

Department of Enterprise, Trade & Employment

Statement of Strategy 2008-2010

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Foreword by the Minister for Enterprise, Trade and Employment

The new Statement of Strategy for my Department for the period of 2008 to 2010 comes at a period of significant transition for both the Irish and global economies. Ireland’s economic success over the past decade has been unprecedented with sustained GDP growth, an expanded labour force of over 2 million people and unemployment levels of approximately 5%.

The “Environmental Analysis” Chapter of this Strategy identifies the challenges now facing the Irish economy as they affect the many stakeholders of my Department –the enterprise sector, individual businesses, workers and consumers. These arise both from our recent decade of unprecedented economic development and from new and emerging issues, both nationally and globally. Identifying the strategies to address them is the focus of my Department’s Statement of Strategy for the coming three years.

The economic transition of our country must now be managed carefully so that we retain our many gains while exploiting the new opportunities arising. It is very gratifying to note that positive rates of economic growth continue to be forecast for the Irish economy by many national and international commentators notwithstanding the fact that as a small open economy Ireland is particularly affected by global political and economic developments. This expectation is I believe based on the belief that Ireland will, as we have in the past, develop and implement appropriate strategies at Government, enterprise and workplace level to maintain a competitive economy. These are the very strategies that my Department has set for itself in this new Statement of Strategy to support our mission of “driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained.”

The key policies and strategies, which my Department has identified for the next three years, centre on

- *Investing in Knowledge and its Application (especially through the implementation of the Strategy for Science Technology and Innovation);*
- *Promoting Innovation (at both the level of national, enterprise and individual actions);*
- *Addressing Environment and Climate Change issues (most particularly at the level of individual enterprises);*
- *Skills Supply & Enhancement and Workforce Participation (seeking to ensure that we have the correct mix of labour and skills supply to continue to move Ireland “up the value chain” in terms of job fulfilment);*
- *Better Business Regulation (to endeavour to strike the correct balance between necessary regulation on the one hand and freedom to grow business and employment opportunities on the other); and*
- *Workplace Partnership & Employment Rights (to promote the Partnership process at the level of the individual enterprise thereby translating national achievement into firm-level success).*

In seeking to deliver on our new Strategy, I am also keenly aware of the need to ensure that my Department and its Agencies have the “capacity to deliver”. In this regard, I am pleased to have a support team of Ministers of State working with me to oversee the delivery of our Programme for Government, our elements of the €184 billion NDP and other areas of Government Policy, including implementation of our many Towards 2016 commitments, in this important economic Department of Government. Michael Ahern T.D. is driving the critical “Innovation Policy” agenda with John McGuinness T.D. superintending our Trade and Commerce policies and Billy Kelleher T.D. promoting the interests of Labour Affairs. In addition, we have Sean Haughey T.D. in the Department of Education and Science and Jimmy Devins T.D. in the Department of Health & Children driving the Cross-Departmental programme of activities to support the Life Long Learning Agenda and the needs of the Disability Sector respectively. These are two key Social Inclusion policy areas where my Department has an important contribution to make.

Finally, on my own behalf, I look forward to continuing to work with my Ministerial colleagues and the staff of the Department to deliver our Mission for the people of Ireland in the coming years.

Micheál Martin, T.D.

Minister for Enterprise, Trade and Employment

Introduction by Secretary General

This Department is proud to have played its part in supporting the recent economic progress of our country, especially in our efforts to support employment creation opportunities for our people. The strategies and policies we set out in our last Statement of Strategy, refined, as appropriate, to reflect the changing economic climate as well as to address new initiatives arising from the latest Programme for Government, the Towards 2016 Partnership Agreement, the NDP etc., have largely borne fruit. With a new Government programme agreed last summer and our current Statement of Strategy concluding at the end of 2007, the Department is pleased to bring forward a new three-year Statement of Strategy.

This Strategy Statement sets out a clear Mission for the Department of “driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained.” It is to this mission that the staff of the Department and our Agencies will work over the next three years.

In preparing what we hope is an accessible document which clearly and succinctly summarises what the Department of Enterprise, Trade and Employment hopes to achieve during the next three years, we have included a short overview, or Environmental Analysis, identifying the key issues that currently face the enterprise, trade and employment constituencies we seek to support. Our mission is further elaborated on through the six “pillars” which support it and we have drawn together a short chapter for each “pillar” setting out the Goal for each, as well as the individual policy objectives across a wide variety of areas including, for example, science & technology, enterprise policy, sustainability & environmental challenges, labour force participation, employment rights, better business regulation, competition and consumer rights, and crucially, our own internal capacity to deliver.

In addition, we have developed a series of performance indicators for each area of activity in order that we might be able to measure, in a clear and transparent way, how effective we are in implementing our Strategy and delivering our Goals.

As a Department of State we are acutely aware of our responsibilities to deliver for Government and the Oireachtas, as well as for our specific stakeholders such as the enterprise community, workers and the consumer. A key element supporting strategy development and implementation is the quality of Customer Service we supply to our broad range of clients. The values we have set ourselves of fairness & respect, openness & transparency, flexibility & responsiveness, partnership & consultation, professionalism & performance and quality customer service, will inform and guide our daily interactions with all stakeholders.

At time of writing, this Department, is one of three Government Departments partaking in the first phase of the Organisational Review Programme (ORP) – an initiative aimed at examining the capacity of Departments to deliver their various strategies. Together with our new HR Strategy, which is under preparation at present, our Training & Development and ICT Strategies, we intend that the Action Plan for the Department that will emerge from the ORP process will be such that all our clients/customers will be able to see, at first hand, how we will work to improve further the quality customer service we strive to deliver.

The Department has been to the fore for many years now in implementing a variety of change and modernisation initiatives aimed at further enhancing our performance and customer delivery. These include how we manage our human and financial resources as well as an expanded range of services we now provide online. We will continue on this path in the years of this new Strategy ever mindful of the need to ensure that change delivers increased productivity, a better standard of customer service and offers value for money whilst maintaining the integrity and security of our systems.

As with virtually all facets of Government Policy, strong inter-departmental working relationships will be required to deliver this new Strategy for our stakeholders. Equally, delivery will also depend on the work of our Agencies, as well as that of our own staff. To this end, our Department remains fully committed to working in concert with the other Department and Agencies across Government to deliver an outcome that amounts to more than the sum of our individual inputs.

Delivery of this new Statement of Strategy will be a key component of Ireland maintaining the employment and prosperity gains of recent years and I am confident that the staff of the Department is fully committed to that challenge. I look forward, through our Annual Report process, to keeping all the Department’s stakeholders up to date with our progress.

Sean Gorman,
Secretary General

Mission

Driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained.

Values

Fairness & Respect

Openness & Transparency

Flexibility & Responsiveness

Partnership & Consultation

Professionalism & Performance

Quality Customer Service

Environmental Analysis

Where are we now?

The success of the Irish economy over the past decade has been unprecedented. Ireland has enjoyed sustained GDP growth well above OECD/EU norms. From a position in the early 1990s where more than 15% of the labour force were unemployed, we have seen the labour force grow from 1,200,000 to over 2,000,000 people and unemployment levels fall to approximately 5%. We have invested substantial sums under successive National Development Plans to grow the economy and improve society while enjoying a decade of exceptionally strong fiscal balances.

The first phase of this remarkable period of growth was characterised by a rapid expansion of the manufacturing sector, led by multinational investment, which resulted in real GDP growth averaging about 9% per annum in the period 1994-2000. The growth in merchandise exports, at about 15% per annum over this period was particularly impressive. The similarities between the Irish economy during these years and the pattern of rapid export-led growth that characterised the Asian “tiger” economies during an earlier period were not lost on commentators.

This phase of development effectively concluded in the early years of this decade coinciding with, and significantly influenced by, the ending of the “dot.com” boom. Goods exports suffered a significant decline in 2003 and, while the subsequent period has seen a resumption of modest growth, it is unlikely that we will see a return to the levels of growth achieved in the 1990s. However, this levelling-off of growth in goods exports has been offset to a significant extent by a rapid increase in services exports which increased in value by 150% in the period 2000-2006 and now account for more than one-third of total exports (up from 20% at the start of the period). Ireland has become one of the largest exporters of services in the world and there is undoubted potential for further growth in this sector.

GDP growth since 2000 averaged more than 5% per annum which, while less than in the preceding period, compares very favourably to growth rates elsewhere in the EU and this strong economic performance was mirrored in strong employment growth while the unemployment rate remained low at or just above 4%. While the strong growth in tradable services has undoubtedly contributed to this healthy growth pattern, it is widely acknowledged that included among the main drivers of the economy over the last five years or so have been construction and consumer spending. This is set to change as residential construction activity reverts to a more sustainable level and some uncertainty surrounds future levels of consumer spending particularly in view of recent developments in financial markets. The impact of these changes has been recognised in forecasting a more modest GDP growth rate of 3% in 2008 and an average of 3.5% for the period 2008-2010. By reference to other developed economies, this would constitute a highly creditable performance, although it would entail a convergence of our growth rates with those elsewhere in the EU when compared with our more pronounced advantage over the past decade.

Accordingly, we are entering a new phase of economic development in which a reduced contribution to growth by construction and, probably, consumer spending will refocus attention on the tradable sectors as the potential engines for growth. The legacy of the last decade or so has been very positive in many respects, notably in a highly productive manufacturing sector, which includes many of the world’s leading high tech companies, and a dynamic and developing internationally traded services sector. Ireland continues to win international investments from global corporations because we are seen as a business location continuing to offer a low corporation tax regime, a young skilled and well-educated workforce with relevant technological and business skills, a strong and growing R&D environment complemented by a strong Intellectual Property regime with a fast improving industrial infrastructure. These are the strong foundations on which the next stage of our economic and social development will be based

This stable, profitable, English-speaking base serving world markets has attracted almost 1,000 overseas companies to Ireland. However, we must also acknowledge

that the critical path to success in this next phase of development requires us to address a number of significant challenges arising from recent achievements. These include:

- Achieving low rates of inflation;
- Maintaining competitiveness in international markets;
- Working with the enterprise sector to help keep key business costs low;
- Striving for productivity gains across the economy, in both the manufacturing and services sectors (especially in the domestic services sector);
- Full implementation of the National Development Plan 2007-2013, especially in the areas of infrastructural developments; and
- Continuing to invest in the development of a world-class research capacity to achieve best practice in this field.

The manner in which we address these and other critical issues over the period covered by this Statement of Strategy and beyond will determine the extent to which we can build on past achievements. To retain the benefits of our recent economic and social progress in relation to our standard of living, we must develop new sources of competitive advantage which will enable enterprise to survive and thrive in the changed economic circumstances.

The Road Ahead

The Department of Enterprise, Trade and Employment plays a major role in delivering a broad range of commitments in the Programme for Government, the Social Partnership Agreement *Towards 2016*, and the National Development Plan 2007-2013 *Transforming Ireland – A Better Quality of Life for All*. In addition, our operating environment continues to be significantly influenced by our membership of the European Union which remains of fundamental importance to our economic and social development as decisions taken at European level have very significant implications and impacts on the nature and direction of Irish policy-making.

