

## Minutes for NCC Meeting 99

Meeting: National Competitiveness Council No 99  
Venue: Board Room, IDA Ireland, Hatch Street Upper, Dublin 2  
Date: 4.00 pm – 6.30 pm, Thursday 20 Feb 2020

### Members Present:

Dr Frances Ruane, Chair  
Ciarán Conlon, Director of Public Policy, Microsoft, Ireland  
David Hegarty, Assistant Secretary, Department of Jobs, Enterprise and Innovation  
Fergal O'Brien, Director of Policy and Chief Economist, Ibec  
Ian Talbot, Chief Executive, Chambers Ireland  
Julie Sinnamon, Chief Executive, Enterprise Ireland  
Jim Woulfe, Chief Executive, Dairygold Co-operative Society Limited  
Kevin Callinan, General Secretary Fórsa  
Margot Slattery, Country President, Sodexo Ireland  
Micheál Collins, Assistant Professor of Social Policy, University College Dublin  
Patrick Walsh, Managing Director, Dogpatch Labs

### Invited to attend:

Isolde Goggin, Chair, Competition and Consumer Protection Commission  
Martin Shanahan, Chief Executive, IDA Ireland

### Advisors

Carol Baxter, Department of Justice and Equality  
David Moloney, Department of Public Expenditure and Reform  
John Conlon, Department of Employment and Social Affairs  
John Shaw, Department of the Taoiseach  
Maria Graham, Department of Housing, Planning and Local Government  
Patricia Cronin, Department of Communications, Climate Action and Environment  
Sinead McPhilips, Department of Agriculture, Food and the Marine

### Apologies

Dirk Pilat, Deputy Director for Science, Technology and Innovation, OECD  
Pat Beirne, Chief Executive Officer, Mergon Group  
John McCarthy, Department of Finance  
William Beausang, Department of Education and Skills  
Ray O'Leary, Department of Transport, Tourism, and Sport

### Secretariat

Marie Bourke  
Manus O'Donnell  
Linda Kane  
Santosh Aryal  
Tamsin Greene Barker

<p><b>99.1 Welcome</b></p> <ul style="list-style-type: none"> <li>▪ The Chair briefly highlighted the NCC’s evolution in the last 23 years; establishment and the purpose of the Council; the Council’s areas of focus; change in priorities over the years; and its achievements in terms of influencing policy making.</li> <li>▪ The Chair emphasised the need for the Council to define its role and purpose going forward in the ever-changing political and economic landscape in Ireland.</li> </ul>	
<p><b>99.2 Minutes/matters Arising</b></p> <p>The minutes from meeting 98 were approved.</p> <p>The Chair updated the Council on the recent development in relation to the Government response to <i>Ireland’s Competitiveness Challenge 2019</i> priority recommendations and asked David Hegarty to address the matter.</p> <ul style="list-style-type: none"> <li>▪ Due to the election being called and the current ongoing negotiations on the formation of a Government, the Government’s response will be delayed until the new Government is in place</li> <li>▪ The Chair will inform the Council of any further developments at or before the next meeting.</li> </ul>	
<p><b>99.3 Review of the NCC’s Original Mandate</b></p> <p>Manus O’ Donnell presented on the NCC’s mandate and highlighted the need for the Council to identify the specific areas it would like to focus on over the coming period.</p> <p>Discussion took place on the following three issues:</p> <ul style="list-style-type: none"> <li>▪ The policy making landscape and the role of other institutions</li> <li>▪ Overview of the NCC’s broad areas of focus to date – word clusters and evolution of topics over the years</li> <li>▪ A work plan approach for maximum effectiveness.</li> </ul> <p><b>Members input</b></p> <ul style="list-style-type: none"> <li>○ Many spoke to the need to have a <b>multi-annual 3-year approach</b> to competitiveness and productivity topics. Discussion took place on the value of looking at the NCC’s work and conducting more evaluation in order to achieve greater impact in the future. It was agreed that the NCC will continue to focus on a limited number of topics and develop, elaborate and review progress on them in consecutive years.</li> <li>○ <b>Topics where other organisations have in-depth expertise:</b> Some discussion took place as to whether the Council, in referencing other institutions’ research, (IFAC, for example), could be limiting itself by what it might want to recommend, e.g. in the area of infrastructure spend. It was agreed that while the advice refers to limits on overall</li> </ul>	<p>Secretariat to update the members on the outcome of the discussions</p>

