

July 2011

Education, Enterprise & Employment: How can better integration of the 3Es drive growth in the Western Region?



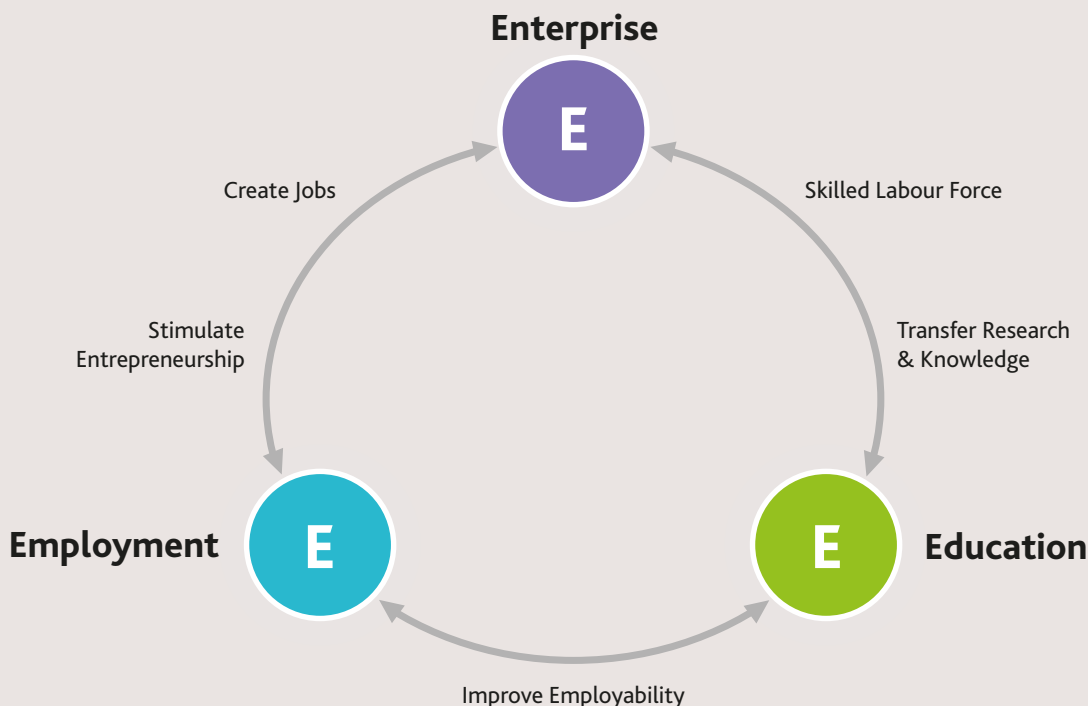
WDC Policy Briefings: The Western Development Commission (WDC) is a statutory body promoting economic and social development in the Western Region of Ireland (counties Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare). WDC Policy Briefings highlight and provide discussion and analysis of key regional policy issues.



Why examine the 3Es together?

Education,¹ enterprise and employment (3Es) are each fundamental to regional and national economic growth. They also rely on each other. Education gives people skills for employment or entrepreneurship; enterprises create employment and depend on skilled labour; demand from individuals and firms for upskilling influences education provision; and enterprises collaborate with educational institutions to drive innovation (Fig. 1).

Fig. 1: Main interactions between the 3Es



Contents

Why examine the 3Es together?

Is there an integrated approach to 3Es policy?

The Western Region's key 3Es challenges

Where will growth come from?

Providing a skilled labour force

Transferring research and knowledge

Improving employability

Stimulating entrepreneurship

Creating jobs

Achieving better integration of the 3Es

¹ The term education as used in this Briefing incorporates all forms of learning including training.

To raise education levels, strengthen enterprises and grow employment we need to deal with the 3Es in a more integrated way.

Policies and advice for each of the 3Es are generally developed and published separately.

The closeness of the interactions among the 3Es means the phrase 'the whole is greater than the sum of its parts' is particularly apt. A well integrated approach to the 3Es has greatest impact because it considers both the supply (education) and demand (enterprise) side of job creation. Particularly in a period of financial constraint, a joined up approach which reduces overlap and inconsistencies is not only desirable but necessary.

In order to raise education levels, strengthen the enterprise base and grow employment opportunities in the Western Region we need to think about and deal with the 3Es in a more integrated way. This will help create a 'virtuous circle' among the 3Es, particularly at local and regional level where individuals, firms and education providers are most closely connected.