Given where Ireland now is - over 2million people at work, exceptionally low levels of unemployment, and a new 7-year, €184 billion, National Development Plan in its second year – the Department of Enterprise, Trade and Employment has identified the following key requirements as essential building blocks to driving Ireland’s competitiveness and productivity:

1. Investing in Knowledge and its Application

The development of a knowledge-based economy is one of the key challenges and opportunities facing Ireland. Increasing international competition is creating pressure for improvements in efficiency, quality and productivity and a growing need to innovate. These pressures are increasing and intensifying and the Strategy for Science, Technology & Innovation (SSTI) addresses these very demanding challenges with a goal of stimulating knowledge creation and diffusion a key focus in the 2008-2010 period.

2. Promoting Innovation

To maintain Ireland’s attractiveness as a competitive and dynamic country we must build advantages based on the reservoir of skills, human capital and flexibility in serving markets. Innovation can create a competitive advantage and increase productivity in terms of enhanced products and services as well as the introduction of new business models, new organisational structures or new work practices. While enterprises and individuals will be the primary sources of innovation, public policy can enhance the framework conditions for effective innovation. Therefore, as well as increasing scientific and technological innovation, we must also boost, for example, supports to education, lifelong learning, skills and supporting knowledge and physical infrastructures and work to stimulate innovation capacity.

3. The Environment and Climate Change

The past number of years has seen an increasing societal consciousness of the need to commit to greater environmental sustainability, augmented by EU environmental

regulation, with business not immune from this imperative. The enterprise sector has made a significant contribution towards enabling Ireland to meet its challenging Kyoto targets and begun to recognise that the move to reducing emissions (and redressing other environmental challenges such as managing / recycling waste) presented opportunities which can be harnessed through greater innovation. Identifying and seizing these opportunities will be a key area of focus over the next number of years. Recent ambitious EU commitments to reduce emissions means that, over the period of the current Strategy, Irish enterprise will have to position itself so that in the medium to longer term it can compete in a carbon constrained environment which will be unlike anything experienced before and this poses significant challenges for all sectors of the economy.

4. Skills Supply & Enhancement and Workforce Participation

With employment growth over the 2008-2010 period likely to continue to be positive, the key challenge for Ireland will be to meet the skills challenges identified in the Forfás Expert Group for Future Skills Needs Report “*Towards a National Skills Strategy*” and, where necessary, to supplement our skills requirements with effective migration arrangements. In parallel, we will also need to continue to grow participation by groups traditionally under-represented in the labour force and by marginalised groups often not participating in employment at all.

5. Better Business Regulation

Better business regulation has become a key feature of all enterprising economies and a growing challenge at national and international level. This is particularly true for the small business sector where the burden of regulation can be disproportionately high. It follows, therefore, that for competitiveness reasons, Ireland too has to address the regulatory burden on business. As a Department which itself has responsibility for major policy areas which impose regulatory requirements on business, we must show a lead in this regard. Therefore, our mission will be to ensure that regulation, where necessary, facilitates and, where appropriate, promotes entrepreneurship and

investment, imposes the minimum burden on business and operates in a balanced way to the benefit of the business sector and those who engage with it.

6. Workplace Partnership & Employment Rights

Ireland’s very successful Social Partnership Model has played a major role in allowing us face the modern day challenges of globalisation, rapid technological progress and increased competition. While much of the change in workplace legislation in recent years has taken place against a background of strong economic growth and rapidly expanding employment resulting in what is effectively a full-employment economy, future Employment Rights Legislative proposals will have to have regard to the changed employment market we are now in and must be approached from the perspective of guaranteeing specified rights to those in employment whilst ensuring that they contribute to, and not detract from, efforts to expand the level and quality of employment further.

Summary

Against this background, the Mission of the Department of Enterprise, Trade & Employment for the three-year period 2008-2010 is “to drive Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained”. In support of this Mission, we have identified the following key supporting “Pillars” and High-Level Goals

Pillar	Goal
<i>Investing in Knowledge and its Application</i>	To improve our competitiveness by significantly enhancing our capacity to generate, protect and use new knowledge for economic and social gain
<i>Enterprise Development Policies in a Competitive High-Value Economy</i>	To enhance national competitiveness, innovation and enterprise capacity across the economy to underpin sustainable and balanced economic growth, new employment opportunities and dynamic export activity in both products and services and to further initiatives in

Pillar	Goal
	the area of the all-island economy
<i>Skills Supply & Enhancement and Workforce Participation</i>	To pursue labour market policies which support enterprise development and promote the development of human capital by improving the skill levels of the workforce, thereby facilitating increased participation in and access to employment
<i>Better Business Regulation and the Consumer</i>	To ensure that the business regulatory system facilitates competition in the marketplace along with high standards of consumer protection and corporate governance
<i>Workplace Partnership and Employment Rights</i>	To foster good industrial relations and the partnership model, supported by an appropriate employment rights legislative and institutional framework
<i>Delivery of our Strategic Goals.</i>	To provide high level professional support, service and advice in facilitating the implementation of the Department’s business goals, on a Value for Money basis, while continuing to be at the forefront of the modernisation agenda across the Civil and Public Service

Investing in Knowledge & its Application

Key Operational Environment

The development of a knowledge-based economy is one of the key challenges and opportunities facing Ireland. As the NDP 2007-2013 – *Transforming Ireland: A Better Quality of Life for All* – recognises, the factors which have contributed to our economic success to date will not be sufficient to sustain our recent achievements. Increasing international competition is creating pressure for improvements in efficiency, quality and productivity and a growing need to innovate. These pressures will increase and intensify. It will require forward-looking steps to achieve real strategic change and show tangible medium-term results.

As the challenge of cost competitiveness must be met by higher value added output across the economy, we continue to invest in Ireland’s science base as one important cornerstone underpinning our future place in the world. A strong science base matched by a paradigm shift in the capacity of our enterprise sector to create knowledge, to innovate, and to exploit new knowledge across global markets marks out Ireland’s future strategic direction.

The Strategy for Science Technology & Innovation (SSTI), launched in summer 2006, addresses these very demanding challenges. The NDP commitment of €8.2 billion over the 2007-2013 period has provided the financial resources to allow us continue to grow the recent heightened level of STI activity across the economy. The Vision of the SSTI is that Ireland by 2013 will be internationally renowned for its research and be at the forefront in generating and using new knowledge for economic and social progress, within an innovation culture. Thus the SSTI will improve our competitiveness through significantly enhancing our capacity to create and use knowledge both in enterprise and across Ireland’s science base. The SSTI strongly focuses on ensuring sustained development of human resources in science, technology and innovation to meet the needs of a rapidly growing knowledge society. It also aims to build strong linkages to ensure diffusion and commercialisation of an increased flow of new ideas and knowledge to the benefit of all.

The establishment of a strong research base and culture in Ireland is proving to be a vital driver of major investment decisions by both overseas and indigenous companies and has also led to significant industrial and academic research collaborations. It has been very encouraging to see that R&D expenditure in the business sector (BERD) rose by almost 10% from 2004 to 2005 and by a further 17.3% in 2006 to reach €1.56billion. This reflects a robust R&D spending performance by both Irish and foreign owned firms and augers well for future competitiveness. This strong foundation which we have set, and are now building upon, will enable Ireland achieve the essential step-change necessary if we are to become the ever-more efficient and productive knowledge-based economy supporting the new knowledge-based job opportunities now available to us.

We aim to achieve transformational change for the Irish Enterprise base and both Enterprise Ireland (EI) and the IDA have demonstrated that they are making real progress as evidenced by companies that have chosen Ireland as a home for research activity. EI has set a target of more than doubling the number of indigenous companies investing in excess of €100,000 per annum in R&D and to increase five-fold the number of indigenous companies spending in excess of €2million per annum on research by 2013. Critically, this upward shift has already started and our aim is to expedite further progress in this area over the next three years. IDA will also double its numbers, increasing the number of companies doing minimum scale R&D from 213 in 2003 to 520 in 2013. Similarly, its targets are for 150 FDI (Foreign Direct Investment) companies to be performing significant R&D in excess of €2million per annum by 2013 compared to 60 in 2003.

Since it was set up in 2001, Science Foundation Ireland (SFI) focuses on building a high quality research environment in Ireland in an effort to establish Ireland as a location renowned for the excellence of its scientific research. SFI has, by early 2008, approved over 1,800 awards across all its programmes, representing a substantial investment commitment of over €1billion. The aim of these programmes is to build and strengthen scientific and engineering research and its infrastructure in the areas of greatest value to Ireland’s long-term competitiveness and development. A number of

these programmes work directly to create collaborations between academia and industry.

From this point of achievement, we can go on to re-focus and re-double our efforts in the areas of building a world-class research system. This will be achieved by taking Science Foundation Ireland (SFI) investments to a higher plane, by increasing in-company R&D investment levels, building effective collaborative industry/third level research and international linkages, helping SMEs innovate to stay competitive and, particularly importantly, commercialising the outputs of our growing research base. Under the current NDP, we are priming the system with very significant levels of funding and success in these areas is essential if the economy and wider society are to experience the impacts of a knowledge-driven economy which demands and supplies high-skilled labour.

An important feature of the SSTI lies in its systemic, whole-of-government nature where strong political leadership and expeditious decision-making, through a Cabinet Committee chaired by the Taoiseach, is key to the delivery of results. (The efficacy of Irish practice in this field is internationally recognised). The Department is involved in overseeing and directing the full implementation of the SSTI and driving the effective operation and interaction of the coordination and governance structures.

As we move into 2008, we are well advanced in implementing the SSTI and we must continue our efforts to embed the philosophy of the Strategy across all sectors of the economy during the three years of the Department’s Strategy Statement lifespan.

The creation, protection and exploitation of intellectual property are key elements in considering and encouraging innovation activity. Where intellectual property rights are guaranteed and can be legally enforced, technology transfer and commercialisation of the products of those intellectual property rights should flourish. To this end, the Department of Enterprise, Trade & Employment will ensure that Ireland continues to have an internationally recognised modern framework of Intellectual Property laws.

The appointment, in July 2007, of a new Minister for Innovation Policy at the Departments of Enterprise, Trade and Employment and Education and Science, clearly signalled the Government’s recognition of the role innovation must play in progressing our economy to the next stage in its development. The Minister has been mandated to promote a multi-faceted innovation agenda in support of enterprise and the knowledge economy and to coordinate those efforts across relevant Government Departments.

In contributing to driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained, the following is the High-Level Goal which we have set in regard to Investing in Knowledge and its Application:

Goal

To improve our competitiveness by significantly enhancing our capacity to generate, protect and use new knowledge for economic and social gain.

Objectives and Strategic Actions

- *Science & Technology*

Objective:

To lead and co-ordinate the whole-of-Government approach to implementation of the Strategy for Science, Technology and Innovation 2006-2013 (SSTI).

Strategic Actions:

We will maximise use of the implementation structures of the SSTI to embed a coherent whole-of-government and cooperative inter-agency approach to the realisation of the SSTI goals.

We will steer and co-ordinate, through chairmanship and support of the Interdepartmental Committee on Science, Technology and Innovation, implementation of the SSTI and report regularly thereon to the Cabinet Committee.

We will develop and maintain an appropriate set of metrics and indicators to track, measure, report on and review success in delivery of goals set out in the SSTI and as required by the NDP 2007-2013.

