the competitiveness, prosperity and sustainability of socio-economic Ireland. In order to re-focus businesses to take a long-term perspective, policy grants and supports should be based on long-term performance horizons; ideally with eco-sustainability targets attached. Tax incentives should be enhanced for investors who are in for the long-term e.g. lower tax rates for stock and shares held over a



sufficiently long time period e.g. 15-20 years where by the time of harvesting the investment, the business will need to be competitive in the eco-humane domain in order to have survived and thrived over that duration.

2. Most economic policy in liberal democracies since World War II assumes that all competing firms will themselves be competing on a value creation basis only. In short, a synergy where business performance sustains democratic society which in turn nurtures the business environment. With the rise in global firms part or wholly owned by authoritarian non-democratic governments (often with major human rights violations) the mission of their firms extend into the political sphere and often with an objective of undermining the interests and indeed sustainability of democratic nations. Therefore, industrial and enterprise policy – particularly in the areas of FDI, new venture joint initiatives and trade arrangements – need to take a long-term view to ensure that any short term economic gains from policy support do not threaten or compromise long term sustainability of liberal democracies in Ireland, the EU and elsewhere as doing so will cause overwhelming socioeconomic costs in Ireland. The simplest means of avoiding this is for DE TE policy to take long-term perspective and be evaluated on this time horizon. Combining with the earlier point no 1 above, a long-term perspective is necessary to sustain business at an eco-econ sustainable level consistent with free society which respects and nurtures human rights.
3. There has been a big rise in inequality that has polarised our society and undermine its cohesion. A big part of this is due to the high minimum efficient scale associated with most digital based technologies and innovation-driven industries. The technological features of innovation have been such that regardless of what type of businesses that evolve to successfully commercialise innovation, the market is usually destined to converge to a highly monopolistic and ‘winner takes all type’ of structure. The successful entrepreneurs, who emerge from this predetermined process, earn ultra-monopolistic profits, which enhances their wealth both beyond anything they realistically imagined when starting their venture and way beyond the wealth necessary to motivate them and all other start-ups to enter and grow a business in the first place. There is a policy role here. Start-ups should be encouraged to give a societal share of their equity (e.g. 10% non-dilutable over the initial 10 years) for social inclusion/cohesion. Ideally, this would be EU wide and compulsory, as it would have a negligible effect on the start-up rate. However, it could be trialled on a voluntary basis in Ireland where participating start-ups would get preferential support from DE TE/Government as well as the right to use a unique branded trademark where consumers, employees and financiers would know that the firm has made a commitment to social inclusion and sharing prosperity. No doubt, there are other



initiatives that can apply at an ex-post level, encouraging or even taxing entrepreneurs to give back to society but in short, entrepreneurs are earning inefficient excessive earnings that are contributing to inequality, undermining social cohesion and limiting the socioeconomic gains from high performance enterprise.

4. Empirical research in the field of entrepreneurship has now proven the folly of the view that more entrepreneurship is always better for economic performance. The carrying capacity or dynamic sustainable number of firms in any market has proven straightforward for researchers to estimate at an empirical level. In doing so, it has been shown that economic productivity underperforms when the actual number of firms deviates from this sustainable number. When the number of firms is below the sustainable amount, there simply is not enough business activity for an industry/economy to achieve its production potential. When the number of firms is above the sustainable number, more resources than are necessary are being committed to develop any innovation or supply a product/service offering at a high standard. From an eco-sustainability perspective, the former is less damaging than the latter as less natural resources and carbon emissions are involved for any given level of economic performance achieved by being above the sustainable level. Furthermore, from a purely financial/economic sustainability perspective excessive, business activity (above the sustainable number of firms) is also more damaging because it takes much longer and at greater financial cost for the number of firms to downsize/exit at a level sufficient to return the number of firms to a long-run sustainable level that maximises economic performance. Therefore, both considerations indicate that enterprise policy needs to have a targeted dimension to it, focusing on those sectors, which are below market carrying capacity, and also assessing how carrying capacity is forecast to change e.g. carrying capacity in the eco-sustainable sector is likely to grow. It is important to note that research has shown that the cyclical dimension here is not the same as macroeconomic cycles.
5. Covid-19 has led to an increase in remote and hybrid working. This has further propelled a trend of a rising number of high-skilled freelancers in the labour market. These high-skilled freelancers are hired to enhance businesses dynamic capabilities. In particular, to raise the knowledge-based capacity of organisations beyond the confines/expertise of their employee base while simultaneously enhancing organisational agility, innovation, risk management and financial requirements. In dynamic innovation-driven economies, like Ireland, high-skilled freelance workers are a key part of both high performance large and SMEs engaged in innovation and growth. Research has shown that in these organisations their greater presence not only enhances business performance but also actually causes more employment creation. These high-skilled freelancers typically earn more and have higher job



satisfaction than equivalent employees. These benefits also extend to older freelance workers who by contrast in the employed sector are usually already retired or being encouraged to do so. With the growth of remote working, it is now easier than ever before for firms to hire overseas high-skilled contractors for work previously given the local freelancers. Combined, there is an opportunity and threat here. We need policies that clearly distinguish high from low-skilled freelancers. We need policies that recognise the unique function of high-skilled freelancers in the project economy, which is distinct from employment. We need policies that enable firms to hire high-skilled freelancers on a project basis without fear of being deemed to be engaging in false self-employment. In addition, we need a widening of enterprise policy to assist solo self-employed high-skilled freelancers who can both enhance and underpin corporate and SME business performance in Ireland and also compete directly in the international project economy's labour market for high-skilled contractors.

6. Low-skilled freelancers have little bargaining power and comprise vulnerable workers in comparison to equivalent low-skilled employees. Therefore, by contrast they are very different to high skilled freelancers and need some protection. One key instrument that would help low-skilled freelancers without hindering high-skilled freelancers is the creation 'a contractor minimum living day rate'. In short, it would be illegal for firms to hire contractors on a day or pro rata hourly rate, which does not aggregate, to a weekly living wage. This would help protect vulnerable workers from exploitation. It would have no negative consequences for high-skilled freelancers as they typically earn much more than a living and in Ireland, around 60% more than equivalent employees would.

I hope you find some of these observations and suggestions useful. I have deliberately focused on policy areas that are emerging from the new economy and hence more likely to avoid highlighting things that you are already doing so well. If you would like any further information on any of the above, I would be delighted to be of assistance and would also happily meet to discuss any aspect as well.

Best wishes for your important policy initiative.

Best regards,

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Professor Andrew Burke,  
Dean of Trinity Business School  
& Chair of Business Studies  
Trinity College Dublin

## William Kingston, Trinity Business School

### Public Consultation on Enterprise Policy

I am the author of *Interrogating Irish Policies* (Peter Lang and Dublin University Press, 2021) and two chapters in this are especially relevant to your objective. These are:-

Chapter 16, “Industrial Policy: Responding to Covid 19,” originally published in *Studies: an Irish Quarterly Review*, and Chapter 19, “Transforming the Conditions for Indigenous Innovation,” originally published in *The Economic and Social Review*. I now offer the following additional suggestions about how some proposals in these could be put into effect.

#### Chapter 16

Financial encouragement for innovation can never bring about radical innovations as long as subcontracting is limited to a maximum of 20% of any award for University-led research. If a higher proportion is needed, the provider of the industry contribution must be a partner in the proposal, only 80% of whose costs are reimbursable. If what is proposed is for radical rather than incremental innovation, this is not a risk that a firm would or should take.

This problem could be dealt with, even under EU State Aid rules, by allowing Science Foundation Ireland to provide the 20% balance to the industrial partner, in cases where the research proposed is for radical innovation.

#### Chapter 19

Although as shown in this Chapter, the international patent system is very ineffective in protecting inventions other than chemical, it is very effective at codifying and publishing the technical information disclosed in all applications for protection. This makes its databases a uniquely valuable source of ideas which were ahead of their time, which indeed is what a significant proportion of patent applications disclose.

Unfortunately, when either economic circumstances or complementary technology make it desirable to turn these ideas into reality, there is no protection for the investment needed for this, since the original patent application information is in the public domain.

This could be dealt with by enabling the patent law to provide that if an applicant can show a modification to such a disclosure that can now make it useful, or is ready to invest in doing so, protection would be given for *the original disclosure combined with the improvement*.

If the Irish Patents Act was changed to allow this, it would open up huge potential for incremental innovation. It would be unlikely to be challenged by the World Trade Organization as a breach of its TRIPs Annex, any more than change in the same direction in the UK 1986 Act. This is because the proposal has so much potential for all its member countries. Ireland would have an additional competitive advantage until they followed suit.



William Kingston,  
Business School, Trinity College, Dublin.

