

Today's decisions will define the success of tomorrow's enterprises- Forfás

International experts gather to discuss long term strategies for enterprise development in Ireland

"The incorporation of long term thinking into today's decision making remains vital despite the pressure of urgent short term issues," said Martin Cronin, Chief Executive, Forfás, the national policy advisory body for enterprise and science, today (Monday 13 July) at the launch of its enterprise futures report, *Sharing Our Future: Ireland 2025*. The report was launched at a forum where national and international delegates gathered to discuss long-term strategies for the development of enterprise in Ireland.

Opening the forum Mary Coughlan, TD, Tánaiste and Minister for Enterprise, Trade and Employment commented, "The success of enterprise will be a critical component in regaining our position as one of the most prosperous economies in the world. We must ensure that we have a strong growth, highly-productive and innovation-driven enterprise base that provides fulfilling and rewarding jobs. To achieve this we must single mindedly pursue policies that will position us to benefit from the global recovery.

The Irish economy has real long term growth potential. Realising this potential depends on making the right decisions now, having considered the impact those decisions will have on our future. If we act quickly and comprehensively Ireland will continue to be a world class enterprise centre - linking ideas, skills and investment."

The Forfás report, *Sharing Our Future: Ireland 2025* provides a long term assessment of what is required to develop a competitive sustainable enterprise sector. It identifies the forces of change that should influence the choices we make, outlines key trends and uncertainties facing the enterprise sector in Ireland and proposes key strategic policy areas for action.

The report outlines 11 global forces of change that will have significant impact on Ireland; demographics; technology innovation and entrepreneurship; education and skills; social values and quality of life; globalisation; infrastructure; governance and regulation; energy supply and security; climate change; natural resources and conflict.

"In our research we looked at a range of changes and challenges that will affect life and enterprise in Ireland. One example is our future demographic profile. There is a possibility that Ireland's population will increase and it is almost certain that our age structure will change with more older people than younger people. In other words our dependency ratio will decrease from six to one today to two to one by 2041. These fundamental changes have implications for the decisions we make today and for how we plan and invest for the future. Our population ageing increases the requirements for economic and social infrastructures and services, and places increased demands on public finances in areas such as pensions, healthcare and long-term care. There will also be regional and spatial planning issues to ensure that we plan for where people will work and live. We will be reliant on increasing productivity as the the main driver of economic growth in the future rather than increases in

the labour force. These are not simple challenges with linear responses but rather multifaceted, complex policy choices that require hard decisions to be taken today. We must ensure that in areas such as this that our public service works collectively and cohesively to understand the issues and define the connected responses needed," commented Cronin.

"Our enterprise profile is also changing, with services likely to play an even greater role in our economy in the future. We need to build on our strengths as one of the world's leading service exporting countries and ensure that we prioritise the actions and investments that facilitate these enterprises, particularly in the areas of advanced telecommunications connectivity and ICT skills," said Cronin.

"The Forfás report launched today complements the Government's medium term economic strategy, *Building Ireland's Smart Economy Framework*. It is essential that we employ a long-term vision when addressing the immediate challenges of stabilising the public finances and the banking system, restoring cost competitiveness and achieving the essential flexibility to keep Ireland well positioned for the future. We need to develop the capacity to anticipate and prepare for future challenges, trends and opportunities in a systematic way. We believe that horizon scanning should be structurally incorporated into all government departments and that our public sector needs to find new ways to work together more effectively and efficiently on the major cross-cutting priorities," continued Cronin.

Recommendations

The report puts forward strategic policy requirements to help build a sustainable competitive enterprise sector, and build export led growth and recovery. Ireland needs to:

- Build on our advantages in areas such as life sciences, ICT services, financial services, agri-food and also to focus on new and emerging sectors such as biomedical, digital media and clean technologies.
- Progress our development as an international trade and investment partner for developed economies and high growth regions and countries.
- Encourage the development of enterprise and entrepreneurship consistently across the full range of agencies and government departments that work with enterprises.

Other cross-cutting actions recommended include:

- Continued investment in strategic infrastructure and telecommunications development to address bottlenecks, improve connectedness and enable investment and job creation in the new digital sectors.
- Using R&D and innovation both to grow exports of goods and services and improve our health and education systems.
- Prioritising skills and human capital development to ensure that our people can secure well paid employment in the knowledge economy of the future.
- Providing the environment needed for enterprise growth and development in new and emerging high productivity sectors.

Next Steps

To successfully implement the policy requirements set out above three priority areas of focus are proposed:

- Sufficient emphasis should be placed on long term thinking in today's policy analysis, decision making and implementation in relation to economic and social development, public finances and energy and environmental policy.
- We should develop institutional capacity to anticipate and prepare for future challenges, trends and opportunities. Methods for forward looking integrated assessments such as horizon scanning should be structurally incorporated into all government departments.
- The public sector should work more cohesively and collaboratively in policy formulation and implementation particularly on the cross cutting priorities in areas such as competitiveness and enterprise development, labour market developments, climate change and energy policy, social inclusion and cohesion and wellbeing.

"The pace and extent of global and national change, the economic outlook and the increased pressures on our public finances make this a crucial time for policy making in Ireland. Irish people have demonstrated vision and leadership in the past. We have shown the courage and capacity to take the longer-term perspective, to prioritise and invest for the future in key areas such as education and research, transport and infrastructure and in making pension provisions for an ageing population. As the pace of change accelerates and policy formulation and delivery increases in complexity such vision and leadership is even more important. We can and must demonstrate it again," said Cronin.

Notes to Editors

The analysis in *Sharing Our Future: Strategic Policy for Enterprise Development* employed a futures methodology incorporating scenario planning. This methodology was used to explore the range of possibilities that will shape the world in 2025 and included a comprehensive review of global, economic, environmental and social trends, as well as reviews of a range of futures literature and existing policies under implementation.

Speakers at the futures forum included, Mary Coughlan, TD, Tánaiste and Minister for Enterprise, Trade and Employment; His Excellency Claes Ljungdahl, Ambassador of Sweden to Ireland; Dr Carlos Primo Braga, Director, Economic Policy and Debt Department, The World Bank; Mr Jean-Loup Loyer, Project Manager, France 2025, Centre d'Analyse Strategique, France; Dr. Werner Kruckow, Managing Director, Siemens Limited and Sean Gorman, Secretary General, Department of Enterprise, Trade and Employment; Dr Eoin Gahan, Head Regulation, Trade and Policy Foresight, Forfás.