



Rialtas na hÉireann
Government of Ireland

Future Jobs

Preparing Now for Tomorrow's
Economy

Summit Report

Future Jobs Summit
22 November 2018

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Introduction

On 22nd November, 2018, the Department of Business, Enterprise and Innovation and the Department of An Taoiseach jointly hosted the Future Jobs summit. The purpose of the summit was to bring together key stakeholders from academia, Government, industry, representative bodies, semi-State bodies and other interested parties with a view to exchanging ideas about the design of and to provide input to Future Jobs 2019 before its launch in early 2019. Future Jobs is organised around five pillars:

- (i) improving productivity, particularly in Irish Small and Medium Sized Enterprises (SMEs);
- (ii) innovation and technological change;
- (iii) enhancing skills and developing and attracting talent;
- (iv) increasing participation in the labour force; and
- (v) transitioning to a low carbon economy.

An Taoiseach Leo Varadkar, TD, opened the summit highlighting the economic and societal imperative for Future Jobs. An Taoiseach was followed by two keynote speakers, Mr Luiz de Mello, Director of the Policy Studies Branch, OECD, & Ms Julie Spillane, Accenture, who spoke on the topics of Ireland's Productivity Challenge and Ireland's Future Economy, respectively. Summit attendees were afforded the opportunity to engage with the keynote speakers and Richard Curran, who moderated the event, opened up the floor for questions about the presentations and matter attendees felt were salient to the debate.

Minister for Business, Enterprise and Innovation Heather Humphreys TD introduced the next phase of Ireland's economic development, Future Jobs. Breakout sessions were held for attendees to deliberate areas for discussion. Each of the sessions was facilitated by a Minister. Ministers then participated in a panel discussion drawing together the main points raised during the breakout sessions. Minister for Finance & Public Expenditure and Reform Paschal Donohoe TD gave closing remarks before bringing the summit to a close.

Opening Remarks

Future Jobs summit was opened by An Taoiseach Leo Varadkar TD.

An Taoiseach noted that that we are on the precipice of a Fourth Industrial Revolution. As one of the most globalised economies in the world Ireland is susceptible to the resulting effects of change. Currently there are 2.3 million people at work, unemployment is at 5.5 per cent and 360,000 new jobs have been created since 2012. However, Ireland must not grow complacent and must prepare for the economic challenges of tomorrow. We must adopt a holistic approach in preparing for the changes ahead and focus not only the macro but also the micro. Future Jobs is about strategically positioning our resources now so that we can embrace the changes of the future or Preparing Now for Tomorrow's Economy. Increasing productivity is the only long-term sustainable way of increasing the standard of living for our people. Ireland must take steps to increase the productivity of indigenous firms and narrow the growing productivity gap between often foreign-owned high-performing 'frontier' firms and the rest of the economy. Ireland must also widen its economic base as its trade is concentrated in a relatively narrow range of markets and sectors. Opportunities exist in the emerging areas of automation, the internet of things, advanced robotics, artificial intelligence and 'big data'. Future Jobs is about facing up to the structural weaknesses in the Irish economy and positioning ourselves to embrace these changes. Future Jobs will focus on environmentally and economically sustainable productive, quality jobs in flexible family friendly workplaces. However, to attain a highly qualified or specialised workforce we must first provide learning opportunities and support a culture of life-long learning which gives rise to the adaptable highly qualified and specialised workforce the future requires.

Future Jobs sets out longer term ambitions for the future of the economy, taking account of the challenges facing us, then translating these into a small number of impactful and deliverable actions which can be taken on an annual basis, starting in early 2019.

Ireland's Productivity Challenge

Luiz de Mello, Director of the Policy Studies Branch, OECD, gave a presentation entitled ['Productivity challenges in the OECD and Ireland'](#).

Studies have shown that there is a direct correlation between productivity and growth. As Labour productivity increases (or decreases) there is a corresponding increase (or decrease) in the potential for growth. While economies have seen an increase in productivity in the last decade economies haven't recovered to their historical norms. This holds true across all OECD countries and sectors. However, some sectors are recovering at a slower rate than others, and Ireland's productivity has yet to recover in the Services Sector. Even within a particular sector we can see a polarisation of productivity with some firms outstripping their competitors' performance, and nowhere is this more evident than in the Irish ICT Services sector with the gap between productivity skewed in favour of non-indigenous firms. This polarization could be attributed to the early adoption of new digital technologies by the non-indigenous firms. Ireland is also lagging behind its European neighbours in terms of management skills and life-long learning. This lag has required industry to adopt new digital technologies to offset any skill mismatch. Policy makers have a role to play in increasing the rate of adoption of new technologies through the introduction of incentives and increasing the capabilities of human capital. Policy makers can also do more to foster a more entrepreneurial environment through the removal of entry barriers to enter a market thus bringing Ireland in-line with other OECD countries.