## Feedback to DoE on Irish Enterprise Strategy

Ms. Mary Lawlor  
Prof. ML Rhodes  
Trinity Centre for Social Innovation  
Trinity Business School

29<sup>th</sup> July 2022

The Centre for Social Innovation (CSI) at the Trinity School of Business welcomes the opportunity to input into the White Paper on Enterprise process. The CSI welcomes the commitment to an “inclusive, equitable and climate friendly enterprise model” that is highlighted in the Technical Discussion Paper. Progress towards realising this commitment would be helped enormously by the Department of Enterprise taking the lead on the development of the second National Action Plan on Business and Human Rights (NAP), which has been delayed. The issue of the NAP cannot be boxed off with the Department of Foreign Affairs when it plays such a crucial role in guiding how business practices should develop in Ireland. Absence of mention and ownership of the NAP in the Enterprise White Paper would be a significant failing and would signal that Ireland does not believe these issues belong in Enterprise.

Secondly, the CSI notes that while there is a welcome emphasis on the green agenda, there is a need for a similar emphasis on how human rights will be considered in the Enterprise strategy in the coming years. As demonstrated in the EU Draft Directive on Corporate Social Due Diligence, these two issues are key to the development of a sustainable enterprise model, yet often the human rights element of it is overlooked, forgotten or boxed off. This will not be possible once the EU Directive is finalised, and Ireland must integrate good human rights practice to the heart of its strategy now to help prepare business for the coming changes at EU level.

Finally, in relation to enterprise policy support for the sustainable development goals (SDGs), it is important to consider how this support can be made concrete through responsible business practices. In particular, the introduction of mandatory human rights and environmental due diligence for businesses operating in Ireland and Irish businesses operating abroad would be a demonstration of tangible support for the SDGs. For instance, enterprise policy could contribute towards the realisation of SDG 16 on Peace, Justice and Strong Institutions by ensuring that businesses carry out the appropriate risk assessments and consultations, including with human rights defenders, when considering new investments in areas where there is a history of or potential for unrest. This action would address target 16.1, namely ‘significantly reduce all forms of violence and related death rates everywhere’. It has been well documented that in the context of business, violence and deaths often occur when local communities and human rights defenders are peacefully protesting against the environmental or human rights impacts of business operations in their area. These conflicts are less likely to occur where there is a thorough consultation process and risk analysis carried out before operations commence.

**DEPARTMENT OF ENTERPRISE, TRADE & EMPLOYMENT PUBLIC CONSULTATION ON  
WHITE PAPER ON ENTERPRISE**

**A RESPONSE FROM DR. JANE BOURKE, SENIOR LECTURER IN ECONOMICS, UCC**

**Contact details: Department of Economics, Cork University Business School, Aras na Laoi,  
Western Rd, UCC, T12 CY82. [REDACTED]. Email: [REDACTED]**

Dr. Jane Bourke is a Senior Lecturer in Economics at Cork University Business School, University College Cork and a Senior Research Associate at the Enterprise Research Centre (ERC), University of Warwick, UK. Her research interests include Innovation, Technology Adoption, Business Performance, Micro-Businesses, and the Economics of Health and Healthcare Innovation. Dr. Bourke has published her work in internationally recognised peerreviewed journals such as Research Policy, Technovation, Journal of Business Research, International Journal of Innovation Management, European Journal of Health Economics, and Health Policy, among others. Dr. Bourke has acquired research funding in excess of €10m from organisations such as Science Foundation Ireland, the Irish Research Council, the Health Service Executive, and the ESRC (UK). In addition, she has been invited to speak before the OECD secretariat, Structural Mission Ireland (May 2019), the UK's Department of Business, Energy and Industrial Strategy (BEIS), (January 2019) and the Seanad Public Consultation Committee on Small & Medium Sized Enterprises (November 2018). She is a founding member and theme leader (Innovation Systems) at the Spatial and Regional Economics Research Centre at UCC.

This submission will focus on two key areas of Dr. Bourke's recent research which may be of interest for the White Paper on Enterprise.

- **Understanding Micro-Businesses in Ireland**

Dr. Bourke authored the *Microbusinesses in Ireland – From ambition to innovation* report<sup>1</sup> and here presents some key findings on understanding ambition, innovation and digital adoption in micro-businesses in Ireland.

- **Workplace Health Promotion & Productivity**

Dr. Bourke is currently working on a 3-year £1.9m project funded by the UK's Economic & Social Research Council (ESRC) with colleagues at UCC, ERC and University of Nottingham.<sup>2</sup> This project involves collecting survey data on UK, Irish and Swedish firms to broaden our understanding of the adoption of mental health and well-being practices in the workplace, and subsequent impact on employee mental health and firm-level productivity.

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<sup>1</sup> <https://www.ucc.ie/en/srerc/research/microbusinessesinireland/>

<sup>2</sup> <https://www.enterpriseresearch.ac.uk/esrc-mental-health-well-being-practices-outcomes-productivityproject/>

This submission highlights data sources and on-going research which aims to address knowledge gaps and strengthen the evidence base for effective enterprise policy in Ireland. Dr. Bourke is happy to provide further analysis on data sources if helpful.

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## **1. Understanding Micro-businesses in Ireland**

In Ireland, micro-enterprises (< 10 employees) comprise over 90 per cent of businesses. These firms play an important role in all of our lives. They are our plumbers, our builders, our hairdressers and our mechanics. They are also our architects, designers, artists, lawyers and accountants. In 2016, there were 250,033 micro-businesses in Ireland, employing around 392,829 people constituting 26.57 per cent of the workforce in the business economy. These firms are critical to future productivity and job growth. However, we know little about microbusinesses in Ireland, largely because, by design, they are excluded from most government and academic surveys due to sampling limitations. For instance, the Innovation in Irish Enterprises and the Irish Innovation Panel excludes firms with less than 10 employees.

As part of an international project, a survey-based project focusing on the activities of microbusinesses with less than 10 employees in the UK<sup>3</sup>, Ireland, and the US was undertaken in Spring 2018. The *Microbusinesses in Ireland – From ambition to innovation* report provides new data on innovation, growth ambition, and digital diffusion for micro businesses.<sup>4</sup>

### **1.1 Growth ambition in micro-businesses**

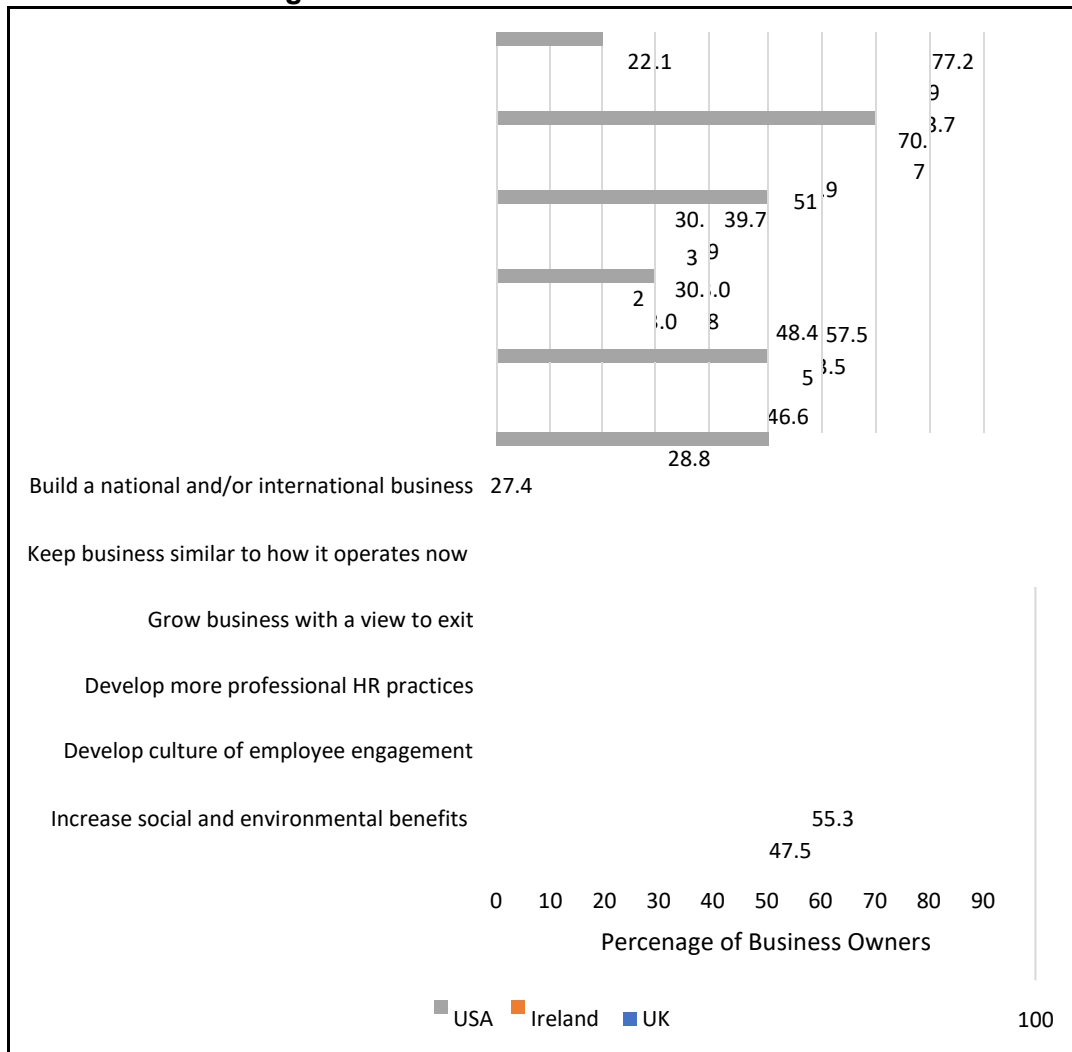
Previous research has linked owner-managers' growth ambitions to the subsequent growth and performance of the firm. Looking first at respondents' aspirations for their micro-business we consider the proportion of respondents ranking each aspiration as 'important' or 'very important'. This suggests a sharp distinction between 71 per cent of Irish respondents' who aim to 'keep their business similar to how it operates now', and a more ambitious 27 per cent who aim to build a 'national or international business' (Figure 1). Overall, the profiles of business ambition are broadly similar in Ireland and the UK, and a little lower than their microbusiness owner counterparts in the USA.