We will drive coordinated Science, Technology and Innovation policy development among the enterprise development agencies through monthly meetings of the ‘Technology Ireland’ forum to ensure we better meet enterprise needs in the STI arena.

We will establish an Enterprise Feedback Group composed of stakeholders in the enterprise sector to discuss progress in delivering the Strategy and inform the continuing development of policy and programmes.

We will evaluate, refine and develop “Awareness” programmes for the sciences with a view to increasing interest and participation.

Objective:

To foster excellence in research in Ireland and to develop and sustain Ireland as a location of choice for researchers and firms seeking to conduct world-class scientific research.

Strategic Actions:

We will provide significantly enhanced investment through Science Foundation Ireland (SFI) focused on strategic areas of scientific endeavour, building long-term industrial competitiveness.

We will complete the Value for Money review of SFI commenced in 2006 and following examination of the recommendations, consider their implications for current policies and practices that seek to build research capability and excellence into the future.

We will ensure that the remit of SFI is strategically reviewed to maximise its impact on national economic and social wellbeing consistent with commitments in the Programme for Government to expand the research role of the agency.

We will ensure effective national arrangements are in place to facilitate the mobility of researchers and continue to ensure the efficient operation of Ireland’s mobility centre and portal.

Objective:

To work through Enterprise Ireland to enhance the capacity of indigenous enterprise to develop innovative products and services for competitive advantage by building R&D capacity within companies, linkages with the third-level research base and commercialisation support.

Strategic Actions:

We will provide significantly enhanced Government funding in support of enterprise R&D and commercialisation activity, as part of the NDP 2007-2013, for the

stimulation and support of business to increase commitment to and investment in quality R&D.

We will oversee agency rollout of new simplified in-company R&D supports to enterprise from 2008 onwards.

We will support the transfer of the output of research into industry through the Enterprise Ireland Commercialisation programme.

We will encourage industry collaboration through Innovative Partnerships and Enterprise Ireland Applied Research Enhancement programmes to provide research centres that work in collaboration with local industry.

We will ensure effective design and implementation of a new national industry-led “Competence Centre” programme to translate advanced research into commercialisable technology.

We will continue to promote the Innovation Vouchers Initiative to encourage small enterprises to undertake focused research working with higher education institutions.

We will periodically review progress in relation to the strengthening of higher education institutional competence through the implementation of the Technology Transfer Strengthening Fund.

We will encourage companies that have no R&D experience to commence engagement through the provision of Enterprise Ireland Advocates for R&D Initiative.

We will seek to ensure that our fiscal environment stimulates R&D activity in enterprise, with particular focus on the effectiveness of the R&D Tax Credit scheme.

Objective:

To promote and support the optimisation of Ireland’s participation in EU and international research programmes.

Strategic Actions:

We will ensure the operation of the National Support Network for the EU Seventh Framework Programme (FP7) is appropriately resourced and operating effectively to maximise Irish participation.

We will ensure that appropriate targets are set for Ireland’s participation in the Seventh Framework Programme and that specific initiatives are put in place to foster all-island engagement in the programme.

We will work to develop national positions on new proposals by the European Commission towards strengthening of the European Research Area.

We will assess, develop and implement policy in relation to Ireland’s involvement in space-related science, technology and innovation, in the context of our membership of the European Space Agency (ESA), and the growing linkages between the European Union and ESA.

We will continue to engage with appropriate international organisations and examine the nature and strength of Ireland’s formal and informal international linkages and develop criteria to guide decision-making for the future on engaging in such linkages.

- *Intellectual Property*

Objective:

To maintain an up-to-date suite of modern Intellectual Property legislation that protects Intellectual Property to the highest international standards, thereby fostering investment in Intellectual Property (IP) development and the employment generating potential that flows there-from.

Strategic Actions:

We will ensure that intellectual property legislation remains up to date and in compliance with our international obligations in recognition of the importance of maintaining a modern intellectual property framework as a source of competitive advantage.

We will work and collaborate with the Patents Office in order to facilitate its efficient and effective provision of service to the IP community.

- *North/South*

Objective:

To promote and support research collaborations for the competitive advantage of the island of Ireland, through linking the research system to centres of excellence and fostering partnerships through involvement in EU collaborative research programmes.

Strategic Actions:

We will foster the engagement of research institutions in collaborative initiatives of mutual interest in specific technology areas.

We will develop links between the Inter-Departmental Committee on STI and Advisory Science Council and their Northern counterparts, to ensure synergies and avoidance of duplication.

We will work with Science Foundation Ireland and the enterprise development agencies to facilitate scientific cooperation across the island of Ireland, to promote collaboration with Northern Ireland Higher Education Institutes (HEIs), and to develop Competence Centres having due regard to access by Northern Ireland companies and HEIs.

We will work to promote and support collaborative projects under the US Ireland R&D Partnership, initially in the priority work areas of Diabetes, Cystic Fibrosis, Nanotechnology and Sensors.

We will promote and facilitate cross-border collaborations under the Seventh Framework Programme in areas of mutual interest.

- ***Cross-Departmental Issues***

Objective:

To ensure overall Cross-Departmental policy coherence in the implementation of the SSTI objectives.

Strategic Actions:

We will steer and coordinate the work of the Inter-Departmental Committee (IDC) for STI, which reports to the Cabinet Committee, to ensure progress in delivering on SSTI objectives against an agreed set of indicators.

We will report regularly to and take direction from the Cabinet Committee on STI.

We will utilise the implementing bodies of the SSTI, the Higher Education Research Group and Technology Ireland (and the Working Groups and Sub-Committees reporting to these Bodies), to ensure coherence and complementarity in national funding activities, policies and programmes.

We will take account of the advice and expertise of the Advisory Science Council and the Chief Scientific Advisor, in informing the development of policy initiatives.

Performance Indicators

- Gross Expenditure on R&D (GERD)
- Business Expenditure on R&D (BERD),
- Higher education Expenditure on R&D (HERD)
- Number of Researchers per 1,000 of total employment
- R&D intensity ratio as a percentage of GNP.
- Number of new doctorates in science, engineering and technology earned annually.
- Number of indigenous companies and foreign affiliate companies with meaningful R&D (in excess of €100K per annum).
- Number of indigenous companies and foreign affiliate companies with significant R&D (in excess of €2m per annum).
- A timely programme of legislation to give effect to international obligations to be delivered in accordance with annual Business Plans.

Enterprise Development Policies in a Competitive High-Value Economy

Key Operational Environment

Economic transformation has fundamentally changed the competitive characteristics of the country and we no longer are a low cost EU economy. Our future must, therefore, be based on building advantages based on the reservoir of skills, human capital and flexibility in serving markets. For Ireland in the 21st century, competitiveness will depend on merging these attributes with a flair and commitment to innovation that is unmatched in the markets in which we compete. The very challenges to our continued growth, in terms of demographic and environmental sustainability issues, for a small outward looking economy like Ireland, also represent enormous possibilities if we approach them with creativity and ingenuity.

As well as continuing to address obstacles to innovation in particular areas of Government influence on, for example, the overall regulatory field, competition policy, public procurement and on national fiscal policies, business and firms also need to place innovation at the heart of their long-term strategies for achieving growth and competitiveness. Examining how firms are organised to deliver new products and services together with openness to innovation in the workplace can yield dividends.

At the level of the individual enterprise, Ireland is no longer competitive in low-end, labour-intensive manufacturing but remains an attractive location for sophisticated, knowledge-intensive manufacturing. For some time a process has been underway whereby many manufacturing companies have been transforming themselves, through an increased focus on R&D, productivity and innovation, to equip themselves to compete in these changed circumstances and this process must be intensified with the assistance of the enterprise development agencies. Employment in manufacturing declined substantially in the early years of this decade, largely as a result of the dot.com collapse, but has stabilised over the last couple of years. Manufacturing was the driver of the remarkable economic growth of the 1990s and the retention of a strong manufacturing sector, by making the adjustments necessary to survive and grow in the current operating environment, must be a key policy focus in the coming

years. Employment growth is, however, likely to be dependent on services and internationally traded services will play a particularly important role here. Ireland has become one of the world’s largest exporters of services in recent years and there is considerable potential for further expansion of this activity with a particular focus on high value-added services. In this regard, the IDA is concentrating a lot of its resources in an area it calls “convergence”, where it is pursuing crossover products and services that reach outside of the traditional definition of a specific sector.

In this context, the State’s primary responsibility in relation to competitiveness and enterprise policy is to ensure that the broad environment and essential framework conditions are in place to underpin and support the development of a sustainable enterprise sector. Direct State intervention is substantially directed at areas of market failure with financial incentives and other supports focused on developing those spheres of activity where Ireland is, or could become, an internationally significant location for Foreign Direct Investment (FDI), and on building capacity in, and creating more knowledge-based, technologically innovative, sustainable and competitive indigenous enterprises.

Targeting sectors where we can develop a competitive advantage will continue to be important in responding to a heightened level of competition for FDI projects across the globe. Currently, the IDA targets the four key areas of Life Sciences, ICT, Financial Services & Digital Media and Traded Services. In the Life Sciences sector, Ireland has a good market position from which to pursue significant investment opportunities. IDA strategy regarding the ICT sector has evolved to work with the many existing operations in an effort to encourage and facilitate their bringing higher-level functions, including R&D, to their Irish bases. It is particularly important in relation to the Financial Services and Digital Media sectors that we identify and attract the new wave of emerging companies and it will be crucial in this regard that Ireland continues to react quickly to the business needs of these sectors.

Indigenous enterprise, from micro enterprises through to large enterprises, must play an increasingly important role in the Irish economy in the future, through its employment, expenditure, export revenues, repatriated profits and regional economic impact. Continuing the economic success of recent years, however, will require Irish enterprises to overcome complex new challenges and to harness a range of new opportunities. Significant challenges also face us in attempting to maintain our traditional high level of performance in attracting FDI arising, for example, from greatly increased competition from low-cost but increasingly sophisticated new markets and a significantly reduced capacity to provide financial supports under EU State Aid rules. Future mobile investment will be attracted not so much by financial incentives as by a business-friendly and efficient operating environment, with good education facilities, quality access infrastructure and pro-business public policy. Foreign investors will be drawn to locations because of the positive pull of the individual location rather than because they are pushed to that location by financial incentives.

Our economic progress remains particularly closely tied to global economic developments and, in particular, to the US. The build-up of large international macroeconomic imbalances could potentially have adverse effects on the Irish economy. It is, therefore, increasingly important that Irish exports diversify into foreign markets so that sales are not over-exposed to the economic fortunes of any particular country.

It is in the context of the foregoing, that the following High-Level Goal of our Enterprise Development Policies in a Competitive High-Value Economy will contribute to driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained:

Goal

To enhance national competitiveness, innovation and enterprise capacity across the economy to underpin sustainable and balanced economic growth, new employment

opportunities and dynamic export activity in both products and services and to further initiatives in the area of the all-island economy.

Objectives and Strategic Actions

- *Competitiveness and Productivity*

Objective:

To accelerate improvements in national competitiveness and productivity, so that our economy continues to be one of the best places in Europe in which to do business, by devising, promoting and/or advocating policies, across the range of Government’s spheres of influence, which drive innovation and productivity improvements at national, sector and firm level, so that competitiveness benchmarks achieve, if not surpass, the standards of the most advanced economies with which we compete.