<p>spending, the Council could still differentiate competitiveness enhancing spending within these limits.</p> <ul style="list-style-type: none"> <li>○ Members proposed that the Council should have a specific focus on topics through the enterprise lens – micro areas, such as, enterprises and start-ups and consider topics such as the circular and Green economy rather than focusing on the macro economy, which is the priority for other institutions.</li> <li>○ Key priorities for FDI are housing, infrastructure and the high marginal income tax rate.</li> <li>○ Members were in agreement on deciding on the key topics for the work plan at the last meeting of the Council each year.</li> <li>○ Regarding the policy making landscape the NCC should concentrate on <b>future challenges rather than reporting on the past</b>; for example there are issues on geographic distribution of the NDP, the Climate Action Plan and delays in delivering on Project Ireland 2040, skills shortages and gaps, and housing.</li> <li>○ Emphasis was placed on the need for the Council to engage in <b>wider consultation</b> with enterprise, public consultations and organise national/regional events.</li> <li>○ There was consensus that the Council needs to communicate its messages that competitiveness and productivity improvements are directly linked to <b>improving living standards and securing a better quality of life</b> for all citizens. Messages need to be simple to get impact and traction. NCC had in the past been viewed as raising key issues such as education and skills, childcare and housing but didn't manage to secure early action on the issues.</li> </ul>	
<p><b>99.4 The NCC's Expanded Mandate</b></p> <p>Linda Kane presented on the NCC's expanded mandate- another area of the Council's work program. The presentation informed on the Council's role and mandate as the National Productivity Board.</p> <p>Discussion took place on number of issues, which were;</p> <ul style="list-style-type: none"> <li>▪ The proposed approach to the EU network of NPBs.</li> <li>▪ Proposed changes in the Council's Terms of Reference (noting that this is a decision for Government – so the outcome of the discussion will be included in advice to Government).</li> <li>▪ Proposed new members/advisors induction process and their <b>respective</b> roles and responsibilities.</li> </ul> <p><b>Members Inputs</b></p> <ul style="list-style-type: none"> <li>○ <b>TOR:</b> The new programme for Government could impact on these. Members want the following included - a Vision, Mission or Purpose for the Council; section 6.2 should translate the EU wording better; capture</li> </ul>	<p>Secretariat to update the members on the outcome of the discussions</p>

<p>the quality of life aspects and link with jobs created in enterprises; more emphasis on productivity and perhaps consideration given to changing the name of the Council to incorporate 'Productivity'..</p> <ul style="list-style-type: none"> <li>○ <b>Independence:</b> While Section 6 in the TOR states that the Council's activities are independent (in terms of setting its work programme, its recommendations, the timing of publication of reports and what the Council says), the NCC is not an independent body by statute; Furthermore, the resourcing of the secretariat from staff in a Government Department and the presence of advisers from Government Departments at meetings could be seen to undermine that independence.</li> <li>○ <b>Ethics and Compliance:</b> In addition to the annual SIPO return from members it was suggested that the Chair should also be made aware by members of potential conflict of Interests that could arise when discussing certain topics and that this be included in the members MOU.</li> <li>○ <b>Roles and Induction:</b> Positive feedback was given on the current and proposed induction process and some discussion on the role of advisers specifically where Council recommendations conflict with those of adviser(s). Further clarification on advisers' role was provided in the information pack given at the meeting.</li> </ul>	
<p><b>99.5 Stakeholder Engagement</b></p> <p>Marie Bourke presented on the Stakeholder Engagement – final area of the review. She also informed the Council about the publication of the first <i>Future Jobs 2019</i> progress report - published on H1 2019.</p> <p>Discussion took place on the following issues;</p> <ul style="list-style-type: none"> <li>▪ current NCC publications and purpose of each publication.</li> <li>▪ current report clearance process and ways forward.</li> <li>▪ current communications approach and ways forward.</li> </ul> <p>Members Inputs</p> <ul style="list-style-type: none"> <li>○ Publications: The NCC reports are seen as the reference documents to get the Council's recommendations and findings to stakeholders and therefore the basis for the communications strategy. <i>Ireland's Competitiveness Challenge</i> is the key annual publication each year. Discussions covered how the Council communicates it, to whom and perhaps to break out aspects of it into targeted <i>Bulletins</i>. These can re-emphasise messages in the Challenge, further elaborate on topics, address 'burning' issues and make it easier to intervene on key issues of the day so that the NCC can issue them at appropriate intervals between its key reports.</li> </ul>	<p>Secretariat to update the members on the outcome of the discussions</p>

