

Skills in Ireland

National Skills Conference
Farmleigh, 26th October 2006
Reflections Paper

Context

This short paper provides a high level overview of some of the challenges and issues facing Ireland from a skills perspective which will be considered further at the National Skills Conference. The paper is not a comprehensive summary of all issues nor is it meant to be restrictive, rather it is meant to act as a point of departure for a more in-depth and wide ranging discussion.

There is a positive link between investment in skills development and productivity. Higher levels of education and training lead to increased wealth and higher living standards. The Enterprise Strategy Group¹ set out a new strategic direction for enterprise development in Ireland and in so doing identified skills, education and training as an area in which Ireland can build sustainable competitive advantage. This provides us with a context within which to examine Ireland's readiness from a skills perspective for the economy of the future. It must be acknowledged however that skills, education and training have a much wider role and relevance than their impact on the economy. A participative and inclusive economy is one where the wider social and societal impacts of skills development are acknowledged and taken into account. These potential collateral impacts include social cohesion benefits, health benefits, and a reduction in crime, poverty and social welfare dependency.

Using educational attainment as a proxy for skills, Ireland presents a polarised picture. It performs well at the higher end i.e. the percentage of the labour force aged 25 to 64 with third level qualifications (34 per cent in 2005) and poorly at the lower end, i.e. those with at most lower secondary education or below (29 per cent in 2005)². While the percentage of the population with third level is high relative to our European counterparts, challenges remain in terms of developing research capability both within the 'fourth level' education system and within enterprise. However, it must be acknowledged that the educational profile of Ireland's labour force has improved dramatically in recent years, due in part to demographic effects and in part to immigration.

Reading literacy rates amongst the adult population remain poor, while the results of PISA studies measuring literacy of 15 year olds show that Ireland performs relatively well on average (7th out of 40 countries in terms of reading literacy)³. In relation to pre-primary education, 46.6 per cent of all Irish 4 year olds were registered in either pre-primary or primary school in 2004. Ireland ranks poorly in this area, 14th out of the EU-15⁴.

¹ Enterprise Strategy Group (2004), *Ahead of the Curve: Ireland's Place in the Global Economy*, Forfás, Dublin

² CSO (2006) *Quarterly National Household Survey Module on Educational Attainment 2002 to 2005*

³ Educational Research Centre (2004) *Education for Life: The Achievements of 15-Year-Olds in the Second Cycle of PISA Summary Report*, Educational Research Centre, Dublin.

⁴ National Competitiveness Council (2006) *Annual Competitiveness Report 2006, Volume 1: Benchmarking Ireland's Performance*, Forfás, Dublin

The educational profile of the immigrant population has been higher than that of the resident population to date. However, an 'occupational gap' remains where migrants are employed in occupations lower than those one would expect given their educational attainment. While an occupational gap appears to be a feature of first wave migration internationally, challenges remain in terms of English language skills, recognition of international qualifications and integration of migrants into the formal education and training system.

Poor educational attainment is not just an issue for the older cohorts. Twenty-one percent of 25 to 34 years still do not have an upper secondary education⁵. The retention rate of pupils in second level schools continues to prove problematic⁶. However, this is somewhat offset by initiatives aimed at early school leavers (e.g. Youthreach) and apprenticeship.

Significant gender imbalances are apparent in the patterns of performance and achievement across education and training. Male underperformance relative to their female peers at second-level has been widely reported. More females than males are pursuing honours degree programmes at third level. Up to twenty percent of males of school leaving age currently undertake apprenticeship programmes, which predominantly lead to employment in the construction sector. Enrolment in the PLC sector is predominantly female.

There have been many positive developments in the recent past within both the education and training spheres. Examples include the development of the National Framework of Qualifications which presents new opportunities in terms of assessing education and training outputs and for the accreditation of prior learning; increased investment in enterprise training; the publication of the Strategy for Science, Technology and Innovation 2006 - 2013; the creation of the Strategic Innovation Fund and the development of more client centred responses, such as the networking model employed by Skillnets.

Participation in education and training of those in the workforce stood at 50% in 2003, with just under 7 per cent participating in formal education. In terms of participation in non-formal education and training Ireland lags the EU-25 average (17 per cent compared to 21 per cent)⁷.

Future Skills Requirements

Can enterprise identify and articulate its skills needs for the future? While there is evidence to suggest that enterprises are currently broadly satisfied with the output of the education system, access to skilled labour remains an issue. There is evidence of skills and labour shortages in many sectors⁸.

In the future, Ireland will need a more highly skilled workforce to ensure continued productivity growth. Ireland's skill requirements are changing due to a number of factors: the changing sectoral profile of the economy - a move from traditional manufacturing to high-tech manufacturing and services; the changing occupational profile of the labour force - increased emphasis on managerial, professional and associate professional occupations and a further decline in agricultural

⁵ OECD (2006) Education at a Glance: OECD Indicators, OECD, Paris

⁶ The last available figure was 81.3% for the 1996 entrance cohort, DES (2005) Retention Rates of Pupils in Second-Level Schools

⁷ EGFSN (2005) Data Analysis of In-Employment Education and Training in Ireland, Forfás, Dublin

⁸ See EGFSN(2005) National Skills Bulletin, FÁS, Dublin

occupations; an increased emphasis on generic skills and changing skills mix requirements within occupations.