Strategic Actions:

We will contribute to raising overall productivity levels in the economy through Government investments in skills, R&D and innovation.

We will identify and track key indicators of competitiveness and report to Government, through the Cabinet Committee system, every six months on the standing of national competitiveness

We will report to Government on the National Competitiveness Council’s Annual Competitiveness and Challenge Reports, and will work across Government and with other stakeholders to progress implementation of the National Competitiveness Council’s recommendations.

We will work with other Departments and stakeholders in the economy to build cross-Departmental ownership of change that improves competitiveness, ensuring delivery of policies that will result in a better and more cost effective business environment.

We will, reflecting our national policies in the areas of competitiveness and innovation, contribute to the renewed Lisbon Strategy for growth and jobs for the next period 2008-2011 through the EU Competitiveness Council, the European Council (of Heads of Government) and working with other EU Member States in support of common objectives.

We will report annually on the policy areas and targets under the Lisbon Agenda for which this Department is responsible.

We will continue to be an advocate for competitiveness in our work with other Departments, Agencies and Regulators.

We will publish a national Statement on Innovation Policy to guide our approach to fostering an innovation culture in the economy and in society.

- ***Enterprise Policy***

Objective:

To ensure that enterprise policy remains responsive to the changing economic environment.

Strategic Actions:

We will continue to review and refine policies on enterprise support at all levels, from micro-enterprises through to large enterprises, in light of global economic

developments and act upon the relevant recommendations of existing and future reviews.

We will take such follow-up action on the Report of the High Level Group on Manufacturing as agreed under the *Towards 2016* Partnership Forum.

- ***Tax***

Objective:

To work collaboratively with other Departments and stakeholders to ensure that Ireland maintains robust fiscal and low corporate and personal tax policies to incentivise enterprise and promote employment.

Strategic Action:

We will work with the Department of Finance and other stakeholders in the economy to keep the current fiscal and tax regimes under review to ensure that the impact of such regimes on the enterprise sector is fully known and to make suggestions as to possible amendments to those regimes where deemed necessary.

- ***Sustainability and Environmental Challenges***

Objective:

To ensure that environment policy takes into account competitiveness challenges and that enterprise policy has a greater focus on “eco-innovation” and assists Irish businesses to exploit the increasing opportunities arising from the fast growing international environmental goods and services sector.

Strategic Actions:

We will undertake a foresight exercise of how national and EU climate change commitments will impact on Irish enterprise, to identify the challenges posed, and the opportunities presented, by a carbon-constrained environment.

We will co-ordinate the development across the Department of cross-divisional ownership of policy responses to the challenges and opportunities identified through the aforementioned foresight exercise

We will engage with the Department of the Environment, Heritage and Local Government on issues such as the revision of the EU Emissions Trading Directive and EU burden sharing negotiations in regard to the 2020 target, to ensure the optimum outcome for Ireland.

We will engage with the Department of the Environment, Heritage and Local Government on discussions at EU level regarding the EU position on climate change for the post- Kyoto period (2012 onwards), seeking to ensure a balanced approach which takes account of competitiveness and environmental considerations.

We will engage in negotiations at EU level on a range of environmental initiatives which impact on enterprise, including initiatives on climate change and ecodesign of energy-using products.

- *Enterprise Growth*

Objective:

To support enterprises realize their growth potential

Strategic Actions:

We will work with the enterprise development agencies to drive export company growth to achieve critical scale with a focus on reaching key company growth milestones at the earliest stage of company development.

We will assist the enterprise development agencies in consolidating growth in existing sectors and capitalising on emerging growth opportunities in existing and new markets through improvements in innovation and productivity and the enhancement of management capability.

We will support the enterprise development agencies in their endeavours to encourage companies to develop a services component to their business offer and continue to pursue the development and supply of value-added products and services.

We will, through our enterprise development agencies, assist and promote small companies with high potential for rapid expansion into export markets.

We will take appropriate measures, through the enterprise development agencies, to raise awareness of the benefits for small and medium-sized enterprises of fully exploiting the use of ICTs to enable them to improve their overall productivity and to develop new markets for their services and products.

We will, in collaboration with Enterprise Ireland, work to support the growth of micro enterprises.

We will, in partnership with Enterprise Ireland, continue to work with the Crafts Council of Ireland to advance their strategic plan to make the crafts industry more competitive and dynamic.

We will work in conjunction with the National Standards Authority of Ireland to develop excellent Irish, European and International standards of relevance to industry, as well as providing improved access for innovative Irish-based companies, especially SMEs, to the European and International standardisation processes thereby increasing opportunities to compete and trade successfully in the global marketplace.

We will continue to respond to the needs of individual companies experiencing difficulties, with potentially significant employment impacts, by ensuring the early and coordinated intervention of the enterprise development agencies under the aegis of the Department.

- *Foreign Direct Investment*

Objective:

To continue to attract high-quality Foreign Direct Investment (FDI) projects to Ireland and more firmly embed existing FDI companies in the Irish economy.

Strategic Actions:

We will continue to encourage and support multinational enterprises already established in Ireland to grow the range of higher-value activities undertaken in Ireland through a range of programmes and supports in conjunction with IDA Ireland and Shannon Development.

We will continue to support IDA Ireland and Shannon Development in the identification, targeting and attraction to Ireland of new investments, sectors and markets in keeping with the competitive characteristics of the evolving Irish economy.

- *Entrepreneurship*

Objective:

To promote the development of a strong entrepreneurial culture, such that Ireland is recognized for the innovative quality of its entrepreneurs and acknowledged by entrepreneurs as a world-class environment in which to start and grow a business.

Strategic Actions:

We will seek the approval of the Government to publish a National Policy Statement on Entrepreneurship and seek to implement that policy in line with Government decisions.

We will support the enterprise development agencies in the delivery of programmes to promote entrepreneurship and an enterprise culture throughout the economy, including appropriate financial supports for start-ups and advice and training for new and aspiring entrepreneurs.

We will support the enterprise development agencies in the delivery of programmes designed to identify the potential of new export-oriented enterprises and to encourage their rapid growth and development.

- ***Balanced Regional Development***

Objective:

To ensure that Ireland achieves balanced regional economic growth.

Strategic Actions:

We will work with the enterprise development agencies to ensure that their strategies continue to make a clear and verifiable contribution towards balanced regional development in line with the NDP 2007-2013 (*Transforming Ireland – A Better Quality of Life for All*), the National Spatial Strategy and the Gateways Investment Priorities Report.

We will work with the enterprise development agencies to promote balanced regional development such that regional competencies are clearly developed and articulated in support of securing additional investments for the key Gateway and Hub locations in line with the National Spatial Strategy.

- ***International Trade***

Objective:

To review as necessary the current National Trade Policy Statement in the light of global and regional developments.

Strategic Action:

We will, in consultation with all interested parties keep our 2005 Statement of National Trade Policy and associated sectoral and geographic trade policy analyses under review to identify areas requiring amendment /updating in the light of prevailing circumstances.

We will work with the enterprise development agencies, the enterprise sector, and other partners, as appropriate, to implement Ireland’s National Trade Policy.

Objective:

To maximise the benefits to Ireland’s interests of the EU and World Trade Organisation trade systems.

Strategic Action:

We will coordinate Irish key interests in relation to matters arising under the framework of the EU Common Commercial Policy and in the context of the Doha Development round of negotiations, and seek to influence, through our participation

on the EU’s “Article 133 Committee” and related bodies, an ongoing balanced opening of markets and liberalisation of trade policy developments to facilitate the expansion of trade opportunities for Irish-based enterprise.

Objective:

To facilitate Irish exporters in achieving maximum export sales for their products.

Strategic Actions:

We will facilitate and co-ordinate, in conjunction with Enterprise Ireland, relevant Government Departments, agencies and other stakeholders – including exporters themselves - both outward and inward trade events with the aim of ensuring best possible penetration levels for Irish products in foreign markets. Apart from seeking to consolidate in Ireland’s main markets with improved potential for export growth, a particular focus will be placed on re-emerging growth markets in Germany, Japan and France.

We will monitor and provide analysis of Ireland’s trade performance, including working with the CSO, the enterprise development agencies and other stakeholders, with a view to supporting the development of quality and timely data culminating in the identification of growing market opportunities.

We will work with the CSO to ensure the generation of comprehensive trade data, especially in the rapidly expanding services area, in a more timely manner.

Objective:

To enhance Ireland’s trading footprint in emerging markets.

Strategic Action:

We will place a strategic focus on developing emerging markets, especially in Asia, via ongoing effective implementation of the Asia Strategy, but also in Russia, South America and the Gulf States. Enhanced use will also be made of Joint Commissions, where these are in place, with a view to strengthening bi-lateral trading relationships.

Objective:

To contribute to the creation of a fully functioning EU Internal Market, through, among other things, the development of a single market in Services, the development of administrative cooperation mechanisms between EU Member States and the timely transposition of EU Directives.

Strategic Actions:

We will transpose the Directive on Services in the Internal Market by the end of 2009.

We will work with other Government Departments and stakeholders, and with the European Commission and the other Member States, to ensure that the internal market rights of individual consumers and businesses are vindicated through the use of EU administrative cooperation mechanisms such as Solvit and the Internal Market Information System.

We will work with other Government Departments, in particular the Department of the Taoiseach, to ensure that EU Directives are transposed in a timely fashion by Ireland.

Objective:

To support international peace and security by controlling the export of strategic goods.

Strategic Actions:

We will ensure that Ireland’s legal and regulatory framework for export control is in line with best international practice to give effect to our commitment to the non-proliferation of weapons of mass destruction. This includes the early implementation in full of the Control of Exports Act 2008 and associated secondary legislation.

We will operate an effective licensing and enforcement system for export controls, which does not impede responsible trade.

We will strengthen our outreach to industry activities to raise awareness of export controls and to promote good internal compliance practices by exporters of military and dual-use goods.

- *North/South*

Objective:

To promote a favourable environment that optimises the benefits of the all-island economy for enterprises through North/South collaboration particularly in the areas of trade and business development.

Strategic Actions:

We will actively contribute to the work programme of the North/South Ministerial Council, in its Trade and Business Development Sector, on co-ordinated policy interventions that exploit and realise the opportunities of all-island collaboration to optimise the island’s economic resources.

We will work closely with the Department of Enterprise Trade and Investment and the Department for Employment and Learning in Northern Ireland on mutually advantageous initiatives such as the North West Gateway Initiative.

We will implement those actions in the Comprehensive Study on the All-Island Economy which fall within the remit of this Department.

We will actively support, in collaboration with the Department of Enterprise Trade and Investment and under the auspices of the North/South Ministerial Council, the work of *InterTradeIreland*, the all-island trade and business development body.

- ***Cross-Departmental Issues***

Objective / Strategic Action:

We will continue to work in a co-ordinated cross-Departmental, cross-Government and cross-Agency manner to meet our Competitiveness and Enterprise objectives as outlined in this Statement of Strategy.