Some members suggested that the *Scorecard* and *Cost of Doing Business Reports* be merged and queried whether there was a need for them to be done each year as there may be little change in indicators. The *Productivity statement* is relatively new and needs time to evolve. To date it has identified underperforming sectors and could focus on the regional and management aspects of productivity in the future and continue to highlight other ongoing research.

- Communications: A wide ranging discussion ensued around what the NCC wants to achieve, its key stakeholders (the political system, policy system, businesses, external stakeholders at national and regional level) and the timing of the Council's publications (coherence of reports), and its influence.
- Stakeholder engagement: Views were expressed on the need to modernise the website, to take content to social media, engage in meetings at regional level, run NCC thematic events, undertake strong consultation with business and others to ascertain emerging themes and the development of case-studies on the impact of Government changes on productivity (e.g. World Bank Doing Business subnational findings for Ireland if best scores for each indicator in each of Ireland's 5 cities were to apply across all cities). Many referred to the need for professional input on communications for maximum impact and the extra resource implications.
- 'Productivity Hub': The need for engagement with key stakeholders was raised (ESRI, CBI, HEI researchers on productivity, IGEEES and others) and identify the key productivity questions that Ireland needs to address and translate these down to the impact on businesses and individuals. The concept of the New Zealand productivity hub was described - a partnership of agencies (Productivity Commission, the Treasury, Ministry of Business, Innovation and Employment, Statistics New Zealand, other agencies and groups) which aims to improve how policy can contribute to the productivity performance of the economy and the wellbeing of citizens by developing a joint research programme, helping build capability and translating research into policy.

#### **Discussions on topics for Ireland's Competitiveness Challenge 2020**

These were classified according to the various dimensions of the NCC's competitiveness Pyramid as follows:

##### *Sustainable Growth*

- climate change and competitiveness, including opportunities
- inclusive growth (SME productivity/regional productivity/laggard firms)

##### *Productivity*

- Human Capital (e.g. management, higher education, LLL, EGFSN work)
- Intangible assets

<ul style="list-style-type: none"> <li>• Public sector productivity (health) &amp; regional dimension of productivity</li> </ul> <p><i>Costs</i></p> <ul style="list-style-type: none"> <li>• Labour, Housing, Childcare, Water, Banking, Insurance, Tax &amp; Legal</li> </ul> <p><i>Employment</i></p> <ul style="list-style-type: none"> <li>• Diversity and barriers to participation</li> <li>• Capacity constraints</li> </ul> <p><i>Physical Infrastructure</i></p> <ul style="list-style-type: none"> <li>• Roll-out of the Project Ireland 2040, &amp; impact on cost of delays</li> <li>• Planning –the legal system, judicial review, the courts processes</li> <li>• Capacity constraints (energy, housing, water)</li> </ul> <p><i>Business Environment</i></p> <ul style="list-style-type: none"> <li>• Marginal income tax rate</li> <li>• Brexit</li> </ul> <p><i>Knowledge and Talent</i></p> <ul style="list-style-type: none"> <li>• Skills needs - Link with EGFSN</li> <li>• Barriers to labour market participation</li> </ul>	
<p><b>99.6 AOB</b></p> <ul style="list-style-type: none"> <li>▪ Dates for NCC meetings in 2020 <ul style="list-style-type: none"> <li>- 23 April</li> <li>- 23 July</li> <li>- 15 Oct</li> </ul> </li> </ul>	<p>The Secretariat will email the date of the April meeting to the Council and send a meeting request.</p>