Ireland's Future Economy

Julie Spillane, Managing Director, Accenture gave a presentation entitled '[Ireland's Future Economy - Technology, Talent and Emerging Opportunities](#)'.

We are living in unprecedented times and technology is fundamentally changing how we work and how we live our lives. It is creating a new level of personalization in the way that technology is responding to us. It is also causing innately human reactions & challenging our individual relationship with technology in terms of privacy, trust and the future nature of work for generations to come. The business world has also undergone significant change. 50 per cent of Fortune 500 companies in 2000 no longer exist. The emergence of what is known as the Sunday to Monday phenomenon, exemplifies the dynamism of the business world. This phenomenon shows us how employers will need to continually change and responds to how they interact with their employee in order to retain the best talent. Currently, 30 per cent of professionals feel that their skills will be outdated in 2 years and a further 38 per cent feel that this will be the case in 4-5 years. Cumulatively, 68% of professionals feel that their skills will be obsolete in 5 years. The concept of a job for life is outmoded as according to a report by Dell 85% of the jobs in 2030 have not even been invented yet. We are in uncharted territory and it provides for an incredible opportunity but can also present a daunting challenge.

When looking at the future of jobs I look at it from two angles, a supply side and a demand side. The supply sides has three areas:

- (i) Technical skills and specialisation – market relevant skills will be a must to survive in the economy, very dynamic as skills most in demand at present are big data & cloud computing which barely existed five years ago
- (ii) Human-centric skills – (becoming increasing important in the tech economy) adaptability will be the most desirable skill in ten years, and
- (iii) Future proofing skills is critical – we are increasingly seeing a multi-disciplinary approach as a method to future proofing.

On the demand side workers are seeking increased flexibility; there is an unprecedented increase in the number of people classified as freelance. Today's worker can expect to have 5 careers and 20 different jobs over the course of their working life. By 2020, 66% of people will have multiple sources of income.

We have to redefine our understanding of the workforce, how we work and where we work. Ireland should focus on inclusivity and creating a motivated and empowered workforce starting with the individual and a 'growth mindset'. Government's role should be towards a more human-centric approach. This approach could include life-long learning, avoiding a digital divide and re-designing learning systems. Government should take a 'No regrets' and 'Big Bet' approach to decision making.

Establishing a new ecosystem, Government cannot do this alone it must be achieved through a new model for partnership between starts-ups, industry, and Government. While partnerships can cause tensions; these tensions can also generate sparks which can give rise to innovation and creative enterprise. The rate of change will never be as slow as it is today. We must act now. The greatest natural resource that we have is our people, a land of saints and scholars who are continually open to reinvention. This has stood us in good stead and will again in the future.

Future Jobs Themes

Minister for Business, Enterprise and Innovation Heather Humphreys TD introduced the next phase of Ireland's economic development, Future Jobs.

The economy has seen enormous success since 2012 with almost 386,000 new jobs created. Ireland needs to secure long-term prosperity and maintain its competitive edge by embedding resilience in our enterprise base. Future Jobs is about managing the change ahead. To manage that change we must improve the productivity of our firms especially our indigenous SMEs. Secondly, we need to prepare for the technological changes coming down the tracks. It is often said that the only constant is change that is why upskilling and reskilling our workforce is vital. Although we are nearly at full employment, there is scope to increase participation. We need to ensure that we have an all-inclusive workforce and remove any barrier stopping people from returning to work. Finally, we need to move towards a low carbon economy and some sectors and firms will find this harder than others. We need to ensure that workers have the skills required for the bio-economy and the green tech sector. We also need to offer incentives to companies to help them transition to a low carbon economy. As a country, this will cost us money now but save money in the long-run and, ultimately, it will create jobs. In addition, we need to position Ireland at the forefront of this transition through our research, development and innovation, or in standards development in the low carbon economy. Future Jobs is organised around five pillars:

- (i) improving productivity, particularly in Irish Small and Medium Sized Enterprises (SMEs);
- (ii) innovation and technological change;
- (iii) enhancing skills and developing and attracting talent;
- (iv) increasing participation in the labour force; and
- (v) transitioning to a low carbon economy.