Performance Indicators

- Relevant benchmarks as outlined in the National Competitiveness Council Annual Competitiveness Report and Ireland’s ranking in international competitiveness reports
- Evaluation of Ireland’s performance in relation to the National Reform Programme under the Lisbon Agenda
- Trade performance – merchandise and services- on a macro and geographic basis; and trade performance of the indigenous sector.
- Foreign Direct Investment:
 - Number of Investments from existing clients
 - Number of Investments from new clients

- Number of IDA-assisted companies with a spend of €2million or more on RD&I
- Percentage of total number of investments (projects) approved for outside the Greater Dublin Area

- Indigenous Industry
 - Export gains by Enterprise Ireland-assisted companies
 - Number of new High Potential Start Up Companies (HPSUs) established
 - In terms of growing companies of scale:
 - Increase in the number of EI Clients achieving annual global sales of €5million against a 2006 base of 553
 - Increase in the number of EI clients achieving annual global sales of €20million against a 2006 base of 187.

Skills Supply, Enhancement and Participation in the Workforce

Key Operational Environment

The context for Labour Force Development Policy for the period 2008-10 is likely to be one involving positive, although slowing, employment growth, increasing participation rates and a moderate rise in unemployment.

Employment growth over the period is likely to continue to be positive, but to slow from the annual increase of 3.9% or 78,400 seen in the year to mid-2007. By 2010 it is expected that there will be 2.2million people in employment

In response to the continuing demand in the labour market for workers, participation rates over the period are expected to continue to rise from the mid-2007 overall employment rate of 69.9%, the female employment rate of 61.5% and the older workers rate of 53.9%. The overall employment rate is expected to meet the “Lisbon” target of 70% by 2010 and the female and older workers rates are expected to continue to exceed their respective “Lisbon” targets.

Ireland’s labour market, as well as its economy, has also experienced positive impacts in recent years from significant flows, particularly arising from Ireland’s decision to open up access to its labour market to the 10 new Members States (the EU10) from 2004 onwards. At the end of 2007, just over 240,000 of Ireland’s workforce were foreign nationals with almost half of these from the EU10.

In particular, immigration has been critical in keeping skills, and especially labour, shortages to a minimum. The large supply of labour has also facilitated greater capital investment which has been a further boost to the economy. In this context, the current restriction on access by Bulgarian and Romanian nationals to the labour market will be kept under review in the light of emerging economic and labour market trends.

With the easing employment market, over the period we may see some reduction in the number of foreign nationals in the workforce from the present high levels of 12% or 248,000, coupled with, perhaps, a modest increase in the rate of long-term unemployment from its current historically low level.

We expect that over the period to 2010 that skills needs will change. The Forfás Expert Group for Future Skills Needs Report *“Towards a National Skills Strategy”* identified trends that point to increasing demand for those with high level skills and a relative decline in demand for those with low-level skills.

The trends also show a continuing shift towards the services and high value-added manufacturing sectors. They point to increasing employment in the managerial, professional and associate professional levels and in the personal, service and sales-related occupational groups. There is also an increasing emphasis on generic skills including basic skills such as literacy, numeracy and using technology.

It is in this context that Labour Market Policy will support our Mission of driving Ireland’s competitiveness and productivity through creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained through the following High-Level Goal:

Goal

To pursue labour market policies which support enterprise development and promote the development of human capital by improving the skill levels of the workforce, thereby facilitating increased participation in and access to employment.

Objectives and Strategic Actions:

- *Skills Enhancement*

Objective:

To improve the skill levels of the workforce by striving to meet the Forfás Expert Group for Future Skills Needs’ “National Skills Strategy” Report objectives.

Strategic Actions:

We will increase training for those in employment with a particular focus on the low-skilled in conjunction with our colleagues in other Government Departments and Agencies, especially the Department of Education and Science.

We will implement new initiatives and programmes to assist and facilitate employer and employee participation in upskilling.

- *Skills Supply*

Objective:

To ensure that enterprises have the right skills available to them to grow and develop.

Strategic Action:

We will manage economic migration policy and the related employment permits schemes to ensure that, where necessary, skilled labour can be effectively and quickly recruited from outside the European Economic Area

- *Participation*

Objective:

To increase participation in employment by all those of working age and to promote increased participation by women and older workers, including those who wish to continue in employment past 65, as well as by groups such as the long-term unemployed, lone parents, people with disabilities and Travellers.

Strategic Actions:

We will promote increased labour market participation by women and older workers in coordination with other Departments and Agencies.

We will increase participation by the long-term unemployed and lone parents through the National Employment Action Plan Department of Social and Family Affairs/FÁS (SFA/FÁS) referral process and other appropriate training and employment supports.

We will increase labour market participation by people with disabilities in line with our commitments in our Sectoral Plan by:

- enhancing the available training and employment programmes;
- enhancing supports to open labour market employment, both financial and other supports;
- developing initiatives to assisting those who acquire a disability during their working life to remain in or re-enter employment; and
- collaborating with other Government Departments and Agencies to remove perceived barriers to open labour market entry.

- *Cross-cutting Issues*

Objective:

To effectively participate in EU labour market policy discussions.

Strategic Actions:

We will formulate and implement the employment component of the National Reform Programme as part of the implementation of the EU agenda.

We will participate in the work of the Employment, Social Policy, Health and Consumer Affairs EU Council of Ministers and other relevant groups including the Employment Committee to ensure that EU policies reflect our goals and objectives.

- *North/South*

Objective:

To promote active North/South cooperation and coordination on labour market issues.

Strategic Action:

We will review and adjust labour market activities in the context of cross-border and North/South issues.

- *Cross-Departmental Issues*

Objective:

To work together with other Divisions within the Department and with other Departments and agencies to achieve our objectives.

Strategic Action:

We will work closely with:

- The Department of Education and Science regarding skills enhancement;
- The Department of Justice, Equality and Law Reform regarding economic migration issues;

- The Department of Social and Family Affairs regarding activation and participation;
- The Department of Health and Children regarding the training and employment of people with disabilities;
- The Department of the Taoiseach regarding social partnership issues; and
- The Department of Finance regarding funding.

Performance Indicators

- Employment Rates:
 - Males and Females
 - Female Participation Rates
 - Older Workers Participation Rate
- Unemployment Rates
 - Males and Females
 - Long Term Unemployment Rates
- Activation
 - Investment by the Department on training for the employed and those seeking employment.
 - Number of Employment Action Plan referrals who signed off the Live Register.
- Economic Migration
 - Achievement of Quality Customer Service (QCS) targets for processing Employment Permits and related Instruments.

Workplace Partnership & Employment Rights

Key Operational Environment

Workplace Partnership and Employment Rights activity in Ireland is predicated on a requirement to act in consistency with the provisions of the “Lisbon Agenda” and national commitments arising particularly from the social partnership process and the *Towards 2016* Social Partnership Agreement, and, of course, the Programme for Government.

The improvement and stabilisation in the industrial relations climate - as measured by the number of days lost to industrial disputes - has continued over recent years. In 2006 the number of days lost due to industrial action decreased to 7,352 days in 10 disputes, the lowest figures recorded since statistics were first compiled in 1923. CSO data for the first 9 months of 2007 indicate that these favourable trends are continuing with 2,097 days lost in 3 disputes compared with 6,262 days lost in 9 disputes during the same period in 2006. Notably, no disputes were recorded during the third quarter of 2007. This was the first time since quarterly recording began in 1985 that there were no days lost to disputes in a quarter. This historically favourable performance is undoubtedly attributable, in large part, to the changed industrial relations environment brought about by the implementation of the provisions of successive national social partnership agreements, as well as the continuing high, and in some cases increasing, levels of intervention by the State’s dispute resolution bodies - the Labour Relations Commission and the Labour Court.

The Social Partnership Agreement *Towards 2016* provides the context for the Department’s engagement with the social partnership process over the period of this new Statement of Strategy. The agreement represents a shared vision and agreed framework for Ireland’s continuing success in meeting its ambitious economic and social objectives.

In parallel, Employment Rights legislation has played an important role in promoting labour market stability in recent years. The economic benefit of employment security and agreed employment relationships in terms of co-operative workplace relations, greater internal flexibility, acceptance of technological change, skills acquisition accompanied by incentives for investing in human resources, is now widely recognised and accepted. Much of the change in legislation in recent years has taken place against a background of strong economic growth and rapidly expanding employment resulting in what is effectively a full-employment economy, notwithstanding the challenges that have faced certain groups which have remained distant from Labour Market participation or employment.

Towards 2016 has posed challenging targets for the Department across a range of its activities, most notably in meeting the legislative, resource and organisational demands of strengthening and reconfiguring the employment rights compliance arrangements as required under the commitments in Part Two of the agreement. Very considerable progress has already been made in meeting these commitments, including the establishment of the National Employment Rights Authority (NERA) and the enactment of the Protection of Employment (Exceptional Collective Redundancies and Related Matters) Act 2007. Completing the legislative programme to give effect to the remaining commitments under the agreement is a deliverable in the immediate period ahead encompassed by this new Statement of Strategy. At the same time, consideration of possible future development of Employment Rights Legislation must be approached not only from the perspective of guaranteeing specified rights to those in employment, but also from the perspective of whether proposals will contribute to or detract from efforts to expand the level and quality of employment.

As regards the wider agreement itself, an imminent challenge to the parties will be negotiation for the next phase of pay terms which must be completed in 2008. A balance will have to be struck between the desire to secure an adequate rate of pay increase for employees, on the one hand, and the need to avoid exacerbating

inflationary cost pressures which would further damage competitiveness to the disadvantage of all, on the other.

At EU level, debate has recently been launched in two areas of potential significance with the publication by the European Commission in 2006 of a Green Paper on *Modernizing Labour Law* and, in 2007, of a Communication *Towards Common Principles of Flexicurity*. The Department has contributed actively to the continuing EU debate and policy development in these areas and will continue to do so in coming years.

With 2.075million workers in the Irish economy, a 70% increase in 10 years, we are presented with a significant challenge in the area of occupational safety, health and welfare, not least as the composition of the workforce has changed significantly with an estimate of up to 10% of workers whose first language is not English. The Statement of Strategy also addresses the new and recurring challenges facing us in this regard.

The following is the High-Level Goal of our Workplace Partnership and Employment Rights policies which aim to contribute to driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained:

Goal

To foster good industrial relations and the partnership model, supported by an appropriate employment rights legislative and institutional framework.

Objectives and Strategic Actions

- *Social Partnership*

Objective:

To continue to be active participants in the Social Partnership process.

Strategic Action:

We will continue to play a prominent role in supporting the Social Partnership process together with other Government Departments under the leadership of the Department of An Taoiseach.

- *Industrial Relations*

Objective:

To promote social dialogue at national and enterprise levels.

Strategic Actions:

We will represent and report on the Department’s interests under the *Towards 2016* social partnership arrangements and deal with issues that arise in negotiating the next phase of the agreement.

We will work to promote work/life balance through our chairmanship and secretariat of the National Framework Committee for Work-Life Balance.

We will support capacity building for enterprise level partnership through the Workplace Innovation Fund.

Objective:

To promote and support a stable industrial relations climate including effective dispute resolution.

Strategic Actions:

We will resource and support the industrial relations dispute resolution and prevention bodies.

We will implement such changes as may be required from time to time in industrial relations legislation including those resulting from EU enactments.