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<sup>3</sup> See: <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2018/06/SSBB-Report-2018-final.pdf>

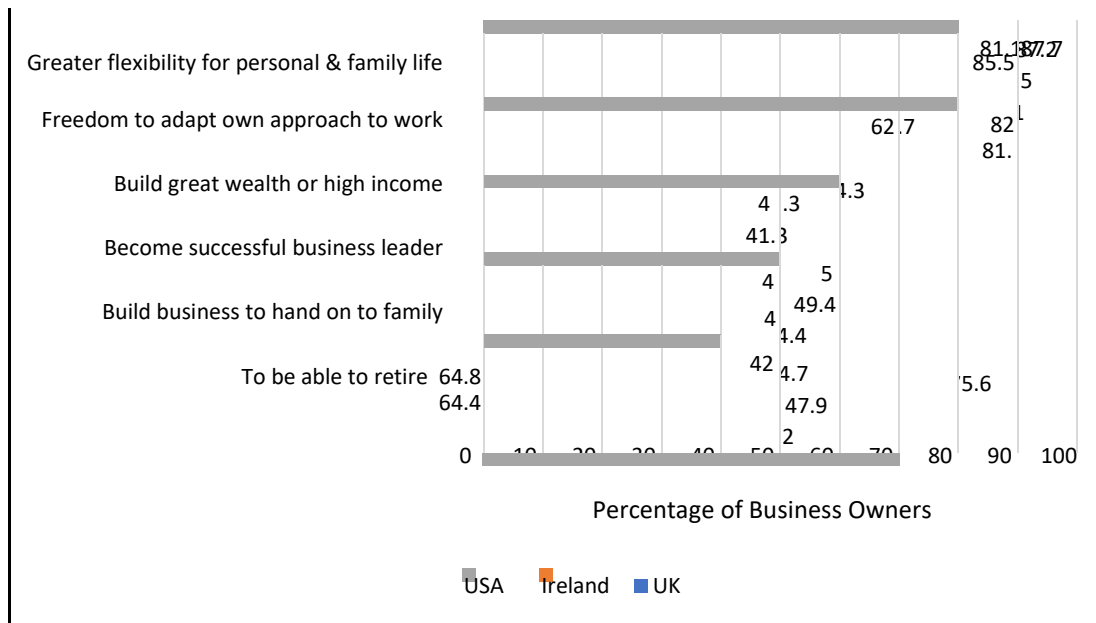
<sup>4</sup> Survey data also includes additional information business and personal resilience, market profile, firm performance e.g. growth, profitability, productivity, training and skills, finance and eco-system factors.

**Figure 1: Indicators of business ambition**



Individuals' personal ambitions suggest a rather different set of priorities, with a marked emphasis on 'freedom' and 'flexibility' (Figure 2). This is consistent with much of the research literature on self-employment and entrepreneurship which stresses the financial as well as the non-financial benefits of being your own boss.

**Figure 2: Indicators of personal ambition**



### 1.2. Innovation and technology diffusion

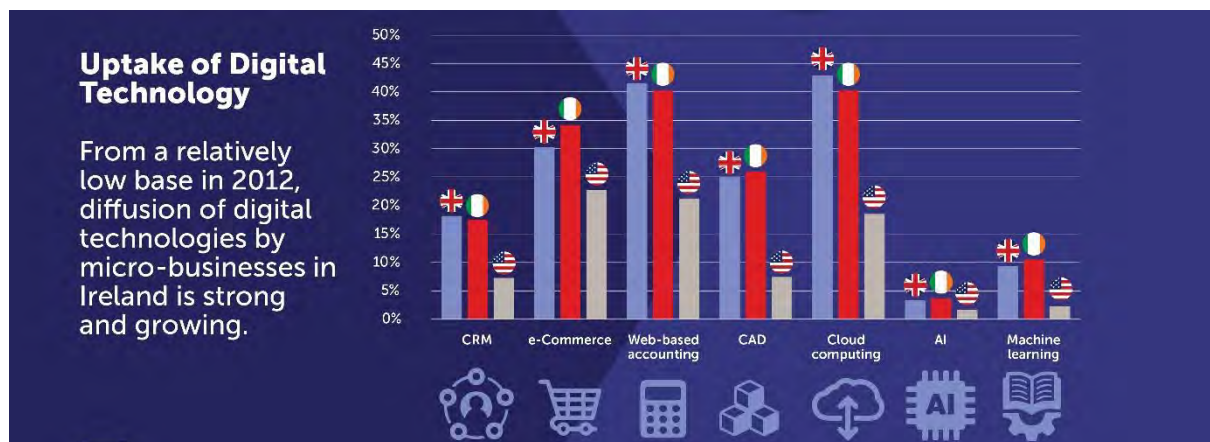
Our survey results reveal that levels of innovation in Irish micro-businesses in Ireland are higher than those in the UK and USA (Figure 3). 40 per cent of micro-businesses introduced a new or improved product or service in the three years prior to the survey, although this varies by region. One in four micro-businesses introduced new business models or forms of organisation in the three years prior to the survey. The percentage of sales derived from innovative products and/or services is approximately 11 per cent.

**Figure 3: Irish micro-businesses undertaking innovation**



The adoption of information technology has been one of the key drivers of productivity across the advanced economies over the last three decades. The advent of Industry 4.0 presents businesses with new challenges relating to digitisation in both selling and operations. This survey data provides the first robust benchmarks for digital adoption in firms with less than 10 employees.

**Figure 4: Uptake of Digital Technology in Irish micro-businesses**



Uptake of digital technologies by micro-businesses in Ireland compares well with those in the UK and is considerably higher than those in the USA (Figure 4). The most popular digital technologies among micro-businesses in Ireland are Cloud Computing and Web-based Accounting Software, with 40 per cent of micro-firms using these technologies. There is little variation in the average number of technologies adopted by micro-businesses across the regions of Ireland. However, approximately one in four micro-businesses have not adopted any digital technology.

We know more Irish companies embraced technology as a means of surviving the COVID-19 pandemic, although data for micro-businesses is limited. In addition, previous research has shown that the benefits of technology adoption can often have a significant delay in terms of firm performance.

## 2. Workplace Health Promotion & Productivity

The aim of the *Mental health and well-being practices, outcomes and productivity: A causal analysis* project is to establish the causal mechanisms through which firms' adoption of mental

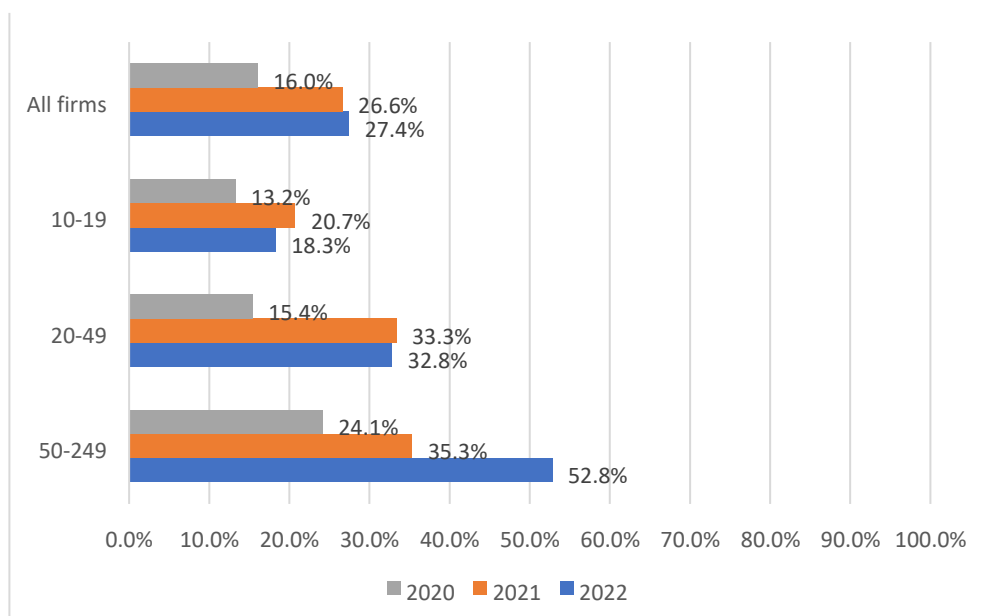
health and well-being (MH&W) practices can benefit productivity and productivity improvement. Which MH&W practices have the greatest benefit for employee mental health? Which have the greatest benefit for employee well-being? And, how do these effects impact firm-level productivity? Understanding these linkages is critical both during the recovery from Covid-19 and its attendant mental health impacts and in building higher and sustainable productivity in future years.

