

Minutes for NCPC Meeting 103

Meeting: National Competitiveness and Productivity Council No 103
Venue: WebEx
Date: 8.30 am – 10.30 am, Thursday 18 February 2021

Members Present:

Dr Frances Ruane, Chair
Ciarán Conlon, Director of Public Policy, Microsoft, Ireland
David Hegarty, Assistant Secretary, Department of Enterprise, Trade and Employment
Dirk Pilat, Deputy Director for Science, Technology and Innovation, OECD
Fergal O'Brien, Director of Policy and Chief Economist, Ibec
Isolde Goggin, Chair, Competition and Consumer Protection Commission
Jim Woulfe, Chief Executive, Dairygold Co-operative Society Limited
Julie Sinnamon, Chief Executive, Enterprise Ireland
Kevin Callinan, General Secretary, Fórsa
Martin Shanahan, Chief Executive, IDA Ireland
Margot Slattery, Sodexo Ireland
Micheál Collins, Assistant Professor of Social Policy, University College Dublin
Pat Beirne, Chief Executive Officer, Mergon Group

Advisors

Georgina Hughes-Elders, Department of Public Expenditure and Reform (standing in for David Moloney)
Geraldine Hurley, Department of Social Protection
John J O'Callaghan, Department of Justice and Equality
John McCarthy, Department of Finance
John Shaw, Department of the Taoiseach
Maria Graham, Department of Housing, Planning and Local Government
Patricia Cronin, Department of Communications, Climate Action and Environment
Ray O'Leary, Department of Transport, Tourism, and Sport
William Beausang, Department of Further and Higher Education, Research, Innovation and Science
Sinead McPhilips, Department of Agriculture, Food and the Marine

Apologies

Patrick Walsh, Managing Director, Dogpatch Labs

Secretariat

Manus O'Donnell
Linda Kane
Santosh Aryal
Patrick Condon

<p>103.1 Chair's Introduction, Minutes & Matter Arising</p> <ul style="list-style-type: none"> ▪ The Chair informed the Council of upcoming staff changes to the Secretariat. <ul style="list-style-type: none"> - Santosh Aryal taking up a role in a newly established Office to Promote Competition in the Insurance Market. - Patrick Condon to join the Secretariat team. ▪ The minutes from NCPC Meeting 102 were approved. 	
<p>103.2 Publication Plans 2021</p> <p>Bulletins</p> <ul style="list-style-type: none"> ▪ The Chair introduced the topic by reiterating the Council's agreement at the last meeting of adopting a more flexible approach to the 2021 workplans by publishing more timely bulletins given the changes in the economic landscape due to COVID-19. ▪ The Secretariat summarised the Council's publication plans for the rest of the year. Key messages: <ul style="list-style-type: none"> ○ Two-pronged approach to bulletins: (i) responses to international publications and (ii) in-depth short bulletins on issues that are related to Council concerns. ○ Bulletins in response to internal publications and timelines <ul style="list-style-type: none"> - World Bank Doing Business Report (March) - European Semester Country Specific Recommendations (May) - IMD Competitiveness Ranking (June) - OECD Going for Growth (July) - World Economic Forum Competitiveness Ranking (October) ○ Topics for in-depth bulletins <ul style="list-style-type: none"> - Insurance costs (February) - Remote Working and Productivity (April) - Firm Dynamism and Productivity (September) - Public Sector Productivity: Evidence (November) - Brexit: One Year of Adjustment (December) ▪ Members supported this approach, the topics, and the timelines. There was a conversation about the impact of remote working on companies of different sizes, sectoral and regional implications, and its impact on FDI, and on female participation. ▪ The OECD's research on business dynamism has found the structural dynamics and policy dynamics as key productivity factors on the issue 	<p>Secretariat to consider the feedback and revert to the Council</p>

and the Council could be draw from OECD's work in examining the business dynamism in Ireland.

- Important to consider the linkages between investments on research and their links with productivity.
- Council members suggested that work takes a whole island approach, but also that the Council's work has a clear focus on competitiveness and productivity.
- It was mentioned that Brexit has highlighted the importance of infrastructure system in Ireland and the infrastructure gaps should be looked at with focus on regional aspects of it.
- Competitiveness of Ireland post COVID needs to be looked on in terms of GVC. In particular, the impact of regionalisation of GVC and rising protectionism for Ireland. Given Ireland is at the end of the lots of GVC what Ireland can offer to ensure Ireland's continued competitiveness and continue to attract FDI.
- It was agreed that examining public sector productivity is difficult as it raises complex issues of measurement. The health sector might be considered.
- The Secretariat then outlined the main message of the draft insurance bulletin.