- *Employment Rights*

Objective:

To ensure that the Department is in a position to maintain consistency of outcomes and a capacity to deliver on commitments made in partnership negotiations and to take the lead role insofar as social partnership negotiations concern Employment Rights legislation and compliance.

Strategic Action:

We will deliver on the implementation of Employment Rights commitments entered into by the Government.

Objective:

To deliver on specific commitments regarding Employment Law.

Strategic Actions:

We will publish the Employment Law Compliance Bill in 2008.

We will prepare a Bill for the Regulation of Employment Agencies – this is a key commitment in *Towards 2016* and the new Bill will provide for the modernization of legislation in the area, replacing the 1971 Act.

We will prepare an Employment Law Consolidation Bill - to update, in consolidated form, employment law currently spread over 20 enactments dating from 1946.

We will advance Ireland’s interests in relation to EU proposals for legislation, including the EU Green Paper on Labour Law.

- ***Employment Rights Compliance***

Objectives:

To familiarise employees and employers regarding employee entitlements and employer obligations under Irish employment legislation with particular emphasis on the most vulnerable employees across all sectors of the economy.

To promote and enhance employment rights compliance, by means of enforcement as necessary, so as to protect employment rights in the workplace.

Strategic Actions:

We will support the National Employment Rights Authority (NERA) in the promotion and enforcement of employment law compliance.

We will make available the necessary financial and human resources for NERA.

- ***Occupational Health and Safety***

Objective:

To advise on all relevant occupational health and safety policy issues and to advocate adherence to Government policy on occupational Health and Safety.

Strategic Actions:

We will work with the Health and Safety Authority (HSA) to develop appropriate policies in the field of workplace health & safety.

We will work with other Member States at EU level and at other International fora to develop and promote the implementation of the highest standards of workplace health and safety.

Objective:

To monitor, support and evaluate the activity of the HSA and liaise with the Authority on resource issues.

Strategic Action:

We will support the HSA in the policing and enforcement of national and, where applicable, international workplace health and safety standards and law.

Objective:

To advocate for safer workplaces, reduce the rate of occupational illnesses and accidents and continue to make workplace health and safety law simple and easy to use.

Strategic Actions:

We will work to create a culture of awareness in which all of the people who work, whether as employees or employers, can do so safely.

We will strive to make Health and Safety legislation simpler and easier to use in line with the Government’s “Better Regulation” policies.

Objective:

To introduce a Chemicals Regulation and Enforcement Act aimed at ensuring maximum compliance with “REACH” (Registration, Evaluation, Authorisation and Restriction of Chemicals) requirements.

Strategic Action:

We will prepare primary legislation in respect of “REACH” to provide for appropriate penalties and other enforcement provisions.

- *Redundancy and Insolvency Payments*

Objective:

To ensure that employees receive their statutory redundancy and insolvency entitlements.

Strategic Actions:

We will meet our Customer Charter obligations in ensuring that payments due to workers who lose their jobs through redundancy or company insolvency are paid their statutory entitlement without undue delay.

We will implement the recommendations of the review of the Insolvency Payments Scheme.

We will work to improve the usage of the on-line Redundancy Payments System to 70-80% of all applications by targeting repeat users.

We will ensure that all Social Insurance Fund financial transactions are carried out in accordance with established public financial procedures.

We will implement a Recoveries Programme to recover to the Social Insurance Fund monies owed under the Redundancy and Insolvency Payments Schemes.

- *Cross-Departmental Issues*

Objective / Strategic Action

We will co-ordinate cross-Departmental and cross-Agency efforts, as appropriate, to meet a number of the foregoing objectives in co-operation with other Departments.

Performance Indicators

- Number of days lost through strikes /number of strikes
- Progress towards meeting the Department’s commitments under the Social Partnership process (including *Towards 2016*)
- Percentage of industrial relations cases resolved or maintained in process by the dispute resolution bodies
- EU Directives implemented on time.
- Increase in usage of on-line Redundancy Payments system from an average 55% to 70%
- Payment of statutory redundancy lump sum applications within four weeks on receipt of correctly completed RP50
- Payment of rebates to employers submitting claims on-line within six weeks on receipt of correctly completed RP50
- Claims for payment of employee entitlements arising from termination of employment due to insolvency paid within an average of 4 weeks unless subject to query

Better Business Regulation & the Consumer

Key Operational Environment

The operational environment, in which the Department and its regulatory bodies carry out their work, under this Pillar, is the whole economy. The promotion of competition, the protection of consumers and the regulation of companies impact on the interests of every person who has a stake in the economy.

A great deal of public attention has been given in recent years to the role of regulation and to the burdens and costs associated with it, particularly for small companies. In January 2004, Government outlined their approach to improving the regulatory environment in the White Paper, “Regulating Better”, setting out both the core principles of good regulation and a programme of actions. More recently the Minister for Enterprise, Trade and Employment has been tasked to seek ways to reduce the administrative burden on business. A High-Level Group comprising representatives of business, government and trades unions has been established to that end and their work will progress during the lifetime of this new Statement of Strategy.

The EU is undertaking an extensive programme of regulatory simplification and has set a target of reducing the administrative burden of EU legislation by 25% by 2012. Although Ireland is not a heavily regulated economy (the World Bank “Doing Business 2008 report” ranks Ireland 8 out of 178 in terms of the ease of starting and successfully operating a business), we must be mindful of efforts in other countries to reduce ‘red tape’ and ensure that Irish businesses are not unnecessarily restricted or face higher regulatory costs as we participate in this EU-wide programme of administrative burden reduction.

Our overall policy stance on the subject of regulatory reform, both at EU level and on the domestic front, will continue to be informed by a clear understanding of the

various policy purposes of regulation as well as the need to eliminate any unnecessary costs or burdens associated with it.

Competition is vital to all sectors of the economy and benefits both business and the consumer by incentivising firms to search for efficiency, to innovate and to be more responsive to consumer needs. We are committed to supporting the removal of unwarranted constraints on competition in all sectors of the economy and placing the consumer at the top of the policy agenda. A review of the Competition Act 2002 is also underway to ensure that we continue to have a balanced regulatory framework ensuring free and fair competition in the global economic environment in which we now operate.

From the perspective of the consumer, 2007 saw the establishment of the National Consumer Agency (NCA) and the enactment of the Consumer Protection Act which modernised a significant body of consumer law. The 2007 Act gives the NCA powers in areas of consumer advocacy, education and awareness, enforcement, information provision and research, and also prohibits traders from engaging in unfair commercial practices. Working with the NCA, as it rolls out its mandate, will be key to assisting consumers access their rights and entitlements during the next three years. The EU is also undertaking a fundamental review of its consumer law to ensure that consumer interests are promoted and protected throughout the Community. The Department will engage fully with this review.

On the Company Law front, a major objective during the next three years will be the enactment of the proposed Companies Consolidation and Reform Bill. When enacted this Bill will serve to simplify, modernise and reform company law by consolidating the existing Companies Acts into a single Companies Code. Work will also be undertaken in relation to the development of a flexible legislative framework for the corporate vehicles used by the financial services industry which now employs over 9,000 people in Ireland. Significant work will also proceed at EU level on harmonisation and streamlining other aspects of Company Law. The EU regime for

audits/auditors is to be strengthened under the 8th Directive on Statutory Audits, which takes effect from mid-2008. This, along with other EU financial reporting and corporate governance measures arising from amendments to the EU 4th and 7th Directives, will place the EU corporate disciplines on a par with leading jurisdictions globally.

Industrial and provident societies (co-operatives) and friendly societies are still governed by legislation dating mainly from the 1890’s. Co-operatives form a significant part of the economy, particularly in the agricultural sector. In 2005, co-operatives and associated companies reported a total turnover in excess of €11 billion. The co-operative model of organisation is also used for the carrying out of a wide range of social and community activities including, in the case of friendly societies, the provision of various financial benefits to members. In view of the economic and social importance of industrial and provident societies and friendly societies, it is appropriate that the regulatory arrangements which apply to them should be reviewed in consultation with relevant representative bodies.

In support of the Department’s Mission of driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained, the following High-Level Goal, Objectives and Strategic Actions will be pursued:

Goal

To ensure that the business regulatory system facilitates competition in the marketplace with high standards of consumer protection and corporate governance.

Objectives and Strategic Actions

- ***Better Business Regulation***

Objective:

To reduce the administrative burden on the business sector in the Department’s range of policy responsibilities and to promote best practice in minimising the administrative burdens on business across Government Departments and Agencies.

Strategic Actions:

We will deliver on the rolling work programme of the High-level Group on business regulation and effect real reductions in the administrative burdens on business.

We will respond to the European Council (of Heads of Government) invitation to set a national target for administrative burden reductions by assuming a lead role in coordinating the cross-Department and cross-Agency effort to that end, including an appropriate measurement mechanism and annual reporting methodology, as part of the National Reform Programme in relation to the “Lisbon Agenda”.

We will conduct an administrative burden reduction programme across the Department’s range of policy responsibilities on a prioritised basis.

- *Regulatory Bodies*

Objective:

To support the regulatory bodies dealing with competition, consumer protection and company law (Competition Authority, National Consumer Agency, Office of the Director of Corporate Enforcement, Companies Registration Office, Irish Auditing and Accounting Standards Authority and Irish Takeover Panel) and ensure appropriate and effective accountability for their work.

Strategic Actions:

We will provide, within relevant public-service constraints, for the resource and other material requirements of the regulatory bodies.

We will monitor the activities of the regulatory bodies to ensure that they are performing to the standard expected of them by the public.

- ***Competition***

Objective:

To promote strong competitive markets across all sectors of the economy.

Strategic Actions:

We will review the operation and implementation of the Competition Act 2002 and consider proposals for new legislation with a view to enhancing regulatory provisions.

We will engage with the EU on competition issues and participate in negotiations arising from the forthcoming Commission White Paper on damages or actions for breach of the EC anti-trust rules.

- ***Consumers***

Objective:

To promote and protect consumer interests in line with best international practice

Strategic Actions:

We will continue to support the activities of the National Consumer Agency in protecting consumers’ interests and embedding a robust consumer culture on foot of the enactment of the Consumer Protection Act 2007.

We will continue to review and revise consumer legislation with a particular focus on “post-contractual” consumer legislation relating to the sale of goods and supply of services.

We will participate in EU negotiations on consumer policy matters including those related to the consumer *acquis* (existing body of law) and the review of Consumer Directives.

We will work closely with other Departments, agencies and groups with a consumer focus to ensure that the interests of consumers are both promoted and protected to the greatest possible extent.

We will work with the Legal Metrology Service at the NSAI in increasing its inspectorate focus on ensuring high compliance thereby increasing consumer confidence in the accuracy of trade measurement and package quantities.

We will continue national consultation and European representation on the review of the current product safety regime and the further enhancement of consumer protection in this area.

- ***Personal Injuries Assessment Board***

Objective:

To monitor and aid the Personal Injuries Assessment Board in fulfilling its mission.

Strategic Action:

We will engage with, and support, the Personal Injuries Assessment Board to enable it to deliver compensation entitlements in a fair, prompt and transparent manner for the benefit of society.

- *Companies*

Objective:

To secure the enactment by 2010 of a Companies Consolidation and Reform Act.