Future Jobs is a programme that will be developed and implemented over a number of years, and ongoing feedback is key. Feedback was gathered from attendees by way of a breakout session. Each of the sessions was facilitated by a Minister. The areas of discussion and their corresponding Minister were:

- Increasing the Productivity of Irish SMEs – Minister for Business, Enterprise and Innovation Heather Humphreys TD;
- Maximising the Contribution of Multinational Enterprises to the Irish Economy into the Future – Minister of State with special responsibility for Trade, Employment, Business, EU Digital Single Market and Data Protection Pat Breen TD;
- Ensuring we have the Necessary Talent and Skills for the Future – Minister for Education and Skills Joe McHugh TD;
- Increasing our Labour Market Participation Rates – Minister of State at the Department of Education with special responsibility Higher Education Mary Mitchell O'Connor TD;
- Innovating and Transitioning to the Digital and Low Carbon Economies – Minister for Communications, Climate Action and Environment Richard Bruton TD;
- Balanced Development across Ireland – Minister of State at the Department of Agriculture, Food and the Marine with special responsibility for Food, Forestry and Horticulture Andrew Doyle TD.

Ministers then participated in a panel discussion drawing together the main points raised during the breakout sessions.

Breakout Sessions

Session: Increasing the Productivity of Irish SMEs

Facilitated by: Minister for Business, Enterprise and Innovation Heather Humphreys TD

Minister Humphreys reported that the main points raised during the session were:

1. Value Chain – Irish SMEs need to move up the value chain this could be achieved by opting to offshore low value work as a means of adding value to their business or service;
2. Collaboration – there needs to be great collaboration between SMEs and MNCs especially in area of mutual benefits where clustering occurs, e.g. RD&I, similar to the Disruptive Technologies initiative;
3. Finance – Need for greater new sources of capital outside of the traditional banking sector, e.g. venture capital as a source of investment; &
4. Education – Improve financial management skills within SMEs and the provision of mentoring to SMEs to improve management skills.

Session: Maximising the Contribution of Multinational Enterprises to the Irish Economy into the Future

Facilitated by: Minister of State with special responsibility for Trade, Employment, Business, EU Digital Single Market and Data Protection Pat Breen TD

Minister Breen reported that the main points raised during the session were:

1. Investment – Continued attraction and support of FDI into the country is still seen as essential & ‘Big Bet’ investment as a means of differentiating and creating a unique selling point;
2. Education – A high-level working group to perform a training gap analysis of future needs and the provision of sufficient investment to educational institutions to host the required training interventions as identified in the gap analysis;

3. Value Chain – Further integration of SME into the value chain for the mutual benefit of SME and MNC to be facilitated by placement of R&D staff in companies and establishment of a forum to explore the needs and capabilities of SMEs;
4. Incentivisation – Improved incentivisation for entrepreneurs to promote, attract and retain talent. Additional incentives for MNC to outsource RD&I to SMEs will have the dual function of increasing RD&I and integration of value chains; &
5. Flexibility - Increased workplace flexibility will improve workforce participation.

Session: Ensuring we have the Necessary Talent and Skills for the Future

Facilitated: Minister for Education and Skills Joe McHugh TD

Minister McHugh reported that the main points raised during the session were:

1. Flexibility – Adopt a philosophy of life-long learning which will encourage the ability to adapt to new demands of the future skills markets and organisations should embrace different working patterns which will promote increased participation rates;
2. Dynamism – Similar to the business world, educational institutions should have medium and long terms plans which will cater for future business needs which will in-turn promote adaptability in the skills market; &
3. Extra-Curricular Activities – the provision of extra-curricular activities at secondary levels to encourage learning across a greater range of interests and sectors.

Session: Increasing out Labour Market Participation Rates

Facilitated by: Minister of State at the Department of Education with special responsibility Higher Education Mary Mitchell O'Connor TD

Minister Mitchell O'Connor reported that the main points raised during the session were:

1. Support structures – Individuals, such as mothers or carers, returning to work may require additional supports to help build confidence. Individual joining the workforce or returning to the workforce after a prolonged absence may require supports to address skills obsolescence;
2. Barriers – Removal or mitigation of existing barriers to returning to workforce for employers in apprenticeships and employees returning to work e.g. expense of childcare
3. Flexibility – Increased workplace flexibility will improve workforce participation

Session: Innovating and Transitioning to the Digital and Low Carbon Economies

Facilitated by: Minister for Communications, Climate Action and Environment Richard Bruton TD

Minister Bruton reported that the main points raised during the session were:

