

PRESS RELEASE

Labour market flexibility, cost reductions and a sustainable construction sector essential to deliver jobs and economic growth through boosting competitiveness.

NCC Publishes Submission to the Action Plan for Jobs 2014

The National Competitiveness Council today (Monday, 16 December 2013) published its submission to the Action Plan for Jobs 2014.

The key areas that the Council seek to have addressed in the Action Plan for Jobs 2014 are actions to:

- (i) enhance labour market competitiveness and skills;
- (ii) boost international cost competitiveness;
- (iii) support entrepreneurship and hence, job creation;
- (iv) support the development of a sustainable construction sector; and
- (v) improve Ireland's ranking in international competitiveness indices.

Commenting on the proposals, Dr. Don Thornhill, chair of the NCC commented "Economic growth is necessary for creating jobs and reducing the burden of the public sector debt. Exports are the key driver of growth. In order to deliver growth, Ireland's international competitiveness needs to continue to improve - these actions are key steps on the road to Ireland's economic recovery".

He continued "In particular, we must ensure that the labour market is functioning properly so that job creation is supported and so that individuals are not penalised by taking up offers of employment. We must also relentlessly pursue actions to drive out cost inefficiencies wherever we find them. Finally, a healthy and vibrant economy depends upon interlinked and interdependent sectors. Ireland needs to ensure that the construction sector returns to a sustainable level of activity - supplying essential economic infrastructure, world class office space and residential units".

Martin Shanahan, Chief Executive of Forfás noted "Tackling unemployment is the most urgent and challenging task confronting Irish policymakers. Ultimately enterprises create jobs and it is the responsibility of policymakers to ensure that the environment for enterprise is as conducive to growth as possible. The Action Plan for Jobs represents an ambitious multi-year process which aims to deliver on the Government's objective to create an additional 100,000 new jobs by 2016. This submission from the NCC is an important contribution to the formation of the 2014 plan".

Key Recommendations

Recommendations to enhance the operation of the labour market and boost skills supply:

- The completion of the SOLAS strategic plan by the end-March 2014 is a priority. Further, the effective implementation of the strategy at local level will be an essential determinant of success. (Responsibility: Department of Education and Skills)

- Private providers should be contracted to assist with the delivery of labour market activation supports to the unemployed. Contracts should be awarded on a competitive basis with clearly defined targets, quality assurance and regular evaluation. (Responsibility: Department of Social Protection)
- There should be wider adoption of activation and training programmes which are linked directly to identified enterprise needs, have significant employer engagement in course development, selection of candidates, and programme delivery, and which offer internships or other work placements to participants. All programmes should be evaluated on a regular basis with resources focused on those programmes proven to deliver on their objectives. (Responsibility: Department of Education and Skills / Department of Social Protection)
- The various labour market activation schemes should be consolidated and integrated under a single clearly articulated brand. A comprehensive multimedia awareness campaign is required to support this initiative. (Responsibility: Department of Social Protection, Department of Education and Skills, Department of Jobs, Enterprise and Innovation)
- Expedite, insofar as possible, the review of the Apprenticeship model, particularly taking into account the needs of the manufacturing and construction sectors. (Responsibility: Department of Education and Skills)
- Undertake a comprehensive review of secondary benefits retention arrangements for those in receipt of Jobseekers Benefit or Jobseekers Assistance, with a view to establishing whether or not they are effective in the long term in removing barriers to the take up of employment. (Responsibility: Department of Social Protection)
- Review social welfare supports for part time work to ensure that supports are structured in a way that does not create disincentives for both employers to offer and employees to take up full time employment opportunities. (Responsibility: Department of Social Protection)
- The rollout of the Housing Assistance Payment (HAP) (i.e. decoupling housing support from social welfare payments) is an essential element in removing barriers to employment and reducing replacement rates. In this regard, it is vital that the necessary legislation (“the Housing (Amendment) Bill 2013”) is progressed rapidly and that subsequently, the scheme is rolled out in an expedited manner. Once fully implemented, the impact of HAP on replacement rates should be monitored to ensure that the payment successfully reduces barriers to employment, whilst protecting living standards. (Responsibility: Department of Environment, Community and Local Government)

Recommendations to reduce business costs:

- Ensure that a Legal Services Bill putting in place a more efficient and effective legal framework is enacted as soon as possible. (Responsibility: Department of Justice and Equality)
- The procedural reforms recommended by the Legal Cost Working Group are designed to make the operation of the courts more efficient and to reduce cost, and should be implemented. Any reforms to the Courts Service should also make reference to the findings of the OECD examination of judicial performance. (Responsibility: Department of Justice and Equality)