Strategic Action:

We will work with the Office of Parliamentary Counsel on the drafting of the aforementioned Bill with a view to its presentation to the Houses of the Oireachtas by mid-2009 and enactment by 2010.

Objective:

To contribute to the development of a flexible legislative framework for the corporate vehicles used by the financial services industry.

Strategic Actions:

We will transpose the recently adopted EU Commission Directive which further clarifies terms relating to eligible assets in which Undertakings for the Collective Investment of Transferable Securities (UCITS) may invest.

We will contribute to any future EU initiatives to modernise the UCITS Directives.

We will co-operate with interested stakeholders on the consolidation of certain legislative provisions applying to investment vehicles.

Objective:

To ensure Ireland’s full engagement with the ongoing EU company law agenda.

Strategic Actions:

We will meet our EU company law transposition obligations within required deadlines.

We will consider and negotiate EU proposals, including simplification measures for company law and accounting and auditing-related Directives and Regulations.

We will continue to be proactive in ensuring that both the form and process of future EU actions in the company law, accounting and auditing areas are subject to clear disciplines such as appropriate consultation and adherence to better regulation principles.

- *Friendly Societies and Industrial & Provident Societies (Cooperatives)*

Objective:

To review the regulatory frameworks for friendly societies and industrial and provident societies and make whatever changes are necessary or desirable the lifetime of this Statement of Strategy.

Strategic Actions:

We will work with relevant public authorities to provide an appropriate supervisory regime for friendly societies which provide financial services to their members.

We will work with the Co-operative Movement to provide a regulatory framework suitable for the needs of co-operatives in the 21st century.

- *Cross-Departmental Issues*

Objective / Strategic Action:

We are co-ordinating cross-Departmental and cross-Agency efforts to meet our Better Regulation objective. Our Strategic Actions in relation to Consumers and Competition will also entail co-operation with other Departments.

Performance Indicators

- Achievement of time-bound objectives and actions indicated above
- Reduction of the administrative burdens on business

Delivery of Our Strategic Goals

Key Operational Environment

As our modern system of Government places ever-greater demands on our administration, the Department of Enterprise, Trade and Employment continues to strive to be at the centre of the Modernisation drive across the Civil and Public Service. We continue to challenge ourselves by setting ambitious targets in our annual Business Plans and Annual Output Statement and we remain fully committed to securing Value for Money for the taxpayer in the deployment of our human, financial and infrastructural (including ICT) resources.

Our Human Resources Strategy 2005-2007 highlighted, once again, that the staff of the Department are our key resource. It is through the staff that we have the capacity to deliver our mission and business goals. As a Department of State serving Government, the Oireachtas, and our other stakeholders, we have sought, and continue to seek, to maximize the potential of our human resources through careful HR planning, the provision of appropriate training and development opportunities for staff, the development and implementation of sophisticated systems of performance management and development, and the creation of a positive working environment (both physically and psychologically) while strengthening our Partnership and Consultation structures in a workplace promoting Work/Life balance.

Full implementation of our HR Strategy 2005-2007 and the development of its successor is a key instrument in ensuring that the Department has the capacity to deliver its mission. Equally, our capacity will be further enhanced by the roll-out of our new ICT Strategy as well as our continuing to set ambitious Quality Customer Service (QCS) targets at Department-level as well as at individual Business Unit level where we interact most directly with individual customers. We are also committed to Open Government through full implementation of our Freedom of Information obligations as well as through other reporting processes including our Annual Reports and Annual Output Statements.

A core capacity-building action will also be the building on the Training & Development Strategy 2006-2008 under which the Department is committed to developing the competencies required in staff to allow us meet our business objectives while further developing individual personal and career development. A key development in 2007 was the introduction of a “Leadership Programme” for the Principal Officer and Assistant Principal Officer grades who are the senior managers devising and implementing policy across the Department on a day-to-day basis. This Programme will be implemented throughout 2008 and aims to help further improve the capacity of the Department at a key management level.

During the lifetime of the new Strategy, we will continue our work to implement the Government’s Decentralisation Programme as we relocate some 250+ staff to Carlow. In that regard, we are also well advanced in implementing the move and already have over 100 staff located in Carlow through an advance move which took place during summer 2007.

Finally, in continuing to strive to ensure that we deliver a Quality Customer Service to all our many stakeholders, the Department regularly reviews both its strategies and its processes and procedures. This is particularly so when we prepare our three-year Statements of Strategy. In this connection, we are particularly pleased to be one of the three Government Departments participating in the first phase of the new Organisational Review Programme (ORP) - a new initiative dedicated to reviewing Departments’ capacities to deliver their Mission and Strategies. We look forward to working with the ORP team with a view to identifying and reinforcing the things we do well while identifying ways in which we may further improve policy delivery/implementation during the early months of 2008.

Our Departmental mission of driving Ireland’s competitiveness and productivity by creating the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities are grown and maintained cannot be achieved

unless we have the capacity to deliver our new Statement of Strategy. In that regard, we have set ourselves the following High-Level Goal:

Goal

To provide high-level professional support, service and advice in facilitating the implementation of the Department’s business goals, on a Value for Money basis, while continuing to be at the forefront of the modernisation agenda across the Civil and Public Service.

Objectives and Strategic Actions

- *Ministerial Support*

Objective:

To support the Minister and Ministers of State in the delivery of Government Policy.

Strategic Action:

We will report annually, and as required, to Government on implementation of the Programme for Government.

We will continue to support the Minister and Ministers of State assigned to lead this Department in developing and implementing policy and in meeting their reporting obligations to the Oireachtas.

- *Quality Customer Service*

Objective

To deliver the highest quality service to our customers.

Strategic Actions:

We will continuously monitor, evaluate and improve the standards set out in our external customer charter especially in line with the recommendations of the recent public sector wide evaluation of charters commissioned by the Department of An Taoiseach.

We will continue to monitor, expand and improve the services we deliver to the public and our stakeholders and actively seek to increase e-delivery of services where appropriate and feasible.

We will prepare and publish an Internal Customer Charter based on good practice examples in conjunction with the Department’s Quality Customer Service (QCS) committee.

- *Management Support*

Objective:

To provide high quality support to the workings / deliberations of the Department’s Management Board.

Strategic Actions:

We will work to continually improve the quality of reports – both strategic and financial - placed before the Board.

We will periodically review, under the stewardship of the Secretary General and Board Members, the strategic focus and operational effectiveness of, and support given to, the Board to enable it deliver its mandate.

We will drive the Business Planning Process under the guidance of the Board

Objective:

To ensure that Cross-Departmental and Cross-Divisional issues are considered across the different Divisions of the Department.

Strategic Actions:

We will maintain and drive an efficient and effective Co-ordination Network.

Objective:

To report on the implementation of this Statement of Strategy.

Strategic Action:

We will report regularly to the Minister and publish an Annual Report on the implementation of this Statement of Strategy.

Objective:

To ensure that appropriate actions are taken by management throughout the organisation to identify and manage effectively the risks to which the organisation may be exposed.

Strategic Action:

We will continue to identify and assess the Department’s risks during the Business Planning process and identify mitigating action plans to address any deficiencies in the control environment.

- ***Financial Management***

Objective:

To ensure transparency in the use of public funds allocated to the Department and its Agencies.

Strategic Actions:

We will prepare an Annual Output Statement each year setting out the Programme Areas on which funding will be spent and the annual output targets for each Programme Area. Progress in the achievement of the annual targets will be reported on in the following year. The Annual Output Statements will be presented to the relevant Oireachtas Committee and will be published on the Department’s website.

We will monitor the activities and performance of the various Agencies coming under the ambit of the Department to ensure that each Agency meets its strategic, financial management and good corporate governance objectives.

Objective:

To ensure that Departmental expenditure is incurred, monitored and recorded in accordance with established public financial procedures and seek improvements in Value for Money in the administration of the Department’s affairs.

Strategic Actions:

We will monitor expenditure on an on-going basis and the Management Board will review expenditure on a monthly basis.

We will ensure that the Department of Finance’s Value for Money framework is implemented by the Department and its Agencies, particularly in relation to capital

expenditure. Reviews will take place over the period of the Strategy to ensure that the principles of the Value for Money framework are being adhered to.

We will publish Value for Money and Policy Reviews and submit them to the relevant Select Committee(s) of the Oireachtas.

Objective:

To pursue value for money through efficient purchasing practices

Strategic Action:

We will continue our work in the area of procurement management by implementing appropriate corporate procurement plans that are fully compliant with all national and international public procurement guidelines, are based on sound strategic planning, and which ensure open and transparent competition for contracts.

Objective:

To provide a risk-based internal audit service, which gives assurance to management on the systems of control.

Strategic Actions:

We will provide assurance to the Accounting Officer (Secretary General of the Department) regarding the internal controls systems of the Department and those Offices directly within the remit of the Department. We will specifically advise the Accounting Officer regarding signature of the Statement of Internal Financial Control, which accompanies the annual Appropriation Account.

We will fulfil the Department’s responsibilities to the European Commission for a programme of audit activity to be undertaken across organisations in receipt of

funding from the European Social Fund (ESF) and European Regional Development Fund (ERDF), in investment areas managed by the Department.

- ***Human Resources Management (HRM) & Training***

Objective:

To ensure that the Department has the necessary human resources equipped with the skill sets needed to deliver our business goals; who are effectively managed and developed through the operation of the PMDS (Performance Management & Development System) and the greater devolution of day-to-day HR matters to line managers; and who are provided with an environment in which equality of opportunity is respected and fostered.

Strategic Actions:

We will develop, and implement, in the period 2008 – 2010, a successor to the HR Strategy 2005 - 2007.

We will support and develop equality of opportunity, by reference to the recommendations in the Promotion of Women to Senior Grades Research Report, the Equality Initiatives Report, and the Programme for Government. Specifically, the following targets are set for the participation of women in senior grades – a minimum of 27% at Principal Officer and equivalent grade level and a minimum of 37% at Assistant Principal and equivalent grades, within the next 5 years.

We will continue to implement the Training and Development Strategy 2006 – 2008 to ensure that targeted training and development opportunities are provided to the staff of the Department so that the skill sets necessary for the delivery of our business goals are available to the Department and staff are helped to develop to the best of their ability; and develop and implement a successor Training and Development Strategy.

- ***Information & Communications Technology***

Objective:

To provide appropriate Information & Communications Technologies (ICT) that enable our clients to access the information and services necessary to do their jobs utilising a secure ICT infrastructure that delivers data at appropriate levels of confidentiality, integrity and availability.

Strategic Actions:

We will continue to roll out high-quality, user-friendly, technology-based customer service solutions.

We will implement in full the findings of the internal 2007 Information Security Review:

We will restructure network technologies to facilitate efficient and robust data transfer.

Objective:

To ensure access to appropriate ICT skills and resources.

Strategic Actions:

We will provide all necessary training, both technical and general, to all ICT Unit members, including formal Project Management training and enhanced contract management capabilities, through external advice, formal training and on-the-job experience.

We will continue to source specialist skills from the marketplace to supplement available skill-sets in ICT Unit and support the delivery of outputs.

We will develop clear business cases for the provision of necessary human and financial resources in line with the ICT Strategy.

We will continue to provide a programme of ICT training to Department staff.