1. Perception – This initiative is perceived in two contrasting ways as being potential disruptive and as providing huge opportunities;
2. Funding – Rather than competitive all-or-nothing funding as under Climate Action fund adopt a system of challenge-based funding system which is evaluated on the extent a challenge is accomplished;
3. Networking solutions – Promote the formation of partnership networks across enterprise, public sector and wider society, similar to a current system in the SEAI, but with the addition of delegating educational institutions to develop a suite of creative solutions;
4. Education – The current teacher-student relationship is not properly equipped to nurture and develop the required competencies to assist with transitioning, rather we should nurture talent in people who are already at ease and familiar with such technology; &
5. Incentivisation – Rather than use the narrow traditional method of subsidy there is a need to design a smart and affordable system of incentives that will motivate, change attitudes and depart from mere financial reward or mitigation of taxation.

Session: Balanced Development across Ireland

Facilitated by: Minister of State at the Department of Agriculture, Food and the Marine with special responsibility for Food, Forestry and Horticulture Andrew Doyle TD

Minister Doyle reported that the main points raised during the session were:

1. Sectors: Agri-food and Marine seen as best sectors for development;
2. Regional bias: Promotion of regions as locations for MNCs;
3. Human Capital: Improve digital infrastructure as a method of increasing workplace participation rates and granting of more work permits; &
4. Finance: Increased access to investment to support the growth of small businesses.

Ministerial Panel Q&A

Q: Too often in this country we are operating on the back foot, this time we are on the forward foot, so well done. Normally in business when looking at 'big bets' make it too early it is high risk and make it too late and it is fatal. I think that this is different. You can't make this early enough. It is today's world and we have to make it. To the question of 2030, what I would like to be able to say in 2030 is that this is a country that 11 years ago made a big bet so my question to the Ministers is are we going to that big bet?

Minister Humphreys: We have had a very useful morning here and it is great to hear the views of businesses and there is great ambition out there and I have absolutely no doubt that by working together we can achieve by 2030 a country that is at the cutting edge of new technology, that has good quality jobs, and that people are at work with jobs are sustainable into the future. So, I believe this is the right thing to do, time is not on our side and we got to do it now. And we really appreciate people taking the time out of their busy scheduled but this has been really worthwhile for us as Government to hear your views and I am going to make sure that the views and issues highlighted are dealt with at a Departmental level.

Q: Leaving Cert Reform, I know that there is a consultation going on at the moment but at what level do we all have to support the fact that we need leaving cert reform and need to in terms of critical thinking, analysis and creative thinking support and what stage when the backlash comes from the Unions do we have to be brave as a Government and make those decisions?

Minister McHugh: We had the Junior Cert reform. We are also going to be looking at primary school reform. We are looking at English and Irish at the moment, the whole curriculum review as well. Leaving Cert reform is critical but that is already happening without the in-depth analysis. We are bringing in computer science. We are bringing in P.E. but we need the facilities and infrastructure around that. There was a good bit of work done between Richard Bruton and my colleague Brendan Griffin in terms of sports capital and schools applying for a grant so there is that adaptation that is still needed. We are

committed to the reform. I know there is a generalization we have creative thinking at primary level and critical thinking up to Junior Cert level and then you are back into the rote learning space of the Leaving Certificate, but I don't agree with that. There are numerous examples. I was in a Society & Politics class in Letterkenny on Monday morning and these young people and the young people of Ireland they are grappling with the big issues of environmental change, the enormous challenges to do with Brexit, massive flows of migration from sub-Saharan Africa, they are grappling with those issues. I think there is the flexibility within the leaving certificate, it is happening, but we have to continue with that change. Are we taking the 'Big Bet? We certainly are.

Closing Remarks

Minister for Finance & Public Expenditure and Reform Paschal Donohoe TD gave closing remarks. He spoke about the significance of framework agreements such as Future Jobs and the potential influence a framework agreement can have. He stated that Future Jobs will have a journey changing impact to where our country is going. This will impact on every sector in the economy, however, that does not mean that every sector will have their goals fully released. This will require greater productivity changes from certain parts of the economy that have not matched the increases already seen in other sectors. Employment levels will have to be maintained to ensure that our economy moves forward, but current participation levels are lower than they have been in the past. Measures that encourage increased participation from segments of society that have previously been under-represented in the workforce will need to be introduced. Three factors that make a difference to the performance in an economy in the long term are (i) number of people employed, (ii) level of productivity of those people, & (iii) the quality of political, social and economic institutions in that economy. Minister Donoghue underscored that Future Jobs is a shared challenge and a new approach to delivering a new economy, before bringing the summit to a close.