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# Statement of Strategy 2021–2023

Response from the American Chamber of Commerce Ireland (AmCham) to the Department of Further and Higher Education, Research, Innovation and Science's public consultation.

**April 2023**

# **The American Chamber of Commerce Ireland**

## **The Voice of US-Ireland Business**

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The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

## Introduction

AmCham welcomed the establishment of the Department of Further and Higher Education, Research, Innovation and Science by Government in 2020, and regards the work done by the Department as crucial to the growth of the Irish economy. AmCham therefore appreciates the Department's call for submissions - a process demonstrative of the Department's goal to "*engage with stakeholders to improve effectiveness*".

Employment levels in Ireland hit a record high in 2022, with 2.55 million people employed and an employment rate of 73.5% for those aged 15-64. With record employment levels, a competitive job market, and a global battle for talent, challenges exist for many companies in filling vacancies and finding the skills they require to support their operations. AmCham members have consistently identified talent attraction and skills shortages within the top three greatest challenges for Ireland to overcome to maintain its attractiveness as a location for inward investment. In a recent AmCham survey, 69% of respondents said they were experiencing a skills gap in Ireland. Engineering was the biggest skill gap identified, followed by Digital and Data, with Machine Learning and AI coming in third. With this in mind, the need to encourage talent and expertise within the digital space is particularly important.

The Department has the opportunity to address and reduce these concerns through the work it does in fostering and developing Ireland's talent base. In this regard the Department's Statement of Strategy is a hugely important text for AmCham members.

## Apprenticeships

The Statement of Strategy's inclusion of apprenticeship development as a strategic goal, is very much welcome. The document notes that:

*"The broadening of apprenticeship opportunities will be a key component in the manner in which the Department focuses on opening up further education and training opportunities for all, providing a diverse and flexible range of pathways to support lifelong learning."*

Ireland has a highly educated population, with 61.7% of the population aged 25-34 having attained a tertiary qualification, and 49.2% of the population aged 25-74 deemed as having a high educational attainment level. Apprenticeships provide the opportunity to further enhance Ireland's skills base and empower those entering the workforce to realise their potential through an alternative educational pathway, whilst supplementing existing tertiary educational options.

Third level education in Ireland has been incredibly effective in enhancing Ireland’s attractiveness for inward investment. However, as we look to the skills needs of the future, complementary avenues to skills development can supplement the work undertaken by third-level institutions.

AmCham particularly welcomes the Department’s aim to “*broaden*” and provide “*a diverse and flexible range of pathways to support lifelong learning.*” The rate of change in the working environment has been significant in recent years, and the workplace is likely to continue to evolve at a rapid pace in the years ahead. This necessitates a focus on lifelong learning and upskilling which is vital in supporting talent in adapting to this change. However, it may also serve as an opportunity for individuals to embark on a career change, looking to bring their adaptable skills to a new role or sector. The absence of opportunities to make such a shift, or the requirement to leave the full-time workforce and re-enter full-time education may present a barrier to these individuals beginning their journey on a new career path. Apprenticeships can act as a bridge to support individuals in pivoting to a new career, whilst allowing them to undertake an element of applied, workplace learning.

Concrete steps to widen the scope of apprenticeship are needed to facilitate their use as an option for career changers. Industry would welcome Government guidance on how best to approach these specific types of apprenticeships.

## Collaboration

In many areas, but particularly in relation to research and innovation, AmCham has repeatedly outlined the importance of collaboration. Most recently, AmCham highlighted this in our White Paper on Sustainable Energy regarding the importance of technological advancements to Ireland’s decarbonisation. AmCham members express a keen willingness to engage with both Government and research institutions to get the best results. As this is the case, AmCham welcomes the Department’s goal to:

*“Collaborate with educational institutions, employers and others to identify the talents and skills required, and provide education and training, growing potential and helping people engage in and contribute to our economy and society.”*

A collaborative approach is needed in order to identify the largest skills gaps, and to prioritise areas that demand greater resources.

## Global Focus

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AmCham is of the view that examination of best practice models from around the world could be beneficial in informing policy approaches in Ireland, and a view to examining international best practice would be a worthwhile inclusion in the Department's Statement of Strategy.

AmCham welcomes the global outlook and ambition demonstrated in the strategy, and the goal to:

*“Position Ireland globally as a leading knowledge economy with a skills and innovation focus and as a leader in higher education and research, deepening collaboration on an all-island and East-West basis, within the EU and beyond, attracting talent from around the world to Ireland’s international education system and equipping Ireland to compete on the world stage.”*

The strengthening of these ties is key to enhancing Ireland's standing on the world stage, whilst also providing an opportunity to make tangible improvements to Ireland's education and research ecosystem.

Key to the reputation of Ireland as a leading location for innovation internationally is the inclusion of an Irish university within the Top 100 universities in the world. Although there are debates surrounding the metrics used within university rankings; they are a key statistic for corporates assessing the capacity of a country's innovation ecosystem. As such, every effort must be made to include the attractiveness of Irish universities as part of a global #WhyIreland campaign, advertising Ireland's attractiveness as a location for investment. Particularly in the aftermath of the COVID-19 pandemic, the globalised and hybrid nature of studying and working has come distinctly to the fore. In light of this shift in the way we work and learn, now more than ever, Ireland must make every effort to market itself as an attractive place, not only to work and study, but also to live.

AmCham would further add that the US should be noted as a key partner in terms of global cooperation.

## **Research, Knowledge and Innovation**

The COVID-19 pandemic renewed public awareness of the important role Research, Development and Innovation (RDI) plays in solving significant, unprecedented challenges. Research and innovation will be key to meeting Ireland's Climate Action goals. AmCham therefore welcomes the dedicated section to the promotion of research, knowledge and innovation, and particularly the Department's goal to:

*“Lead a whole-of-Government approach to agree the strategy, institutional framework, and investment needed to advance basic and applied research and innovation, grounded in collaboration between enterprise, educational institutions, and wider society, in Ireland and beyond.”*

Again, AmCham particularly appreciates the emphasis the Department has placed on collaboration here. AmCham further welcomes the Department’s commitment to regional clusters of innovation. Supporting Ireland’s regions is of the foremost importance in ensuring balanced regional development. 2021 saw 53% of all new foreign direct investments go to locations outside of Dublin. With balanced regional development, Ireland’s regions can act as a viable counterweight to the pull of Dublin, ensuring that talent can build on the opportunities offered by Ireland’s regional strengths.

AmCham further welcomes the holistic approach being adopted by Government in relation to Research and Development. Further, AmCham continues to engage with the Department of Enterprise, Trade and Employment on this matter to highlight the need to close the research and investment gap to ensure Ireland’s reputation as a place to do business is strengthened. AmCham therefore welcomes Government’s recent commitment to increase research and development spending to 2.5% of GNI\* by 2030. Continued cooperation between Government departments to ensure that a joined-up approach is adopted is essential in this context.

## **Goals**

AmCham welcomes the ambition demonstrated by the Department in its Statement of Strategy. Building on key action plans for the Department, this can be further enhanced with metrics against which to measure progress into the future. Doing so will provide business with tangible implementation plans and updates on progress.