In an earlier study, we collected survey data for firms in the West and East Midlands in the UK from before the COVID-19 in Q1 2020 and in 2021 and 2022, resulting in a data source of 5,500 firms approx. As part of this study, there are a core group of 711 firms which we surveyed across the three years. Some findings from this longitudinal data are briefly presented.

Approximately one in four firms have a mental health plan, although this varies considerably by firm size with over half of all medium sized firms (50-249 employees) reporting a mental health plan (Figure 5). With respect to having a MH&W lead at board level, one in three firms with 10-19 employees have a MH&W lead at board level, while this figure increases considerably to 62% and 69% for larger SMEs with 20-49 and 50-249 employees (Figure 6). We also see large firm size differentials with respect to having a mental health budget, rising from 28% (10-19 employees) to approximately 43% for larger SMEs (Figure 7).

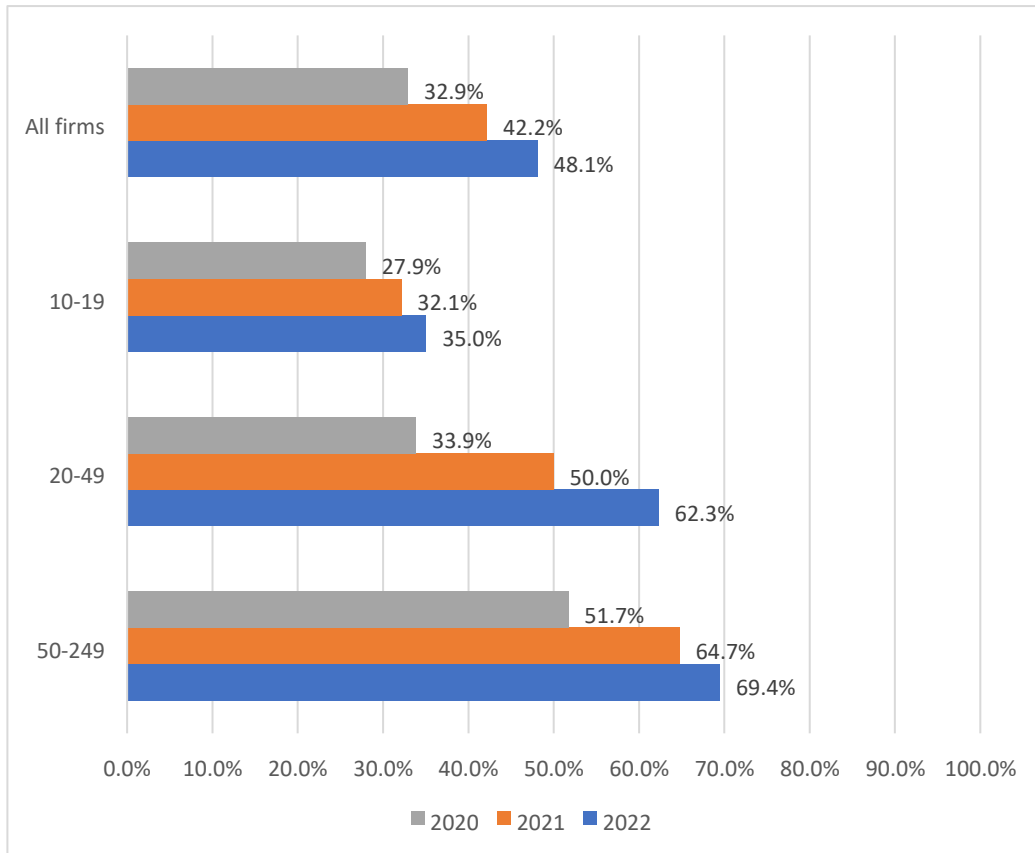
Similar survey data will be collected from 1,500 Irish firms in Q4 2022 and, for the first time, provide insights on the effects of the adoption of mental health and well-being practices in Irish workplaces, both in terms of employee mental health and on firm-level productivity. A better understanding of what works in this sphere will be crucial in building a healthy and sustainable economic recovery from COVID-19.

**Figure 5: Firms with a mental health plan, by size**

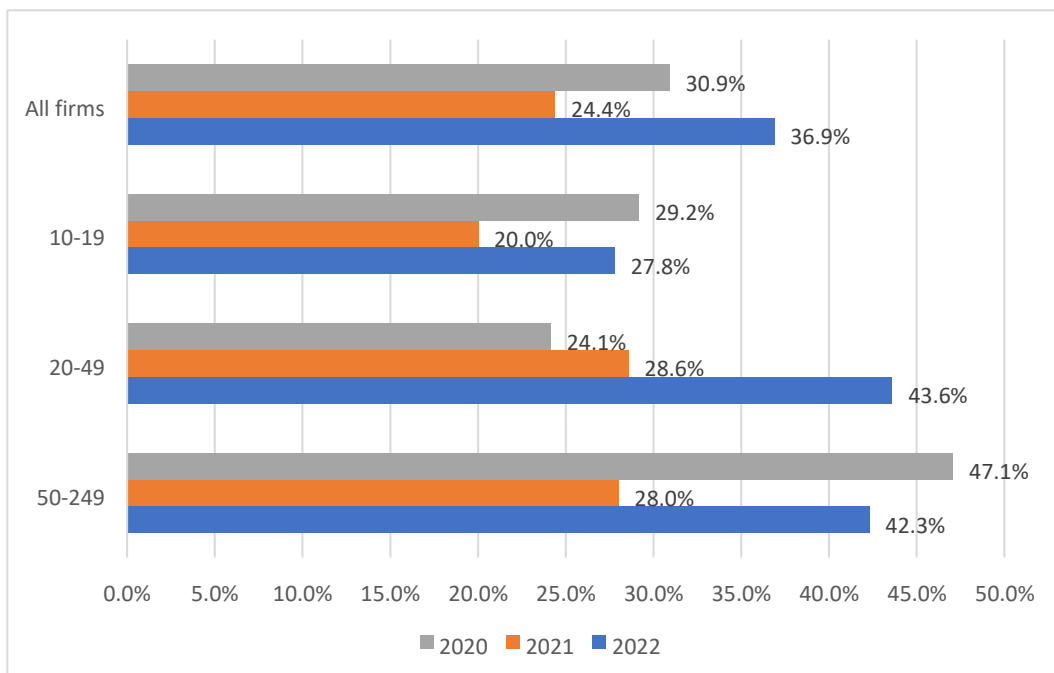


**Figure 6: Firms with a health & wellbeing lead at board/senior level, by size**





**Figure 7: Firms with a budget for Mental Health and Wellbeing activities, by size**



## Proposed White Paper on Enterprise

Submission by Donncha Kavanagh, Full Professor of Information & Organisation, UCD College of Business, University College Dublin.

Enterprise policy is currently premised on the notion that the state should *buy* rather than *make* knowledge (Teagasc is an exception) and that the state's role should be to create and manage markets for knowledge production and consumption. There is little, if any, debate about the merits of this approach or investigation of its downsides (the policy fosters short-term thinking, wastes resources on endless tendering, and militates against institution-building for the longer term). I would argue that the state should have its own *permanent* research centres focused on areas of *strategic and long-term importance*, such as energy, climate, food & agriculture, the built environment, biodiversity, democracy, economy, marine, social well-being. For instance, we had a state research centre for the built environment, An Foras Forbartha, which was shut down in 1993, and in a few years we had a property bubble. We already have some permanent research centres, such as Teagasc, and basic infrastructures that could be re-purposed (e.g. the Met Office could take care of Climate Research, BIM could do marine research, etc). This would not preclude having other centres focused on more niche and transitory areas, which is the space currently occupied by the SFI-funded research centres (ADAPT, AMBER, APC, etc.). Such centres would still operate in a quasi-market for research funds.