This Western Development Commission (WDC) Policy Briefing examines the 3Es, and more specifically their interactions within the Western Region.² It outlines the 3Es context in national policy and in the region. It then makes proposals for greater 3Es integration in order to provide a skilled labour force, transfer research and knowledge, improve employability, stimulate entrepreneurship and ultimately create jobs and growth in the Western Region.

Is there an integrated approach to 3Es policy?

An integrated approach aims to facilitate people's choices and smooth their transition between the 3Es at different stages in their life. Many people no longer follow a 'linear' path of school, further or higher education and then work or business.³ Entrepreneurs often set up business while in employment or education and lifelong learning is increasingly common with unemployment now an additional driver.

If every person, whether learner, entrepreneur, employee, jobseeker (or two or more of these at the same time) encounters coherent 3Es services focused on meeting their needs, there will be better outcomes for the individual, economy and society. **Policies (which provide the framework for delivery of services and programmes) and advice for each of the 3Es are, however, generally developed and published separately.**⁴ The extent to which policies for the other 'Es' are reflected in these individual approaches, varies.

In addition to the public sector, private sector and community and voluntary organisations also provide 3Es services. The mix of public and private provision can be very effective but the range of organisations may also contribute to some confusion. This is borne out by the experiences of both jobseekers and enterprises in interacting with key support services. Some jobseekers have reported being offered training in sectors with few job prospects, while enterprises have encountered difficulties in engaging with educational institutions.⁵ Issues have also arisen with accreditation and progression for clients of certain training providers. A more integrated approach to the 3Es could help address these, and other, difficulties.

Several of the changes underway in the delivery of 3Es services do indicate growing integration. A National Employment and Entitlements Service is planned under the Department of Social Protection (DSP) bringing employment and benefit support services together for more active labour market policy. The DSP are also introducing a profiling system for those signing on the live register to identify people at highest risk of long term unemployment. This will also help determine the education needs of jobseekers in particular locations and allow the DSP to work with the Department of Education and Skills (DES) and other stakeholders to meet these needs locally or regionally. Further and higher education providers are also focusing more on adult learners and collaboration with enterprise, as reflected in Vocational Education Committee (VEC) and Higher Education Institution (HEI) strategies.



2 WDC, 2010, *Why care about regions? A new approach to regional policy* identified the 3Es, innovation and infrastructure as the main priorities for regional policy.
 3 European Commission, 2010, *New Skills for New Jobs: Action Now*
 4 e.g. National Skills Strategy, Strategy for Science, Technology and Innovation, Strategy for Higher Education, Making it Happen.
 5 National Youth Council of Ireland, 2010, *Youth Unemployment in Ireland: The forgotten generation*; BMW Regional Assembly, 2011, *Audit of the Innovation System in the Border, Midland and Western Region*

It is important that coordination across the 3Es is central to all changes in the design and delivery of these services. The combining of the DES, the Department of Jobs, Enterprise and Innovation (DJEI) and DSP under a single Oireachtas Committee is an example of an integrated approach and will provide more of an opportunity to bring policy and action for the 3Es together.

Policy for the 3Es generally does not have a strong regional dimension and is rolled out nationally; but national schemes and programmes may not always suit the regional situation and the scope for adaption can be limited. It can also be difficult to get successful regional pilots mainstreamed into national policy. The Regional Competitiveness Agendas (Forfás, 2009) recognise regional differences in terms of assets and opportunities but such a regional approach is not common. Regional clusters as proposed in the National Strategy for Higher Education (DES, 2011) and the new DSP profiling system are opportunities for improving regional implementation of national 3Es policy. However regional issues must receive increased priority in national policy and debate for these opportunities to be realised.

The Western Region's key 3Es challenges

The Western Region's future growth depends on making the most of its assets. The 3Es are critical to this but at the same time present significant challenges. The four main, and closely inter-related, challenges are:⁶

1. Reducing unemployment

Regional unemployment can only be sustainably reduced if new or expanding enterprises (both indigenous and foreign) create employment and if jobseekers are re-skilled or upskilled to fill these jobs. Unemployment in the Western Region has risen since 2007 (44,300 people in 2010).⁷ While all sectors and education levels have been hit, particularly new graduates lacking work experience, job losses have been concentrated among the lower skilled. There is now an oversupply of people with skills in sectors unlikely to regain pre-crisis employment levels and who face a higher risk of long term unemployment.

Employment in the region is currently quite concentrated in the traditional sectors, local and public services. The region's higher reliance on construction employment meant it was hit harder by job losses in it and related sectors. Knowledge intensive services employment grew by 10% between 2007 and 2010, albeit from a low base.