Objective:

In order to ensure that technology serves the business needs of each area of the Department and its Offices, projects will be delivered by ICT Unit in partnership with business units through improved project governance arrangements including the adoption of Project Management as a management methodology.

Strategic Actions:

We will review our procedures and processes with view to increasing governance standards and ensuring change controls.

We will ensure that all significant ICT projects will be conducted within a Project Management methodology involving careful planning and design, budgeting, scheduling and risk analysis.

We will continue to use the ICT Steering Panel to consider business cases for new ICT projects with a view to ensuring that projects represent Value for Money and help deliver on Departmental objectives.

We will develop, on an ongoing basis, ICT Performance Indicators to assist the determination of progress and the identification of issues that require addressing.

We will continue to deliver a quality customer service, incorporating effective customer feedback mechanisms resulting in ongoing improvements.

Objective:

To maximise Value for Money from existing and future technology investments.

Strategic Actions:

We will ensure details regarding total cost of ownership from technology providers to the Department are available before a project commences.

We will maximise the potential of our ICTs to ensure greater Value for Money is achieved.

We will ensure that all ICT investments are in line with the ICT Strategy and will assist the achievement of fully integrated long lifespan technologies.

Objective:

To incorporate best environmental practices into our ICT operations.

Strategic Actions:

We will develop an awareness campaign of energy conservation practices with regard to ICT equipment across the Department.

We will consider employing technologies which proactively intervene to reduce energy consumption by ICT equipment and will consider energy factors in our procurement evaluation.

- *Departmental Working Environment*

Objective:

To maintain a healthy and safe working environment for both our staff and visitors to the Department’s offices.

Strategic Action:

We will ensure full compliance with the Safety, Health and Welfare at Work Act 2005 and review, as appropriate, all our policies, safety systems and related procedures.

Objective:

To manage all our offices in an accessible energy efficient manner.

Strategic Actions:

We will progress audit recommendations on access in compliance with the Disability Act 2005.

We will pursue energy efficiency policies within the Department.

- *Openness, Transparency and Accountability*

Objective:

To enhance the management effectiveness and transparency of our business, including the provision of high-quality information under Freedom of Information (FOI) and other instruments, and to provide effective ongoing communication throughout the Department.

Strategic Action:

We will introduce relevant legislative amendments to list non-disclosure provisions in the Third Schedule to the FOI Act to make such non-disclosure provisions subservient to FOI.

- *Change & Modernisation*

Objective:

To promote and support the rolling programme of Change and Modernisation within the Department to drive the better delivery of services to our many stakeholders and to continue to advance all areas of the modernisation process in a spirit of partnership.

Strategic Actions:

We will submit comprehensive Progress Reports on the delivery of the *Towards 2016* Modernisation Action Plan(s), as required, clearly demonstrating the breadth of ongoing modernisation taking place across the Department

We will ensure that best practice initiatives and developments across the public service at home and abroad are disseminated to all Business Units.

We will pursue and further embed the partnership way of doing business across the Department in order to further enhance the quality of service provided to our customers and the working environment within the Department.

We will ensure, using our Partnership Committee and its subgroups, that all staff have the opportunity to actively contribute to the ongoing improvement in the Department’s processes and procedures, including those specified in the Modernisation Action Plan agreed in accordance with *Towards 2016*.

Objective:

To continually monitor the capacity of the Department to meet the changing demands in serving our wide customer base.

Strategic Actions:

We will participate in the Organisational Review Programme (ORP) and work closely with the ORP team in assessing our capacity to deliver our mission and strategies and develop an appropriate “Action Plan” to address and gaps identified and opportunities for further improvement.

We will engage with the OECD-led Review of the Irish Public Service and take appropriate action in relation to any improvements identified in the Review which would relate to or be appropriate for this Department.

- *Decentralisation*

Objective:

To relocate approximately 250 Departmental staff and functions to Carlow within the timeframe set by Government and plan the logistics of the move so as to ensure the continued smooth operation of the Department’s activities.

Strategic Actions:

We will ensure that the decentralisation of offices to Carlow is completed and that Quality Customer Service (QCS) delivery standards are maximised / maintained.

We will develop and implement manpower and training strategies to ensure that staffing requirements are met and the smooth transfer of knowledge can be facilitated during the Decentralisation phase.

We will procure, in conjunction with the Office of Public Works (OPW) a premises of high quality design and build, providing a safe accessible working environment for all staff in Carlow.

We will maintain a communications strategy to ensure that all stakeholders are regularly updated regarding the rollout of the Decentralisation Programme.

- *Data Strategy*

Objective:

To finalise and monitor implementation of the Department’s Data Strategy to underpin the statistical evidence supporting policy decisions.

Strategic Actions:

We will finalise our Data Strategy in line with Government instructions

We will work with our Offices and Agencies to implement and improve our Data Strategy over the lifetime of this Statement of Strategy to ensure we make best use of our data sources.

We will work to minimise any duplication in the compilation of all necessary statistical data supporting evidence-based policy-making.

- *Cross Departmental Issues*

Objective:

To ensure that the policies of this Department are considered in the preparation of Cross-Departmental initiatives and programmes.

Strategic Actions:

We will participate in Inter-Departmental Groups developing initiatives and programmes which are the responsibility of a number of Departments and / or Agencies, such as delivery of the National Development Plan 2007-2013.

We will support the work of the National Economic and Social Council (NESC).

Objective:

To seek to influence EU policies and initiatives in accordance with the Department’s strategies in the policy fields coming within the Department’s remit

Strategic Actions:

We will co-ordinate Ministerial input into the various Councils of Ministers where this Department’s Minister and Ministers of State represent Ireland.

We will represent, at official level, this Department’s interest at all EU fora seeking to negotiate the best outcomes for Ireland in the areas of departmental policy where the EU has competence.

Objective:

To represent Ireland’s interest in relevant cases before the European Court of Justice

Strategic Action:

We will ensure the Government’s interests and perspectives are advanced, as appropriate, in cases coming before the European Court of Justice.

Performance Indicators

- Customer service performance as measured against targets set in the Customer Charter
- Specific Customer satisfaction surveys
- Robustness of financial controls as measured by the extent to which the C&AG sees fit to comment in the Department’s Appropriation Account in his Annual Report
- Success of Decentralisation as measured by meeting Decentralisation Implementation Group(DIG) timetables and establishing customer service satisfaction with the level of any disruption to services resulting from the decentralising of Offices / Sections to Carlow
- Obligations under the provisions of the Freedom of Information Acts met
- Staff satisfaction as measured by survey
- ICT Strategy Action Points implemented by end-2010
- 99% uptime achieved on key ICT systems
- Specific improvements made to minimising energy usage of ICT systems and inclusion of environmental criteria during ICT procurement exercises

Institutional Arrangements/Environment

As noted in previous Statements of Strategy the Department of Enterprise, Trade and Employment has a very broad remit and many Offices of the Department as well as statutory Agencies are charged with carrying out many of the executive functions of the Department as well as acting in an advisory role. These include:

1. The Labour Relations Commission (LRC), which has overall responsibility for promoting the improvement of industrial relations.
2. The Labour Court, which provides a free, comprehensive service for the investigation and resolution of disputes in the areas of industrial relations, employment equality, organisation of working time, national minimum wage, part-time work and fixed-term work. The Court also makes Employment Regulation Orders prescribing legally enforceable minimum rates of pay and conditions of employment in those sectors covered by Joint Labour Committees and registers employment agreements.
3. The Employment Appeals Tribunal (EAT), which determines matters in dispute arising under several different pieces of employment law.
4. The Patents Office, which is responsible for the grant of patents for inventions and for the registration of trademarks and designs and has functions in relation to the adjudication of certain copyright disputes.
5. The Companies Registration Office (CRO) whose main functions include the incorporation of companies; the registration of business names, of charges on companies, of other post-incorporation documents and of changes in business name particulars; and which has an extensive enforcement programme in respect of the filing of returns.
6. The Registrar of Friendly Societies (RFS), which is the statutory independent office responsible for the registration and general regulation of friendly societies, trade unions and industrial and provident societies (co-operatives).
7. The Office of the Director of Corporate Enforcement (ODCE), which has a Director of Corporate Enforcement as its Head who is independent in discharging his compliance and enforcement role with respect to the Companies Acts 1963-2006. His functions include encouraging compliance with the Companies Acts, investigating suspected offences under the Acts and

initiating civil and summary criminal proceedings in the Courts. The Director also has a general supervisory role in respect of liquidators and receivers.

8. The National Employment Rights Authority (NERA) which was established on an interim basis in February 2007 to promote compliance with employment rights legislation and to provide information on employment rights.

Our Agencies include:

1. Forfás, which is the national policy and advisory body for enterprise, trade, science, technology and innovation.
2. Enterprise Ireland (EI), which was established in 1998 and seeks to accelerate Ireland's national and regional development by working with Irish companies to develop and compete so that they can grow on world markets.
3. IDA Ireland (the IDA), which is responsible for the attraction and development of overseas industry within Ireland.
4. Science Foundation Ireland (SFI) – the National Foundation for Excellence in Scientific Research – which supports research excellence in strategic technologies deemed capable of driving economic competitiveness in the longer term.
5. The National Standards Authority of Ireland (NSAI), which has as its primary functions the development and publication of standards, the provision of a comprehensive product and management system certification service, Agrément certification of building and civil engineering products and Legal Metrology for the establishment of confidence in trade measurements.
6. Shannon Development whose mission is “Pioneering Regional Development for the Knowledge Age” in the Shannon region.
7. FÁS, which operates training and employment programmes, the provision of a placement service for industry and support for co-operative and community-based enterprises.
8. The Health and Safety Authority (HSA), which has responsibility for the administration and enforcement of the occupational safety and health legislation.

9. The Personal Injuries Assessment Board (PIAB), which provides independent assessment of personal injury compensation for victims of Workplace, Motor and Public Liability accidents and is funded by fees payable by Respondents (those who pay the compensation).

10. The Competition Authority, which promotes greater competition in all sectors of the economy by tackling anti-competitive practices and by increasing awareness of such practices. The Authority also has responsibility for examining and deciding upon mergers and acquisitions notified under the Competition Act, 2002.

11. The Irish Auditing and Accounting Supervisory Authority (IAASA) was established in January 2006, as an independent statutory office with four principal objectives; to supervise how the prescribed accountancy bodies regulate and monitor their members; to promote adherence to high professional standards in the auditing and accountancy profession; to monitor whether the accounts of certain classes of companies and other undertakings comply with the Companies Acts and; to act as a specialist source of advice to the Minister on auditing and accounting matters.

12. The 35 County & City Enterprise Boards (CEBs) were established in 1993 with the aim of providing a source of support for micro-enterprise in the start-up and expansion phases, promoting and developing indigenous micro-enterprise potential and stimulating economic activity and entrepreneurship at local level.

13. The National Consumer Agency (NCA) is the independent statutory office, established in May 2007, responsible for providing advice and information to consumers and for the enforcement of a wide range of consumer protection laws.

14. InterTradeIreland is the trade and business development body established under the British-Irish Agreement Act, 1999 whose mission is to enhance the global competitiveness of the all-island economy to the mutual benefit of Ireland and Northern Ireland.

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