- Implementation of the actions set out in “A Resource Opportunity” (the waste management policy statement) is important. On an on-going basis, the Competition Authority should work with the Department of Environment, Community and Local Government and other relevant agencies, such as the EPA, to assess the availability of data and information required to undertake a mid-term review of the implementation of the new waste management policy. (Responsibility: The Competition Authority)
- As well as maintaining oversight of the household waste collection market, the Competition Authority should also provide oversight of the commercial waste market. (Responsibility: The Competition Authority)

Recommendations to support entrepreneurship and enterprise development:

- All enterprise support programmes should be evaluated on a regular basis with resources focused on those programmes proven to deliver on their objectives. (Responsibility: Programme owners, Department of Public Expenditure and Reform)
- All of the information on the various supports available to entrepreneurs and those seeking to grow their business should be consolidated and accessible through a single, branded portal. A comprehensive multimedia awareness campaign is required to support this initiative. (Responsibility: Department of Jobs, Enterprise and Innovation)

Recommendations to support the development of a sustainable construction sector:

- Implementation of the recommendations contained in Ireland’s Construction Sector – Outlook and Strategic Plan to 2015 should be prioritised and monitored in the Action Plan for Jobs 2014. (Responsibility: DPER, DECLG, DCENR, DES, DJEI, Local Authorities, Enterprise Ireland and Other Relevant State Bodies)
- The Inter-Agency Group on the Property Market should develop policy recommendations to avoid the creation of future sustained property bubbles. (Responsibility: Inter-Agency Group on the Property Market, Department of the Environment, Community and Local Government)
- The feasibility of introducing a Site-Value Tax for commercial property to replace the current system of commercial rates should be explored in 2014. (Responsibility: Department of Finance, Department of the Environment, Community and Local Government)

Recommendation to enhance Ireland’s ranking in international competitiveness indices:

- The relevant Government Departments and Agencies should identify actions and develop an implementation plan with clear timelines to address the weaknesses highlighted in the World Bank’s Doing Business 2014 report.

ENDS

Notes to Editors

About the NCC

The NCC reports to Government on key competitiveness issues for the Irish economy and makes recommendations on policy actions required to enhance Ireland's competitive position.

The Minister for Jobs, Enterprise and Innovation announced new membership of the National Competitiveness Council in May 2013 and mandated the Council to develop actions on competitiveness for implementation through the Action Plan structure. The members of the Council are:

- Dr Don Thornhill Chair, National Competitiveness Council
- Liam Casey, Chief Executive Officer, PCH International Ltd.
- Prof. Peter Clinch, Vice-President for Innovation, UCD
- Shay Cody, General Secretary, IMPACT Trade Union
- Clare Dunne, Assistant Secretary, DJEI
- Isolde Goggin, Chairperson, Competition Authority
- John Herlihy, Vice President, International SMB Sales and Head of Google Ireland
- Danny McCoy, Chief Executive Officer, IBEC
- Seán Murphy, Deputy Chief Executive, Chambers Ireland
- Seán O'Driscoll, Chairman and Chief Executive Officer, Glen Dimplex Group
- Louise Phelan, Vice President of Global Operations Europe Middle East and Africa, PayPal
- Heather Reynolds, Director, Eishtec
- Dave Shanahan, Head of Strategic Health Initiatives Worldwide, AbbVie
- Martin D. Shanahan, Chief Executive, Forfás
- Paul Sweeney, Former Chief Economist, ICTU

Representatives from the Departments of the Taoiseach, Agriculture, Food and the Marine, Communications, Energy and Natural Resources, Education and Skills, Environment, Community and Local Government, Finance, Transport, Tourism and Sport attend Council meetings in an advisory capacity. The work of the NCC is underpinned by research and analysis undertaken by Forfás, Ireland's policy advisory board for enterprise, trade, science, technology and innovation.

About Forfás

Forfás is Ireland's policy advisory board for enterprise, trade, science, technology and innovation. It provides independent and rigorous research, advice and support in the areas of enterprise and science policy. This work informs the Department of Jobs, Enterprise and Innovation and wider Government. Forfás works with IDA Ireland, Enterprise Ireland and Science Foundation Ireland to ensure the coherence of policies across the enterprise development agencies.

The full submission is available at www.competitiveness.ie.