2. Improving educational attainment levels

Raising the educational attainment of those with lower education will improve their employment prospects and the region's skill pool. The region's labour force has a greater share with low education and a smaller share with third level qualifications than the rest of the state. This is despite high admission rates to third level, as many graduates leave the region to find employment. The share of the workforce with higher qualifications grew during the boom but these gains are in danger of being lost through out-migration. In response to the recession, the region has experienced a greater decline in early school leaving with more young people, particularly young men, staying in education.

Close alignment of education provision with job opportunities is required to raise education levels and reduce unemployment among the region's priority target groups: workers in vulnerable sectors; young men in rural areas who left school to go into building; older men including part-time farmers who have lost jobs in construction or traditional manufacturing; and women in the retail, hospitality and other service sectors. The region's upskilling priority is adult learners. As the OECD has noted:

Adult learners usually have links to a specific locality, and are therefore less mobile than younger students. Upgrading their skills will thus have a more direct effect on regions' economic performance.⁸

It is important that coordination across the 3Es is central to all changes in the design and delivery of these services.

Policy for the 3Es generally does not have a strong regional dimension.

Unemployment can be reduced if new or expanding enterprises create jobs and if jobseekers are upskilled to fill these.

Raising the educational attainment of those with lower education will improve their employment prospects and the region's skill pool.

6 Data is drawn from WDC, 2010, *How is the Western Region doing? Measuring regional development*; and WDC, 2010, *Employment & Unemployment Update 2010: Briefing Note for the Western Development Commission*

7 CSO, 2010, *Quarterly National Household Survey, Q1 2010*, special data analysis.

8 OECD, 2009, *Regions Matter: Economic Recovery, Innovation and Sustainable Growth*, p. 63

Increasing enterprise start-up rates and diversifying the enterprise base is the key to sustainable growth.

The loss of the region's human resource, as well as potential entrepreneurs, could impede regional recovery.

The education and training system includes pre-school, primary and secondary schools, as well as VECs and FÁS training centres. In terms of HEIs, the region is home to one university (NUI Galway), three Institutes of Technology (IoTs) in Letterkenny (LYIT), Sligo (IT Sligo) and Galway-Mayo (GMIT) and St Angela's College. Private and community and voluntary sector training providers are also active in the region.

3. Diversifying the enterprise base

Increasing enterprise start-up rates and diversifying the enterprise base into new sectors, based on regional strengths, is the key to sustainable growth. The region currently has a higher share of micro-enterprises (fewer than 10 employees) than the rest of the state and a considerably higher proportion of enterprises in the construction and accommodation and food service sectors. It has a lower share in knowledge intensive services.⁹ The region has key strengths in high-tech manufacturing and in particular medical devices. There are however quite strong inter-regional differences, with the more rural northern part of the region relying more on lower skilled, traditional sectors while knowledge services are more important in the southern part.

The productivity and competitiveness of existing regional enterprises, in particular indigenous micro and small and medium-sized enterprises (SMEs), needs to be improved and new start-ups must be stimulated. At the same time, responding to the decline in construction and related activities is a particular regional priority.

The region's enterprise support system includes offices of Enterprise Ireland (EI) and IDA Ireland, as well as City and County Enterprise Boards (CEBs) and local development companies. There are also regional agencies including Údarás na Gaeltachta, Shannon Development, Westbic and the WDC Investment Fund which provides risk capital to regional enterprises. Each of the region's HEIs has a business innovation centre.

4. Limiting the brain drain

The loss either overseas or to other parts of Ireland of the region's human resource, as well as potential entrepreneurs, could impede regional recovery. The Western Region has a legacy of out-migration and there are signs it is again experiencing a greater loss of its young people. The share of the population aged 20-29 years in the West region fell by almost 9% in the year from April 2009 to April 2010, a greater fall than the national decline of 7%.¹⁰ This decline was not entirely due to emigration but it is likely to be an important factor. While a period of emigration, particularly for graduates, can bring positive benefits if they return in the future¹¹ their loss weakens the region's skills assets.

Where will growth come from?

The main objectives of tackling these challenges are sustainable job creation and regional economic growth. In the short term job creation will largely be replacement e.g. of retirees, and so will be in line with the region's current employment structure. Beyond this (as with the country as a whole) it is likely that economic growth will occur before employment growth – so-called 'jobless growth' – and only as domestic demand increases will jobs grow in large numbers.