There is no entity or agency focused on the longer-term. The Irish government's overall long-term policy aims are articulated in Project Ireland 2040, which is made up of the National Planning Framework to 2040 and the National Development Plan 2018-2027, though neither of these documents deals extensively with enterprise policy. The Department of Business, Enterprise and Innovation (DBEI) has produced a number of policy documents, but these invariably take a medium rather than long-term perspective. Hence, we need some form of research advisory council that is focused on the longer term. Part of its role would be to foster and develop expertise in thinking about the longer term (e.g. conducting strategic foresight exercises).

An important set of capabilities around policy analysis, synthesis and evaluation has been steadily diluted over time. This has been confirmed by the Capability Review Report of the Department (Dept of Business, Enterprise and Innovation, 2019:9), which states that the Department's Strategic Policy Division (SPD) "currently lacks the critical mass of specialist staff needed to support the various and diverse policy business units across the Department". This has resulted in "a reduction of in-depth analysis of individual sectors of the economy", which in turn "impacts the Department's ability to influence across the government system." Further evidence of this dilution is the fact that the Advisory Council for Science, Technology & Innovation (ACSTI) – which was set up in 2005 as a successor body to The Irish Council for Science, Technology and Innovation (ICSTI) – is now effectively defunct (while the website still exists nothing has been posted since 2012).

National policy for research and enterprise no longer seems to be leveraging external advice and input in the formal and intensive manner that was done previously. For instance, the review of Irish science policy undertaken by OECD in the 1960s provided a foundation and stimulus for the developments over the following decades, while work at the Irish Council for Science, Technology and Innovation (ICSTI) in 1995 led to the establishment of (i) the Technology Foresight Exercise, (ii) the Advisory Council for Science, Technology and Innovation (ACSTI), (iii) Science Foundation Ireland, (iv) The Research Councils for Science, Engineering and the Social Sciences, (v) the Interdepartmental Committee on Science, Technology and Innovation, as well as other structural changes.

Enterprise policy until now has emphasised funding basic scientific research, even though it has long been recognised that basic research doesn't necessarily lead to commercial innovation. In the Irish context, this is being partly addressed by efforts aimed at deepening industry involvement in the sixteen SFI-funded Research Centres as well as developing fourteen new Technology Centres. However, this shift – from science to engineering – has typically under-appreciated the fundamentally social nature of technology-in-use. In contrast, Germany has a constellation of distinct types of research organisations populating the basic-applied research spectrum, with a diverse range of funding models.

The emphasis on STEM research has resulted in little investment in research in Arts, Humanities and Social Sciences. For instance, all of the current Research Priority Areas are

in STEM, which ignores important issues such as housing, education, public administration and the wider public good. The crash of 2008 cost the Irish state €60bn, but the cause of the crash was more to do with topics routinely covered in social science – e.g., corporate governance, banking regulation, property bubbles, neo-liberalism, etc. – rather than the preoccupations of STEM researchers. A similar point was made by the International Panel that reviewed the implementation of the 2015 Research Prioritisation Exercise (Dept of Jobs, Enterprise and Innovation, 2015). The logic here is not to reduce spending on STEM research, but to invest more heavily in developing our collective knowledge and understanding of other important domains.

The White Paper should consider what ‘centralisation’ might mean in the context of enterprise policy, and the role of local actors – e.g., local authorities – in enterprise policy.

Climate change and a growing world population are likely to lead to more violent struggles over resources, more humanitarian crises, and more political and social instability. Too often, funding is currently steered towards developing new fancy gadgets, which are unlikely to be of much value in a darker world. Consequently, our enterprise policy needs to emphasise the importance of creating a *resilient* and *sustainable* economy and society and build this into the metrics used in the funding and evaluation of new research and enterprises.

## Vincent Kennedy

Dear Minister,

Thank you for the opportunity to be allowed have a say in the future direction of our country.  
I hope this doesn't read like a rant but you did ask!

As we are a small island nation but very wealthy in so many ways I believe we could set a standard of excellence which would be the envy of the world.

The country has changed and developed so much over the last thirty years but maybe now it time to slow it a bit and really appreciate how lucky we are.

Globalisation has be really good for us but I am concerned it has left us vulnerable and maybe we need to be a bit more self reliant going forward.

### **Leadership.**

I would really like to see from this process a clear vision of the near and long term future articulated in simply language that hopefully the public can take owner ship of and invest in. I understand its difficult in a democracy but still we need strong leadership.

### **Energy.**

We need a grand and bold plan to harness the energy around us. Just get on with it and think big.

Borrow over 40 years and just say we will be energy independent in 10 years.

Build the turbines locally. Build the battery storage systems locally. Build a new inter connector and export excess energy.

Get the public excited like JFK and the moon dash of 1960's America.

### **Unnecessary imports.**

I wonder are we hooked on cheap, shiny stuff from Asia?

I would like to see the phase out of the ship loads of plastic junk from outside of Europe that we just don't need.

In the world were carbon in the atmosphere is causing so much trouble why are we wasting energy manufacturing cheap disposable goods, sending ships around the world full of these goods and then discarding them.

Do we really need every house lit up like a Christmas tree?

It just seems so wasteful on so many levels.

### **Standard for all manufactured goods being sold in Europe.**

I know there are standards but we can do better.

Simply I think it just wrong that it is cheaper to throw out a broken washing machine rather than get it repaired.

If it cost twice the price to buy but lasted twice or maybe three times as long? Maybe it would then be viable to manufacture locally.

And if designed with repair in mind than maybe someone could make a living as a repair person.

So more money stays in the local economy and skills are also maintained.

### **Balanced workforce.**

I often wonder was the roll out of free college for all in the mid 90's really such a good thing?

Young people are now in their mid 20's before they start meaningful employment.

A lot are doing really well but others not so good. Many still living with their parents. Housing is a complicated issue but still they are starting 4 or 5 years later than we did.

Maybe 20% of college kids really should be in the trades as before.  
So now we have a shortage of skills in so many areas. No one to build the houses or work in manufacturing.

Maybe at 16 kids have a choice of academic or technical.

### **Agriculture**

I'd like to see Ireland a premium supplier of top quality produce. If you want the best buy Irish.

If we halved the national herd over time but set minimum pricing for farmers so they could continue to produce the best beef and milk in the world.

A good steak should be expensive but we don't need one everyday.

Pay a bit more, eat a bit less. A win win for the environment and our health and if set up correctly and win for farmers.

The government will just need to get tough on retailers.

### **Taxation.**

No one likes to pay tax but I believe it is morally wrong for any state to expect more than 50% of a person's gross income. (Currently it's 52% for many).

Large multinational companies must be made pay the tax due and not avoid it as so many seem to do. Fair is fair so stand up to the big companies and if the rate is 10% then pay 10%.

But everyone should understand and if they don't it needs to be explained that they have to contribute to society and not feel 'entitled' to help from the state.

Welfare should be safety net and not a life style choice.

Young working families should be valued more. The country needs children and working parents should be appreciated more. Maybe childcare costs should be tax deductible.

### **Data centres.**

With data centres using so much of our energy and not employing many people a system of special tax should be worked out.

Maybe tax based on energy use or a tax based on data transfer.

The public are made feel guilty driving their cars but data centres are causing far more environmental damage and maxing out our grid.

They need to pay more.

### **Conclusion.**

So to finish off I'd like to see a clear vision of a future new direction explained for all to take ownership of.

Phase out cheap unnecessary imports.

Maybe start manufacturing some products locally again.

A more balanced workforce.

Self reliance in energy.

A fairer tax system.

Anyway thanks again and good luck.

Regards,  
Vincent Kennedy  
Managing Director



## Vodafone Response to Consultation

White Paper on Enterprise Policy

Department of Enterprise, Trade and Employment

Version: Non-Confidential

Date: 29/07/2022

## Introduction

Vodafone Ireland welcomes the opportunity to engage in this important consultation on the future direction of Enterprise Policy, and to support the development of a White Paper by Government. We remain at your disposal to discuss any aspect of this submission in more detail.

## Vodafone Ireland

Vodafone is Ireland's leading total communications provider with 2.3 million customers and employs over 2,000 people directly and indirectly in Ireland.

Vodafone provides a total range of communications solutions including voice, messaging, data, and fixed communications to consumers and to small, medium, and large businesses. Since 2011, Vodafone has expanded its enterprise division, offering integrated next-generation fixed and mobile solutions in addition to cloud-based platforms, machine to machine services and professional ICT support.

Vodafone Group is one of the world's leading international mobile communications groups with mobile operations in 25 countries, partners with mobile networks in 44 more, and fixed broadband operations in 18 markets. For more information, please visit [www.vodafone.ie](http://www.vodafone.ie).

In this paper, we provide a submission as required in the call for consultations responses.

