



**CHAMBERS
IRELAND**
IN BUSINESS FOR BUSINESS

**Chambers Ireland's Submission to the Department of Jobs, Enterprise and Innovation on the
Department's Statement of Strategy 2016-2019**

29th July 2016

Chambers Ireland welcomes this opportunity to input into the Statement of Strategy 2016-2019 for the Department of Jobs, Enterprise and Innovation. Chambers Ireland is the largest business network in the State, with member chambers in every major town and region of Ireland. As such we are well placed to provide a voice for Irish business on what matters for increasing jobs, and fostering innovation for the country.

The next three years will be crucial for Irish businesses in light of the potential negative impacts we now face as a result of the Brexit referendum decision. Chambers Ireland takes the view that we must now set plans in place to promote jobs creation and to prepare our economy to weather any negative effects from Brexit. The DJEI Statement of Strategy will be vital in enabling Irish business to become more competitive and increase productivity over the coming years. Similarly, the DJEI should have an important role to play in enabling greater regional development through engagement on local economic development plans and encouraging more industry focussed skills development options for SMEs. Chambers Ireland looks forward to future engagement with the Department on working towards the realisation of these goals of increased growth and employment in the Irish economy.

Maintaining Competitiveness

Our network was delighted to see Ireland reach 7th in the international competitiveness rankings recently and we believe that with continued work by the Department on key issues, we can meet the Government's goal of regaining Ireland's place in the top five. Improving the competitiveness of Irish business while also promoting Ireland as a destination for FDI will be key to achieving this.

Many factors and policy inputs affect the competitiveness of Irish business, from education and skills, to Ireland's taxation and the regulatory framework. It is a crucial time for the Irish economy and actions must be taken in the immediate term to improve the competitiveness of Irish business in order to offset the potential impacts of Brexit or any other external economic threats which could negatively impact upon Ireland's economy. We hope that the Government and the DJEI will work to maintain the cost competitiveness of Irish business as this is vital for SMEs to increase trade and exports. Chambers Ireland would like to see the DJEI make competitiveness a policy priority and take firm actions to increase the competitiveness of business, SMEs in particular.

Similarly, the Department must work on issues which affect Ireland's ability to compete internationally in attracting Foreign Direct Investment. There are currently a number of issues which stand to affect this, ranging from investment bottlenecks to the housing crisis. DJEI must engage with policy makers across a variety of issues to ensure that Ireland's economy and competitiveness needs are met, and that we can attract the FDI and highly skilled workers which will enable growth and increase employment.

Improving SME Productivity

It is essential that we lay out concrete plans to improve the productivity of Irish businesses, particularly SMEs, which account for the majority of employers in the State. It was recently highlighted by the National Competitiveness Council that there is a significant productivity gap between large firms and micro, small and medium-sized firm in Ireland¹.

Measures which improve the productivity of SMEs will be essential in maintaining Ireland's growth trajectory and reaching higher employment levels and Chambers Ireland would like to see the Department introduce more measures to increase the productivity capabilities of businesses.

There are a number of sector-specific ways in which SME productivity can be improved such as providing training to encourage innovation and the uptake of efficiency increasing technologies. The provision of innovation vouchers and R &D vouchers are also positive initiatives which encourage greater efficiency within businesses, and we would like to see further the development of similar initiatives in the future.

More broadly speaking, Chambers Ireland would like to see the Department adopt improvement in the productivity of SMEs as a policy priority in its Statement of Strategy for the next three years. Given the right tools, we believe that Irish SMEs have enormous capabilities. Encouraging increased productivity would not only enable our businesses to compete internationally and export further afield, but it would also boost employment nationally as firms will see greater capacity to expand as a result.

Delivery on the Regional Action Plans for Jobs

Chambers Ireland is very supportive of the Action Plan for Jobs and the Regional Action Plan for Jobs' strategies and we view these as terrific opportunities for each region to reach their full potential. We hope to see the Department continuing to work towards stimulating the domestic economy by building world class clusters in key sectors across the regions. Through these plans the Department has the capacity to strengthen indigenous industry and increase employment at a regional level. Regional specialisation must be encouraged and fostered if the plans are to have a real impact on local development and employment levels. We would also like to see these plans aligned with the National Planning Framework as it is developed; such action plans cannot exist in isolation and must be embedded in the wider national policy framework if they are to succeed.

Voice for Businesses in Education and Skills Policy

Skills and education have been identified as one of the greatest concerns of our national network of chambers, and as pointed out by the European Commission² and the National Competitiveness Council³, skills mismatches and skills gaps now pose a serious threat to the Irish economy. Chambers Ireland would like to see the DJEI work closely with the Department of Education and Skills (DES) on ways in which these issues can be addressed over the coming three years. Greater engagement with employers on educational and skills matters will be vital in addressing both the mismatches and the skills gaps which currently exist. We would like to see the DJEI take a lead role in working on this issue with the DES on behalf of employers and business. It is becoming increasingly important that employers and industry have an input into the development of curricula in order to address skills gaps where they arise.

¹ <http://www.competitiveness.ie/Publications/2016/ICS-2016.pdf>

² <http://data.consilium.europa.eu/doc/document/ST-9198-2016-INIT/en/pdf>

³ <http://www.competitiveness.ie/Publications/2016/ICS-2016.pdf>

Local Economy Development

More is being done at a local level in pursuit of economic development than ever before in Ireland, and while this is undoubtedly a positive step, we must now do more to ensure the quality and viability of the economic development plans being put in place. Local Economic and Community Plans and Local Enterprise Offices have the potential to deliver upon greater economic development if given the proper supports. We would like to see policies which have been collaboratively and carefully developed in conjunction with experts in economic development, and which are strategically aligned with not only neighbouring regions' plans, but also centrally, so that they can contribute to an overarching national framework of local economic development plans. Our member chambers engage regularly with the LEOs to contribute to local economic development and to constructively engage in the development of these plans at a local level.