9 CSO, 2008, *Business Demography*

10 The West region refers to the NUTS 3 region of Galway, Mayo and Roscommon. These figures are based on population estimates. CSO, 2010, *Population and Migration Estimates, April 2010*

11 Barrett, A. and Goggin, J., 2010, *Returning to the Question of a Wage Premium for Returning Migrants*, IZA Discussion Paper No. 4736

So, what sectors are likely to create enterprise and employment growth in the Western Region in the future? In *Work in the West: The Western Region's employment & unemployment challenge* the WDC identified eight sectors with growth potential for the region.¹² They include knowledge-intensive sectors such as **medical devices** where the region is home to a cluster employing over 9,000 people,¹³ supported by a strong research and skills base. An ageing population in developed countries presents growing demand. The **software, financial and international services** sector holds both large scale (e.g. call centres, technical support) and small scale (e.g. software development) opportunities and the highest growth in agency assisted employment in the region since 2007 was in computer programming (+11.5%). Meanwhile it is estimated the number working in **creative industries** in the region (11,000 in 2008¹⁴) could double by 2020.

Elder care (residential and home care) is an employment-intensive growth sector which is widely dispersed and involves a range of skill levels. **Tourism** is also employment-intensive and 23,700 people¹⁵ already work in accommodation and food service in the region; outdoor and adventure tourism, culture, festivals and events hold particular regional opportunities.

The **green economy** has strong potential due to the region's natural resources. It is estimated that developing the wood energy sector could create an additional 996 full-time equivalent jobs¹⁶ while wind energy could support 3,036 jobs¹⁷ in the region by 2020. Energy efficiency retro-fitting also holds opportunities. Moving into higher value-added **food** processing and niche markets such as organic, artisan and functional food could also create jobs in the region, as could fully utilising the region's considerable **marine** resources for renewable energy (offshore wind, tidal, biomass), tourism and leisure, and food.

Realising the potential of these (and other) sectors will generate jobs in the region and create demand for locally trading businesses. To what extent this happens largely depends on how well the 3Es interact in providing a skilled labour force, transferring research and knowledge, improving employability, stimulating entrepreneurship and creating jobs.

Providing a skilled labour force (education-enterprise)

People are the key input for enterprises. Improving the skills and competencies of the Western Region's labour force will help increase productivity and attract investment. The focus here is how the education system provides regional enterprises with the skills they need (how this influences people's employability is examined later).

It is critical to have **the right mix of skills, across all education levels, to meet enterprise demand especially in future growth sectors**. Regional enterprises need to identify skill shortages and future needs, input to course design and feedback on the employability of newly qualified staff. Coordination and long term planning are required among education and training providers in responding to enterprise needs. For example the system responded strongly to increased demand for construction skills but with the crash there is now an oversupply of such skills. The focus needs to be as much on future growth sectors as on current demand. The work of the Expert Group on Future Skills Needs (EGFSN) provides useful guidance, though a regional perspective would be beneficial.¹⁸

Future growth sectors include medical devices, software, financial and international services, creative industries, elder care, tourism, green economy, food and marine.

Growth in these sectors largely depends on how well the 3Es interact.

The region needs the right mix of skills, across all education levels, to meet enterprise demand.

12 This does not imply future growth will be limited to these sectors. The sectors are examined in greater detail in WDC, 2009, *Work in the West: The Western Region's employment & unemployment challenge*

13 Forfás, 2011, *Annual Employment Survey 2010*, special run. This refers to agency assisted employment.

14 WDC, 2009, *Creative West: The creative sector in the Western Region*

15 CSO, 2010 (see footnote 7)

16 WDC, 2008, *Economic Impact of a Regional Wood Energy Strategy*

17 Irish Wind Energy Association, 2009, *Jobs and Investment in Irish Wind Energy: Powering Ireland's Economy*

18 The EGFSN produced a report at NUTS 3 region level of skills needs in six specific sectors in 2006. EGFSN, 2006, *Skills at Regional Level in Ireland*

Providing a skilled labour force requires increasing the number with third level qualifications (currently 30.2% of 15-64 year olds in the region). A pool of graduates attracts high value-added indigenous and foreign investment, but graduates only remain or return if job opportunities exist (of 2008 graduates from the Western Region 30.5% got their first job in the region, it was 50.5% of 2006 graduates).¹⁹ Therefore increasing the number with higher qualifications involves not just growing the supply of new graduates but also stimulating demand from enterprises.