How will these changes coupled with demographic trends impact on the extent and type of education and training provision that is required? What changes in the range, flexibility and delivery modes available to learners are needed in order to achieve their educational and training objectives?

A Skilled Labour Force - Challenges

The skills needs of the labour force over the period to 2020 will be met primarily from three sources: 'New entrants' of young people from the school leaving cohort; those currently in the labour force (including those that might be enticed into the active labour force); and immigration. Each of these sources present opportunities and challenges in terms of increasing the skills pool within the labour force and wider economy.

1. 'New Entrants' from formal education system

New entrants from the formal education system will form the most significant additional skills source over the period to 2020. These new entrants will join the labour force with various levels of educational attainment ranging from those with below upper secondary education up to those with third/fourth level qualifications. While still extremely significant, the impact that these 'new entrants' have on the overall labour market profile is diminishing due to a decreasing upper secondary cohort (due to demographics) and the increasing size of the labour force which now stands at two million approximately.

Some of the opportunities and challenges which present themselves include:

- Increasing the overall educational attainment of school leavers
- Increasing the second-level school retention rate
- Ensuring adequate reading and numeracy literacy for those leaving school
- Strengthening of alternative routes to completion of upper secondary education (NFQ Levels 4&5) for those that choose not to avail of the academic Leaving Certificate programme
- The integration of generic skills into school curricula
- Integrating the children of foreign migrants into the formal education system
- Continuing to address disadvantage
- Increasing the participation in third level education
- How best to structure fourth level education
- Reconciling the need for broader education with calls for greater specialisation

2. Upskilling of the Current Workforce

The need to upskill the existing workforce has for some time been seen as being of strategic importance and an essential contributor in meeting our overall skills needs. Indeed, the first report of the Expert Group itself, published in 1998, included up-skilling as part of the solution to meeting the then chronic shortage of IT employees. More recently, the report of the Enterprise Strategy Group identified the upskilling of the workforce, in particular the lower-skilled, as a key component of future economic success. A substantial proportion of the current labour force will still be working in 2020. This will mean taking into account the needs of different learning cohorts, particularly, mature learners in the workforce. Ireland needs to avoid the situation found by EU research undertaken in respect of certain member states that concluded that 'adult education fails because it replicates the

school system. This has meant that relatively few mature adults have improved their qualifications⁹.

Some of the opportunities and challenges that present themselves include:

- Convincing individuals and enterprise of the returns from investment in training and education
- Stimulating demand amongst individuals and companies
- Identifying the skills needs of individuals and enterprise
- Improving literacy, both reading and numeracy amongst the adult population
- Ensuring that those currently with low levels of education and training are the ones which benefit from widened access to initiatives
- Ensuring adequate funding for areas of market failure
- Agreeing the appropriate contribution of various stakeholders to supporting education and training
- Overcoming barriers to participation amongst the lowest skilled
- Establishing innovative mechanisms to support education and training of those in employment e.g. how to structure and fund learning leave; assessing the appropriateness of Individual Learning Accounts
- Ensuring that there is flexible provision to meet the needs of individuals in the workforce and enterprise
- Ensuring that current funding mechanisms are user friendly
- The broadening of the apprenticeship base to other occupations and providing progression routes for existing apprentices
- Developing the understanding of the National Framework of Qualifications amongst the wider public

3. Skills levels of immigrants

Even assuming the optimum output from the education system and upskilling of the workforce, Ireland will continue to require immigration if it is to maintain its projected economic growth. As already pointed out the migrant inflow into Ireland to date has been for the most part highly skilled, immigrants have particular skill requirements which are unique to them. At the same time, there are also issues in integrating immigrants into the current education and training structure.

The following are some of the opportunities and challenges which present themselves:

- The implementation of a Skilled Migration Policy
- The need for recognition of international qualifications
- The need for English language training - how best this can be delivered and who should fund it
- The need for integration of migrants into the formal education and training system at all levels

Conclusion

This paper touches upon some of the issues facing Ireland from a skills perspective. Some of these challenges require changes in the policy framework, some in the delivery framework and some require changes in the mindset of individuals and enterprise and representative groups. There may be issues of equal or greater importance which have not been highlighted. We hope to discuss some of these

⁹ Centre for Economic Performance (2006) New Perspectives for Learning – Briefing Paper 13 Low Skills: A Problem for Europe, Centre for Economic Performance, London

issues in greater detail at the Skills Conference and welcome your considered input.

*Prepared by the Forfás Secretariat to the Expert Group on Future Skills Needs
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