Competitiveness Challenge 2021

- The Secretariat presented on the topics for consideration in Ireland's Competitiveness Challenge 2021. These included the topics which were drawn from the communications between the Secretariat and members, and additional topic arising considering the pandemic. The topics discussed were:
 - Overview / Context:
 - path to recovery in the aftermath of COVID-19 and Brexit
 - building resilience
 - inclusive growth
 - Productivity Issues:
 - infrastructure gaps (including housing, health, transport, digital)
 - labour market and skills
 - digitalisation
 - Cost Competitiveness Issues:
 - remote working / sick pay / automatic enrolment
 - long-standing cost pressures (insurance, credit, childcare)
 - Government response to *Challenge 2020*

<ul style="list-style-type: none"> ▪ Council members addressed the following points in the discussion: <ul style="list-style-type: none"> ○ Members agreed that the Challenge 2020 should be forward looking in the context of Covid-19. ○ Members proposed that the Council should have a specific focus on the shift in the economic paradigm and the role of vaccines on the pace of economic recovery. It was also proposed to communicate the NCPC's message of the importance of addressing long-term structural issues to sustain and improve Ireland's cost competitiveness and productivity. ○ Key focus should be on remote work and productivity – policy measures remote working, reallocation of labour, GVC, FDI, human capital, training, reskilling/upskilling, infrastructure, transport, digitalisation. ○ Specific emphasis on long standing cost issues in the areas of housing, insurance, financing, and skills shortages. ○ Aspects of cost and invested implications of the climate commitments should be explored. ○ Spatial and regional impact of remote working. ○ Regional focus on investment strategy. ○ Emphasis on NDP in the context of Brexit. ○ There was a consensus that in the current context it was important for the Council to clearly communicate to policymakers the short- and long-term policy measures required for the economic recovery. ○ It was also agreed the Challenge 2021 report to be the best avenue to respond to the Government's response. 	
<p>103.3 NCPC Strategic Review - Progress Update</p> <ul style="list-style-type: none"> ▪ The Secretariat presented on the progress in relation to the establishment of an Irish Productivity Network. The presentation focused on the potential role of a Productivity Network and the Secretariat's engagement with other productivity-focused institutions to understand how they integrate productivity research into their work. ▪ The Secretariat's next step is engaging with the Portuguese National Productivity Board in the coming weeks and expect that our outreach on this issue will conclude by the end of March. 	<p>Secretariat to update Council in the next meeting</p>

Members comments:

- Some members suggested that a funding mechanism for researchers would be helpful. It was suggested that it could incentivised the researchers to explore productivity issues in Ireland.
- It was highlighted that one of the main issues for Irish researchers was access to productivity micro data. While institutions like ESRI and Central bank are useful, it was suggested that access to individual businesses data would be very helpful. The Chair asked some of the Council members if they could help in that respect.
- It is important to devise a mechanism whereby Irish data could be integrated with international data. Collaboration with international organisations like the OECD is important for productivity analysis in Ireland.
- It was also suggested that the Council should liaise with new Department of Further and Higher Education, Research, Innovation and Science in terms of funding and other issues related to the Network.
- It was also highlighted that it was important not to bureaucratise too much if this is to function properly.
- The Chair highlighted that the high-quality research to draw from is crucial in terms of aiding policy making in the field of productivity in Ireland. She concluded that while the progress has been slow, the Council will continue to work on it and update the Council at the next meeting
- The Secretariat updated the Council on the progress on the action points agreed in the Council's Strategic Review meeting in February.
 - *Completed* - Updated terms of reference, Name change to the National Competitiveness and Productivity Council, the change of logo and templates, MOU for members and MOU for advisors.
 - *Work-in-progress* – stakeholder engagement in the context of the Council work plans and updates to the Council's website.

AOB

- The Chair informed the Council that the process is ongoing in terms of filling the vacancy created since the retirement of Ian Talbot from the Council.
- Dates for the next Council meeting.
 - 24 June 2021