Maintaining a skilled regional labour force also requires in-employment training and management skills development. This benefits individuals and firms particularly SMEs attempting to move up the value chain or in vulnerable sectors. The Skillnets programme supports such in-employment upskilling and its network approach can be particularly useful for rural enterprises.²⁰

Proposal No. 1 Identify and respond to short and long term regional skills needs

The importance of taking a regional approach to labour supply and skills has been emphasised by IDA Ireland and is supported by data on regional travel to work patterns.²¹

- ◀ To identify and respond to short term skills needs, **enterprise-led regional workforce development fora** (similar to those in Northern Ireland²²) should be established in each region. They should have representatives from priority enterprise sectors, business organisations, enterprise agencies and training and education providers (VECs, FÁS, HEIs, private providers) and should be chaired by the private sector. The fora should: identify short term regional skills needs in priority sectors; review if these can be met through existing regional provision/ adaption of existing provision; and if not, design and implement (through its members) new upskilling courses.
- ◀ To identify longer term regional skills needs the **work of the EGFSN should incorporate a regional perspective**. Awareness of its work should also be raised among education and training providers in the region.²³

Transferring research and knowledge (education-enterprise)

Innovation and improved productivity, partly driven by commercialisation of HEIs' research, will underpin future enterprise success in the region. Universities still undertake most HEI research (90% of funding in 2008²⁴) but the IoTs share is growing. Research priorities for the region's HEIs include biomedical science and engineering, informatics, physical and computational sciences, marine science, industrial design and energy for the built environment. NUI Galway and GMIT are partners in the MeTRIC project to establish an innovation, research and services centre for the medical device industry. IT Sligo is home to the Centre for Sustainability while LYIT has the Centre of Applied Marine Biotechnology. GMIT's Castlebar campus has particular strengths in Outdoor Recreation while St Angela's College hosts a Food Technology Centre. These research strengths are quite well aligned with the growth sectors identified earlier.

19 Higher Education Authority, 2010, *What do Graduates do? Class of 2008*, special data analysis.

20 WDC, 2007, *Rural Businesses at Work: Case studies of rural enterprises in the Western Region*

21 WDC, 2009, *Travel to Work and Labour Catchments in the Western Region: A profile of seven town labour catchments*

22 Department for Employment and Learning, 2009, *Development of Workforce Development Forum Strategies*

23 www.skillsireland.ie

24 Forfás, 2010, *The Higher Education R&D Survey 2008*

Further opportunities to align research with regional strengths and growth sectors, as well as to increase access to this research, should be explored. This could include creating internationally competitive innovation centres in the region's HEIs based on research and enterprise strengths e.g. renewable energy, medical devices, creative industries.²⁵ Supporting research which will help realise regional potential should also be taken into account in the current process of national research prioritisation.

Getting an economic return for the region from this research requires enterprise-education collaboration. This has evolved over recent years in particular through the establishment of Centres for Science, Engineering and Technology, Strategic Research Clusters and Competence Centres, as well as through technology transfer and industry liaison offices and programmes such as Innovation Partnerships and Innovation Vouchers. Innovation Vouchers are €5,000 grants which assist micro-enterprises and SMEs to engage with HEIs on small research projects. To date 564 (19.5% of total) have been approved in the Western Region.²⁶

Despite the importance placed on enterprise-HEI collaboration, it is still quite limited except for high-tech firms. Barriers include a lack of core funding and staffing for knowledge transfer in HEIs and differing expectations of businesses and HEIs. Pricing and difficulties accessing funding, as well as problems finding out what research is underway in HEIs have also emerged as constraints.²⁷ There is also some concern that the inclusion of HEI subsidiary companies under HEI institutional governance codes impacts on their flexibility to engage with enterprises.

Given its enterprise base, non-technological innovation is particularly important for the Western Region. This has a key role for smaller firms, more traditional sectors and some service sectors and can be more affordable and effective than large scale, technology driven R&D. **Increasing HEI-enterprise interactions in non-technological innovation presents a particular opportunity for the region** e.g. the work of IT Sligo's Centre for Design Innovation and NUI Galway's Centre for Innovation and Structural Change. It must also be recognised that HEIs are just one source of innovation for firms together with suppliers, customers and other firms.

Further opportunities to align research with regional growth sectors and increase access to this research, should be explored.

Increasing HEI-enterprise interactions in non-technological innovation presents a particular opportunity for the region.

Proposal No. 2 Broker relations between higher education and enterprise

To increase technological and non-technological interactions between enterprise and HEIs a brokerage facility, such as Interface in Scotland, should be established.²⁸ This could be incorporated into an existing agency e.g. Enterprise Ireland, Higher Education Authority or other organisation.