### **Vodafone Ireland Consultation Response**

It has been recognised that digital and the deployment of digital and connectivity infrastructure is a critical component of medium to longer-term economic and enterprise policy, with COVID accelerating its relevance in supporting economic development and societal resilience.

In our response we are focusing on two specific areas of relevance, Digital SME, Industry 4.0, and Regional Development.

#### **Industry 4.0**

As outlined in the Government's own 'Industry 4.0 Strategy 2020-2025, digital is a critical factor in achieving the aims of the Strategy, to be an *"innovation-driven manufacturing hub at the frontier of the fourth industrial revolution and at the forefront of Industry 4.0 development and adoption"*.

Industry 4.0 is revolutionising how manufacturing sectors organise their workforces and businesses, and Ireland has a role to play in developing appropriate policies to leverage opportunities in this space. The digitalisation of industry will drive future global competition which Ireland and Europe must lead and will allow them to reverse recent productivity decreases and drive sound economic returns (EU manufacturing comprising 14% of GDP). Vodafone's Internet of Things (IoT), digital platforms and high-speed connectivity can enable Europe's next industrial revolution, while ensuring a greener, cleaner future.

Rebuilding economies and regaining strategic autonomy relies on high-speed connectivity underpinned by critical infrastructure. This enables the digital transformation required to bridge rural and urban divides, ensure resilience within our education and health sectors, and launch a new industrial revolution.

5G is at the heart of it and offers a significant step change from 4G. But with only 2.4% 5G connections versus US (15%) and China (30%), Europe needs to step up: success will require a step change to increase private investment.



But it is not an end in itself: for instance, the combination of 5G and IoT will exponentially increase the generation of industrial data, while the application of AI and Machine Learning will allow that data to be used to increase the productivity and efficiency of our economies.

As the world's largest provider of IoT and operating Europe's largest 5G network, Vodafone's scale and market presence is necessary to drive Industry 4.0. 54% of Vodafone's IoT connections directly enable customers to reduce their own emissions (estimated by the Carbon Trust).

As per the Department of Environment, Climate and Communications' most recent Statement of Strategy, digital technologies provide huge opportunities "*to achieve sustainable solutions and energy efficiency.*"<sup>1</sup>

In order to truly unlock Ireland's digital and green potential over the coming years, and to create equal access to high-speed connectivity for homes and businesses, investment in network infrastructure is vital. We are excited to be part of the solution to Ireland's recovery and to work with Government and key partners to support the delivery of the new investment opportunities that will advance critical digital infrastructure, business transformation and digital skills.

## **Recommendations**

Europe's Digital Decade Agenda and Ireland's 'Harnessing Digital Framework' already prioritise the roll out of 5G and gigabit infrastructure to support its industrial future.

To deliver on its Industry 4.0 and Enterprise Policy ambitions, Ireland must:

- Enable a fast 5G rollout allowing Europe to catch up with and overtake their global rivals
- Implement a joined-up, long term industrial strategy that prioritises investment in digital infrastructure and innovation, where digitalisation allows businesses in all sectors to thrive
- Incentivise firms to share data in a trusted environment to secure the value from data
- Create ambitious 'designed-for-IoT' policy frameworks
- Roll out 5G connectivity and 5G-enabled solutions across Ireland so that businesses of all sizes – large enterprises and SMEs alike – have access
- Create a boost from private investment in 5G and telecoms to continue the momentum of the Recovery and Resilience Facility by reviewing the incentives for investment, market structure and regulatory barriers.

## **Regional Development**

As per the Department's objective to ensure that enterprise growth policies are inclusive and recognise the role of enterprise policy in further enhancing regional development, we would point out that there is an urgent need for a dedicated policy framework outlining a series of measures to support an investment environment for the deployment of critical digital infrastructure, through public-private mechanisms or otherwise which will support balanced regional development, employment, and growth.

A significant gap remains in providing mobile voice and data services to address blackspots areas, which continues to have a negative impact on business and tourism in our rural regions. Over the last number of months/years, we have engaged with senior civil servants and policymakers across a number of Departments to explore the opportunity for state & industry collaboration, or shared rural network to address this issue, and assist in further balanced regional and economic development.

## **Recommendations**

Policy makers should take the opportunity to work in partnership with the private sector to jointly invest in critical digital infrastructure at an accelerated pace which will help to embed the societal resilience needed, through increased capacity and the scope of connectivity services.

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<sup>1</sup> Department of Communications, Climate Action & Environment, [Statement of Strategy 2019-2021](#)

- Progress a Phase 1 proof of concept rollout model, which we believe, with an allocation of €5m could be implemented in the short to medium-term.
- Mandate local authorities to work with operators to support access to sites and to provide appropriate infrastructure which will assist the business case for network development in poorly serviced areas of Ireland.
- Consider using a portion of the monies from the upcoming spectrum auction to act as a form of telecoms levy and ringfence it to support the just transition for network deployment and access.

## Digital SME

As highlighted in our own research paper, 'Covid-19 and the Irish SME Sector', digital transformation will have a crucial role in driving the sectors' recovery post-COVID. Irish SMEs have identified a significant need to invest in digital tools and technology to support business growth and future proof their businesses in recovery. In addition, they have pinpointed a need to prioritise digital skills training among employees as a critical component of future business success.

Consensus among the SME community is that the cost of investment in technology is a significant barrier, compounded by a lack of access to capital to support them in their digital transformation. Other barriers such as the availability of suppliers in the marketplace and the ability to upgrade outdated systems are discouraging SMEs from engaging in digital transformation. An inability to address structural challenges, such as access to finance among SMEs could result in Irish businesses lagging further behind and failing to capitalise on the opportunity brought by digital technology to embrace new products and services and access new markets.

National governments, including Ireland have a significant role to play to help accelerate digital adoption by SMEs to unlock further economic and societal benefits. Government needs to ensure they close the deep digital divide SMEs have been exposed to, while ensuring no SME is left behind through targeted investment into the right areas.

## Recommendations

- Government must intensify SME support for further digital adoption, innovation, and entrepreneurship through different vouchers reflecting adoption challenges specific to SMEs:
  1. **Availability** of the technologies required for digitalisation, namely high-speed connectivity and suitable digital tools and services.
    - Connectivity vouchers offer financial support for high-speed internet access, complemented by support for the purchase of digital devices where needed.
  2. **Capacity** of SMEs to engage with digital transformations, in the form of financial and time capacity.
    - Innovation vouchers for digital tools and services, with funding for communication and collaboration tools, security services and solutions, cloud migration and software, and IOT.
    - E-commerce vouchers support SMEs to trade online, boost sales and reach new markets.
  3. **Capability** of SMEs to gauge, plan, and implement their digital transformations through digital skills.
    - Digital skills vouchers support SMEs in upskilling on key digital skills.

## Spain Case Study

- Vodafone has deployed our experience of working with SMEs, working closely with the Spanish Government to co-create a Digital Toolkit for SMEs, which has involved:
  - Close collaboration and co-creation between Government, Vodafone, and SMEs, to ensure that the programme is fit for purpose, acting as a bridge between the Govt and Vodafone's large SME customer base, to provide feedback on the content and structure to ensure it is achievable and fit for purpose.
  - To ensure efficient take-up, we are working on a range of solutions, including digital marketing; e-commerce; cyber-security; digital business solutions and smart working. Vodafone is working with our top-tier technology and finance partners, allowing us to act as a one-stop-shop for SMEs.

- We have been using our extensive communication channels to raise awareness with SMEs of the Digital Toolkit and how they can take advantage of the programme; and developing tools to help SMEs assess their current digital maturity status and provide recommendations on how they can improve this.
- Vodafone has advocated using as simple a method as possible to distribute the funds. To achieve this, we have worked with the Govt on developing a voucher scheme, covering up to 90% of the SME's costs. The intention is for the Govt to pay this 90% directly to the supplier, rather than through the SME, reducing complexity and time for the SME. This is important for businesses with a more limited cashflow, who need upfront access to financial support for digitisation, in comparison to complex tax reliefs.
- Spain's approach and political will to overcome the digital gap faced by SMEs is a positive example, and a strong way to deliver for SMEs. From our perspective it doesn't matter who is involved in the process, but that it provides the results and what is needed for SMEs.

**ENDS**



White Paper on Enterprise  
22|6|2022

# Submission on behalf of the Western Development Commission

The [Western Development Commission](#) [WDC] is a state agency that supports communities to grow, businesses to scale and is planning for the future of Ireland's Atlantic coastal region. The WDC promotes the Western Region, [Donegal, Sligo, Leitrim, Mayo, Galway, Roscommon and Clare] provides policy analysis, is leading the development and rollout of the National Hubs Network and manages the €75m Western Investment Fund. The WDC also manages the Atlantic Economic Corridor [AEC] initiative under Ireland 2040.