The brokerage facility should act as a single point of contact and intermediary between enterprise and HEIs. It should help companies clarify and frame their problem, identify funding sources and then provide impartial information and advice on which HEI(s) can best meet their needs and introduce them to the relevant technology transfer/industry liaison offices. The growing number of HEI alliances should facilitate this service. Enterprises in the Border, Midlands and West (BMW) region have expressed an interest in such a single point of contact.²⁹

Since 2005 Interface in Scotland has progressed 1,328 enquiries, resulting in 396 collaborative projects with 74% of those businesses not having worked with that academic partner previously. It is run by a staff of nine with both business and academic backgrounds.

|||||
25 WDC, 2009, *Submission to Innovation Taskforce*
26 Data provided by Enterprise Ireland.
27 BMW Regional Assembly, 2011 (see footnote 5)
28 www.interface-online.org.uk
29 BMW Regional Assembly, 2011 (see footnote 5)

Upskilling must be based on an assessment of learner's needs and provide them with the 'right skills' for the jobs likely to emerge in the region.

Barriers such as lack of childcare and public transport can be partly addressed through flexible learning.

Improving employability (employment-education)

For individuals, education level and employability are strongly related. Basic, vocational, further and higher education, as well as training, for those with lower skills will improve their employment chances. However those with low qualifications are less likely to undertake further study and will only do so if they believe it is meaningful.

Ensuring people are job-ready requires upskilling and re-skilling to be based on an assessment of learner's abilities and needs and provide them with the 'right skills' for the types of jobs likely to emerge in the region, across the full spectrum of skill levels. It also requires that those needing upskilling, in particular the unemployed, receive advice and information that is closely linked to regional skills demand (see Proposal No. 1). Many of the ongoing changes in the DES, DSP, HEIs, VECs and FÁS are aiming to achieve this objective. Upskilling for the Western Region's growth sectors will require flexibility and coordination among these and other public, private and community and voluntary sector organisations.

In more rural areas of the region, while courses on general subjects e.g. computer skills, may be provided locally, if participants want to progress or specialise they often need to travel. In Donegal jobseekers were willing to travel well over an hour to engage in training even though for some this raised **barriers in terms of childcare and lack of public transport**.³⁰ In 2008 while lifelong learning was undertaken by 33% of adults in Dublin it was only 18% in the Border region, likely influenced by access issues.³¹

These barriers can be partly addressed through **flexible learning** e.g. part-time, online/distance, outreach. This can be particularly important for women who may have greater caring responsibilities. The Institutes of Technology Ireland portal (www.bluebrick.ie) allows potential students apply online for all flexible learning provided by IoTs, as well as for the new Springboard programme for part-time higher education for the unemployed. The widespread availability of high speed broadband across the Western Region is required to facilitate distance education. In addition, improved funding, more flexible routes of progression, recognition of prior and work-based learning and return to study assistance would help increase participation.³²

Young jobseekers' attitude towards upskilling varies by their current level of education. Early school leavers and those with apprenticeships are very interested in more education, while graduates are less enthusiastic, citing cost and querying whether further qualifications would make them any more attractive in the jobs market. Their main objective is gaining work experience; high quality work placements and internships are their priority.³³

30 Donegal County Council, 2010, *Making the Future Happen ... Addressing the Unemployment Challenge in Donegal: Research report*

31 CSO, 2010, *Quarterly National Household Survey, Lifelong Learning, Q3 2008*

32 Stokes, A. and Thorn, R., 2010, *National Policies for the Implementation of Lifelong Learning*

33 NYCI, 2010 (see footnote 5)

Proposal No. 3

Address specific issues of jobseekers in smaller centres and rural areas

The specific issues of jobseekers in smaller centres and rural areas should be addressed in the design of education, training, internship, welfare and other labour activation programmes. Issues include:

- ◀ **Access:** programmes should take into account and support participants to access training or work placements through public transport or their own transport, as well as taking account of caring responsibilities.
- ◀ **Broadband:** access to high speed broadband should be improved to allow jobseekers engage in online education and training. This should include centres for public access e.g. libraries, for those unable to afford home access.
- ◀ **Upskilling and re-skilling construction workers:** programmes to re-skill construction workers for employment or entrepreneurship in alternative sectors are needed. These should include a specific programme to raise the education level of young men in rural areas with poor qualifications outside of construction. It should target raising their qualifications by at least two NFQ³⁴ levels, with the aim of all participants achieving at least an NFQ Level 6. This programme could build on initiatives in the region by VECs and FÁS to diversify skills and formats to attract more male adult learners.
- ◀ **Engaging priority target groups:** Voluntary 'learning mentors' should be supported in local communities. These would be peers of the priority target groups who have undertaken upskilling themselves. They should inform, advise and mentor jobseekers as they re-enter learning. The community and voluntary sector and local sports clubs could play a key role in helping learning mentors identify and make contact with individuals.