## 1. Introduction, Regional Context

As detailed within economic analysis by the WDC Policy Analysis Team<sup>1</sup>, it seems COVID-19 has exacerbated pre-pandemic structural issues in the Western Region and wider Atlantic Economic Corridor. These issues include the structures of enterprise and concentrated employment in agriculture, the public sector and tourism focused sectors. The COVID-19 shock reiterates the need for further diversification of the regional employment base. Incentivising entrepreneurship and innovation activity should be a key regional priority.

The region's quality of life makes it attractive to knowledge intensive and creative sector workers, ensuring the availability of the facilities and services that these workers require is important. Growth opportunities to expand the knowledge intensive sectors, will be key to the region's economic future.

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<sup>1</sup>See for example, McGrath, L., Frost D., & McHenry H., 2022. The Revised National Development Plan: Key Regional Issues. Policy Briefing No. 8. Western Development Commission.  
Lydon, R. & McGrath L. 2020. Regional impact of COVID-19: Western Region & Atlantic Economic Corridor, Economic Letters 10/EL/20, Central Bank of Ireland.

### **Western Development Commission**

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The expansion of remote working may offer opportunities to grow regional employment across those sectors. The WDC is the co-ordinator of the Connectedhubs.ie project to create an interconnected community hub network. Infrastructure is a fundamental building block for regional development. Key infrastructure projects for the Western Region are detailed in the WDC's recent submission to the National Development Plan consultation.

The WDC argue that two I's (Infrastructure and Innovation) and the '3Es' (Enterprise, Employment and Education) are the key levers for effective regional development. When these three areas complement and support each other, they drive regional growth. The WDC submission to the Seanad Public Consultation Committee on Small and Medium Sized Businesses in Ireland emphasised the importance of the removal of regional entrepreneurial barriers.

Some general context around regional issues is available in [WDC Policy Briefing No. 8](#) and the report on [Regional Economic Impact of COVID-19](#):

## 2. Enterprise Sectors, Smart Specialisation

The publication of the Smart Specialisation Strategy is welcome and reflects the WDC submission and considered view. In the NWRA region, which does include six of the seven counties within the Western Region (excluding Co. Clare) the identified areas of sectoral strength and potential opportunity are:

- Advanced Manufacturing and Engineering;
- Audio visual/Creative;
- Marine and Blue Economy;
- Renewable energy, Climate Change mitigation and sustainability;
- Agri Food and AgTech;
- ICT and ICT Services;
- Life sciences, Med Tech and Medical Devices

Continued support for these sectors as drivers of sustainable regional development and growth is vital. The full WDC submission on smart specialisation is available [here](#)<sup>2</sup>.

In the context of Co. Clare, not included in the above areas listed, it is important to note that Shannon Airport hosts the Future Mobility Campus, Ireland along with other enterprises in the area of smart mobility.

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<sup>2</sup> [WDC Submission to the Consultation on the National Smart Specialisation Strategy - Western Development Commission](#)

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This underlines the existing strength in the areas of **sensors and mobility** established in the mid-west and parts of the west and emerging in the northwest. This area, along with the life sciences has been a focus of development work for the Western Development Commission as part of its strategic goal of Sustainable Enterprise in the region in the long term. There are a number of emerging sectors along the Atlantic Economic Corridor that could achieve critical mass in Ireland over the next seven years. The primary areas of focus should be **Renewable Energy** and the **Creative Enterprise**, however there is notable growth in the areas of Advanced Manufacturing, AgTech and Fintech.

### **Renewable energy, Climate Change mitigation and sustainability**

For the first time in its history, the west of Ireland has a strategic natural resource that can transform the region with over 30GW of verified offshore energy resources. To put this in context, an analysis of the east coast opportunity has calculated the total employment from the development of 3.5GW of fixed offshore wind as 21,380 full-time equivalent jobs. However, because the supply chain is already well established, the majority of these are internationally based and lie in manufacturing (over 16000).

### **Audio visual/Creative, Creative Enterprise**

The development of the **Creative Industries / Economy** in the region is being led by the WDC. Culture Ireland defines the Creative Industries as 'industries and occupations which focus on creativity as a means to deliver commercial success, export growth and resilient employment for Ireland.

The creative economy is a strategic development objective under the WDC strategy. The WDC creative economy aligns with Regional Enterprise Plans 2024 in the MidWest, North West, West - all of which identify the creative industries as key. This is further aligned with the national Smart Specialisation Strategy.

With appropriate strategic sustained, targeted investment, it is anticipated that at least 1,000 self-sustaining jobs would be created in the next few years in the regions. The sustainable development of commercial creative enterprises requires a pan-department and pan agency collaboration. Furthermore, there is an absence of data to inform creative enterprise seeking information on target markets. This is a data gap that the WDC is seeking to fill in conjunction with other stakeholders.

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### 3. Enterprise Objectives and Challenges, Levers and Policy Instruments

#### Cohesion:

- Developing a regionwide approach focused on smart specialisation will support business growth and competitiveness to bridge these gaps. It will provide an entrepreneurial environment necessary to foster innovation among start-ups and SMEs and enable regional economies to build stronger links with Multi-National Organisations (MNO's) and create opportunities for more people to stay and work in the region. Together these actions will forge a more viable area for new start-ups, businesses to locate, families to grow, and visitors to return.

#### Communication:

- The National Hubs Network offers an opportunity, through its projected membership of more than 400 hubs to raise awareness of opportunities to bring new ideas to life and to market. The European Digital Innovation Hub (EDIH) network is an important step breaking down the barriers, but also other structured supports to raise awareness and accessibility of IP developed and held by the higher education sector and to licence that IP (at little or no cost as appropriate) to facilitate early exploration of commercial potential.
- Furthermore, the WDC is examining the feasibility of developing a contract marketplace, on the connectedhubs.ie platform to allow hubs and hub users to access contract and employment opportunities and public and private services. This additional profile and market opportunity will support employment and the ongoing sustainability of the National Hub Network into the future.
- Digitalisation is a horizontal priority highlighting the impact of digital technologies on productivity growth and competitiveness of businesses across sectors and priorities. Therefore, boosting digitalisation capacities in the region is vital to facilitate the implementation of the smart specialisation strategies.
- The new business models that are arising from the convergence of emerging technologies with traditional industries such as agriculture, health, and transport present an opportunity for the region given our established competences in IoT, (big) data/data analytics, high performance computing and sensors and emerging competence in cybersecurity technologies.

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### Orchestration:

- There is a need, through initiatives such as the Atlantic Economic Corridor to orchestrate existing and emerging capacities in regional areas and to raise the profile nationally and internationally. The WDC has registered the Atlantic Economic Corridor region [Donegal to Kerry] as a member of the European Network of Living Labs [ENOLL].
- This has already facilitated living lab projects with industry, such as the partnership with Cisco among others to develop a digital e-health hub on Clare Island, Co. Mayo, a smart traffic solution in Ennis Co. Clare and third level education outreach with NUI Galway. In all cases, the quadruple helix of industry, community, higher education and government have come together to solve problems for community benefit and do so in a way that can be scaled, towards bridging the digitalisation gap, and associated barriers to entering the labour market.
- There is a long-standing challenge in connecting industry, in particular the SMEs with enabling digital technologies, including AI, HPC and Cybersecurity. The establishment of the European Digital Innovation Hub (EDIH) in that context in the northwest [Data2Sustain] is hugely important. The aim of Data2Sustain is to drive data-based innovation for circular economy, operations, and sustainability, therefore enabling an integrated digital and low carbon approach in support of smart specialisation.

### WDC Western Investment Fund (WIF)

The WDC Western Investment Fund was established on a statutory basis under the 1998 Western Development Act. It has a 20-year history of providing equity finance and loans to businesses, communities, strategic initiatives and creative industries in the region. During that time the fund has grown from an original state allocation of €32m to a total portfolio value of €75m at year end 2021 [since increased to circa €92m] and operates across three areas:

- Business Investment including equity investments and loans for small and medium sized enterprises
- Community Investment including loans for community / social enterprises and bridging finance for LEADER funding.

#### **Western Development Commission**

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- Creative Industry and Investment including the Creative Micro Loan Fund and WRAP Fund which is the only targeted investment fund for creative enterprises in Ireland with over €5m committed to the fund to 2024.

A review of the fund over 20 years is due to be published. In that context the WDC would recommend the following policy instruments be explored:

- The designation of a Strategic Development Zone [SDZ] in the northwest to include Sligo/Donegal/Leitrim, or with the possible inclusion of Roscommon and Mayo to include the existing SDZ at Knock airport. This is an area identified as a 'Region in Transition' by the EU and the WDC has ringfenced part of the fund to support the development of competitive global advantages building on regional competencies in that area.
- Support a cohort of existing SMEs / medium / mid-cap companies to grow to scale through use of the WDC Western Investment Fund and the Irish Strategic Investment Fund to seek to become the acquiror rather than the acquiree.
- As reflected in the Irish Venture Capital Association (IVCA) pre-budget submission, the WDC view that tax incentives / reliefs be examined to support productive capital investment in SMEs and further streamlining of share options / ESOTs to assist scaling companies and start-ups to attract and retain talent and support entrepreneurship more broadly.