Stimulating entrepreneurship (employment-enterprise)

Entrepreneurship is an obvious example of the employment-enterprise relationship. One in five of those working in the Western Region is self-employed, far higher than the share in the rest of the state. Entrepreneurs, new and experienced, regardless of scale or sector face a very challenging business environment. **Enterprise supports** including funding, equity investment, soft supports (mentoring, advice), incubation space, marketing, entrepreneurship programmes, website development and international trade missions **need to be continued and access to them made as easy as possible**. A programme recently launched in Leitrim – ONE CALL to Success – aims to address information gaps in this area by providing a single phone number to access information on all enterprise support, training or employment services offered by local agencies.³⁵

The region's enterprise base is currently quite concentrated with 64% of businesses in construction, retail or hospitality (54% in the rest of the state) which largely depend on local demand or tourism. While a

Enterprise supports need to be continued and access to them made as easy as possible.

34 National Framework of Qualifications (NFQ) provides a means of comparing educational qualifications from different certification bodies and has 10 qualification levels e.g. a Junior Certificate is Level 3, a Leaving Certificate is Level 5, an Honours Bachelor Degree is Level 8, a PhD is Level 10 www.nfq.ie.

35 www.leitrim.ie/eng/Setting_up_a_Business/Leitrim-Business-Unit/

Supporting entrepreneurs in local services, in addition to exporting enterprises, is important for sustaining as well as creating jobs.

more diverse enterprise base is the objective, **supporting entrepreneurs in local services, in addition to exporting enterprises, is important for sustaining as well as creating jobs**, in particular in smaller centres and rural areas. The CEBs, local development companies and local authorities are the main providers of support to such businesses.

While entrepreneurship is primarily an employment-enterprise relationship, it also links with education. Business innovation centres support college spin-out companies and external start-ups, while entrepreneurship education is critical. Developing business skills across all education levels and disciplines opens up the possibility of self-employment from a young age and widens the options for new graduates to become 'job shapers' rather than only 'job seekers'.³⁶ The Accelerating Campus Entrepreneurship (ACE) initiative encourages graduates to establish their own enterprises, while NUI Galway will run a Bioinnovate programme to generate entrepreneurs in medical devices.

Proposal No. 4 Make access to enterprise support easier

Making it easier for business owners and aspiring entrepreneurs to identify and access regional business support services led to the introduction of the 'No Wrong Door' model in Kansas and Wisconsin in the US.³⁷ Such a system should be piloted in the Western Region.

This approach recognises that while a 'one-stop shop' for business support may be desirable, it may not be possible in the short term and/or may not provide the specialised services required by some sectors or entrepreneurs. Therefore a **formalised system of cross-referrals among existing enterprise support agencies at a regional level**, expanding on current informal arrangements, can provide an alternative solution. It would be important this also incorporate enterprise allowances for jobseekers. Essentially an entrepreneur should never go to a 'wrong door' when seeking assistance or rather it should 'always be the right door'.

In the US it was found that success depended on a common intake procedure for requests, clear information for entrepreneurs, staff in each organisation trained in the services of others, setting-up of a clear regional referral system and regular collaboration between the partner agencies. Initial evaluations showed increased customer satisfaction, cost savings for the agencies and improvements in regional enterprise productivity.

Job creation in employment-intensive enterprises will be required to prevent long term unemployment from becoming embedded.

Creating jobs (enterprise-employment)

Enterprises create most jobs. Growth in high value, high skill exporting enterprises is central to export-led recovery; however it cannot provide a full solution for unemployment. **Job creation in lower skill, employment-intensive enterprises will also be required to address long term unemployment and prevent it from becoming embedded.** Forfás terms this a 'whole of enterprise' approach acknowledging that enterprises across all sectors have the potential to innovate and increase productivity but vary in how they contribute to growth and employment.³⁸ Focusing only on high growth 'smart economy' enterprises will not generate enough jobs, a fact reflected in the emphasis placed on tourism in the Jobs Initiative (May 2011).

36 Department of Education and Skills, 2011, *National Strategy for Higher Education to 2030*

37 Pages, E., 2010, 'No Wrong Door' Model, p. 141-148 in OECD, 2010, *A Review of Local Economic and Employment Development Policy Approaches in OECD Countries: Policy Audits*

38 Forfás, 2010, *Making it Happen: Growing Enterprise for Ireland*

Opportunities to grow key exporting sectors e.g. ICT, lifesciences, knowledge-intensive services, exist across the Western Region. However, they tend to be concentrated in urban locations and in particular Galway city. In the absence of active support for employment growth in smaller centres and more rural areas, their recovery is likely to lag that in other areas leading to increased commuting or migration. **For the Western Region, developing enterprises built on its assets** e.g. renewable energy, creative industries, software, tourism, marine, **will drive job creation across the region**. A regional approach, bringing together the private and public sector and taking into consideration the 3Es dimensions of these sectors, is critical. New and existing SMEs and micro-enterprises in these and other sectors should also be supported to enter international markets.

For the Western Region, developing enterprises built on its assets will drive job creation across the region.

Proposal No. 5 Encourage job creation in the Western Region

National job creation strategies and policies should recognise and address differing regional needs. Encouraging job creation in the Western Region requires a range of interventions:

- ◀ The Western Region's **priority growth sectors** should be the focus of coordinated skills and training provision and be prioritised for investment. Regional coalitions of the private sector, enterprise support agencies, local authorities and education providers should drive their growth. The WDC's approach to developing the wood energy sector provides a useful model.³⁹
- ◀ **Locally-trading micro-enterprises and local service businesses** in smaller centres and rural areas must be supported through national enterprise policy, especially in the context of any changes to CEB structures.
- ◀ Access to **finance** needs to be improved, with venture capital a regional priority.
- ◀ Investment in and maintenance of critical physical and communications **infrastructure** is required, especially widespread high speed broadband.
- ◀ Increased access to **international markets** needs to be facilitated by supporting the sales and marketing activities of indigenous micro-enterprises and SMEs.

Achieving better integration of the 3Es

The Western Region currently faces significant education, enterprise and employment challenges but the 3Es are central to its future growth. That growth depends on the establishment and expansion of enterprises across all sectors, but particularly where the region has specific strengths. This can only happen if the region possesses the skilled labour pool required by these enterprises. At the same time, by possessing skills which are in demand jobseekers improve their chances of finding employment or setting up their own business. Employment and enterprise growth also depends on accessing HEIs' research and knowledge to create new opportunities and improve productivity.

A joined up approach to the 3Es will improve outcomes for the region and make the most of limited resources.

A joined up approach to the 3Es in both national policy design and regional implementation will improve outcomes for the region and make the most of limited resources. Integration across the 3Es can be increased, and ultimately jobs and growth created in the Western Region, by implementing the proposals made here to:

- ◀ Identify and respond to short and long term regional skills needs
- ◀ Broker relations between higher education and enterprise
- ◀ Address specific issues of jobseekers in smaller centres and rural areas
- ◀ Make access to enterprise support easier
- ◀ Encourage job creation

For further information

Contact Pauline White, Policy Analyst, WDC paulinewhite@wdc.ie

The WDC would like to acknowledge the invaluable input of the advisory group for this Briefing:

Mr Brian Barrett (Galway County Council)

Ms Maria Ginnity (Forfás)

Mr Joe Lowe (Leitrim County Enterprise Board)

Mr Hugh MacConville (Gaisce)

Mr Niall Murray (Collins McNicholas Recruitment and Sligo Chamber)

Ms Bríd O'Brien (Irish National Organisation of the Unemployed)

Prof Philip O'Connell (Economic and Social Research Institute)

Mr Aidan O'Reilly (Department of the Environment, Community & Local Government)

Mr Gordon Ryan (Institute of Technology Sligo)

Dr Mary Silles (National University of Ireland Galway)

Dr Katie Sweeney (Mayo Vocational Education Committee and WDC member)

Dr Richard Thorn (Institutes of Technology Ireland)

Dr Jacinta Thornton (Technology Transfer Office, NUI Galway)

The views expressed here are those of the WDC.

Western Development Commission

Dillon House

Ballaghaderreen

Co Roscommon

Ireland

+353 (0)94 986 1441

www.wdc.ie; www.lookwest.ie

WDC Policy Briefings can be downloaded from

www.wdc.ie/publications

Design, typesetting and artwork: www.speardesign.ie