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## 4. Conclusion

The challenge in the western region and along the Atlantic Economic Corridor is, in parts, the lack of critical mass. Given low levels of historical investment there is a clear need to improve regional connectivity and accessibility. A constraint for regional entrepreneurs is the lack of physical and digital infrastructure.

There is a need to acknowledge and address this core issue. This can be done through the use of the National Hubs Network to create structured links between national, specialist supports and programmes and those seeking support in rural and regional areas across the country.

Furthermore, the National Hubs Network offers the opportunity to act as a platform for the delivery of both public and private services and can play a key role in raising the awareness of both market opportunities and state supports to access those national and international markets.

Smart Specialisation will build on existing competencies with global standing. The identified sectors of life sciences, mobility and sensors and the emerging areas of Renewable Energy, Creative Industries / Economy, with on-going supports and medium- and long-term planning will create a sustainable and resilient base for economic and social development in the west. To achieve this and to amplify the existing and emerging specialisms, there is a need for public and private collaboration through orchestration to create cohesion and to communicate that common message at home and abroad.

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## **Public Consultation –White Paper on Ireland’s future Enterprise policy.**

*Submission by John f Whelan, former ceo of Irish Exporters Association, former chairman of Institute of International Trade, current international trade consultant.*

Dated 15<sup>th</sup> July 2022.

### **Vulnerability of Ireland’s current trade development**

The public consultation on Ireland’s Enterprise Policy this year is of significant importance for Ireland, following the substantially impact on many of our trading partners due to Brexit, the Covid pandemic, the US /China trade war and the Russian invasion of Ukraine.

This discussion is of great importance for Ireland because of the openness of its economy. Goods export alone represent more than 130% of gross domestic product. Whereas, Germany the largest economy in the EU, relies on goods exports for only 30% of its GDP. However, it is the markets we mainly trade with and how they may evolve following the impact of crippling geo-political events including rampant inflation, that must be assessed and responded to in the proposed White Paper.

The EU has in many ways been the source of Ireland’s prosperity, having contractually secured the opportunities for Irish and other European companies to trade worldwide by concluding trade agreements.

However, the Government must be conscious of the different perspectives within our trading partners. For example, whereas Ireland’s trade in goods with the EU is 37%, the EU accounts for half of German trade. And in relation to the US, 32% of Ireland’s goods trade goes to the market --- almost five times greater than Germany’s exposure. The UK is also much more important to Ireland taking 11% of our goods exports, whereas Germany’s is 4%.

Also, Government needs to acknowledge that Brexit has splintered the EU and damaged one of our main trading partners.

Hence, any future Enterprise policy development by Ireland needs to take into account and pro-actively engage with EU trade agreement management as they relate to our three largest markets – the US, the UK and China. Challenges in this regard may arise as many of the major EU economies, have less to lose by pursuing an aggressive stance with regard to issues of cross border carbon adjustment, fossil fuel taxation, digital taxation and technology protection.

The importance of very pro-actively engaging with these issues can be seen from the size of Ireland’s total export trade of goods and services, which reached €451 billion in 2021, mainly derived from US multinational corporations located here, with only 6 % or €27 billion being generated by Enterprise Ireland clients (the indigenous business sector).

On the one hand, we need to protect and support our non-EU foreign owned multinational sector, while at the same time increasing the flexibility to investment and support the SME sector.

There have been substantial strides made by Enterprise Ireland and the SME sector to respond to many of the major geo-political, technology and global consumer trends, but more needs to be done.

Diversification from the Brexit hit British market in recent years, resulting in EI client companies to the Eurozone increasing sales by 10% last year and now accounting for over one-fifth (22%) of total

exports, is a good example of state polices working to assist the SME sector, which had traditionally mainly exported to the UK market.

However, the bigger challenge is creating more Irish owned major international trading corporations, to ease our dependence of foreign multinationals.

### **Weaknesses in the domestic economy**

Ireland's economic development has been generally very positive since 2013, when we exited the IMF bailout programme.

However, closer analysis reveals clear structural weaknesses to which Ireland's economic and foreign policy must respond in the next decade:

The lack of qualified personnel, for example in the digital sector and especially in artificial intelligence, is making it difficult to introduce cutting-edge technologies. Ireland risks losing its attractiveness to inward investment by the major technology and healthcare corporations where data-driven and AI-based solutions are becoming the industry standard.

Lack of investment in electricity infrastructure is now curtaining expansion of data-centres in the key Leinster area. Off-shore wind farm investment is now two decades behind the UK, due to disastrously poor handling of foreshore licenses. As a consequence, renewable energy availability is far below the EU average and far behind the frontrunners, the Nordic countries and restricting the entrance of sustainable focused companies to the country.

The contraction of the banking sector to only two main street operators, will impact competitiveness of services to the SME sector for years to come.

A stagnant stock market and Insufficient long term investment funding is hampering the development of the indigenous sector and preventing the scaling up of companies to off-set the reliance on foreign multinationals located here.

These weaknesses are the backdrop against which Ireland's foreign economic policy will be shaped in the coming years. Clearly, a new Enterprise Policy must remedy the internal weaknesses to improve the competitiveness of the economy. This will also increase the foreign policy strength of the country.

### **Recommendations**

#### **Digital development & Digital Trade officers;**

Digital manufacturing/services are imperative to accelerate transformation, drive agility, pivot around new opportunities for the SME sector. Many SMEs lack the skill set to create a data-driven digital manufacturing or services business. Providing a programme supported by Digital Trade officers, who would offer hands on support to SMEs is strongly recommended.

Also, a cohort of these Digital Trade officers, could be allocated to enable companies to grow their exports through global eCommerce channels, gain access to the global online marketplace, and navigate foreign digital policy and regulatory issues.

The US use a Digital Attaché Program as part of the Department of Commerce's comprehensive effort to address 21st century trade barriers and help the digital economy thrive.

### **New Technologies support;**

The fundamental problem of the lack of investment in new technologies, was mentioned in the opening statement. Artificial Intelligence is a good example, there are far too few graduates in the field in the Universities.

Recommend a recruitment push in all schools be commenced, utilising both Solus training and university education but incentivized to promote new technologies such as 3D Printing, AI, Robotics. Expanding the role of the IMR could provide key enabling facilitation to Irish industry.

### **Climate policy and sustainable industry;**

In the area of climate policy, two priority areas are relevant to Enterprise policy. First, the European Green Deal has direct and indirect effects on global trading partners. Second, it must be a goal of Ireland's Enterprise policy to accelerate decarbonisation businesses large and small.

The European Green Deal has direct consequences for trade. The goals of full decarbonisation by 2050 and significant emissions reductions by 2030 mean the Ireland and the EU will import less fossil fuel. Energy suppliers in the European neighbourhood will be affected with direct impacts on their economic models.

The energy transition across the EU will create many opportunities for Irish industry, for example there will be a need for significant raw material imports for the green transition across Europe. However, to help Irish companies pivot to meet this new demand will need a programme of aid and technical assistance to manage the transformation and promote the development of green-energy production. Whereas EI have launched a series of Sustainability programmes in recent weeks, a programme of Green Export officers located with SOLAS could be very effective in enabling SMEs to utilise these EI grants.

However, in relation to the earlier point in the opening statement on influencing EU policy. The EU now contributes only about 8% of global emissions, far less than China (26%) and the US (13%). An agreement with the US on a carbon tariff or border adjustment mechanism would provide China with an incentive to step up its climate efforts, and could also spill over to other countries. Irish ministers and MEP need to be proactive in these policy formations.

### **Healthcare products and leveraging Ireland's leading manufacturing position;**

The aftermath of the pandemic offers a major economic opportunity for Irish business because of their strong medical devices and pharmaceutical businesses. Ireland could expand its role as a key global supplier to the healthcare industry. From a foreign policy perspective, most important is the global reputation that a leading role in future pandemic response could bring to Irish producers. The technological capacity exists, but Irish SMEs should be assisted to expand their research and development of new products and services –working in conjunction with the major international corporations located in Ireland.

Cluster formations and centres of excellence as seen in the sector in Switzerland could and should be adopted here.

**Closing comment;**

In times of major geopolitical tension and severe economic crisis, there is a political tendency to try to solve problems through protectionism. Ireland should therefore focus on managing globalisation and economic interdependencies rather than aiming for decoupling. For Ireland in particular, protectionism would entail considerable risks for our export-oriented businesses. Ireland and the EU can and should remain open, and assist in ushering in a new golden age of globalisation.

Implementing the proposals in the four specific fields of action discussed above – Digital development, Advanced technology, climate and health – would bring clear benefits to Ireland and its trading community over the next decade.

End