INVITATION FOR SUBMISSIONS ON THE DEVELOPMENT OF A NEW NATIONAL SKILLS STRATEGY
To explore the strengths and challenges facing Ireland’s skills system

We are developing a new National Skills Strategy for the period 2015 to 2025.

As part of this process we are also reviewing implementation of the Tomorrow’s Skills, Towards a National Skills Strategy, published in 2007.

Objectives of the consultation:

- Generate insights into Ireland’s current skills system for use in the development of a new national skills strategy
- Ensure a wide range of stakeholder participation and perspectives are considered and provide the basis for priorities and actions in the new strategy
- To explore, with a range of stakeholders, the future skills needs of enterprise and to support wider economic and social development
WHY IS THE CONSULTATION HAPPENING NOW?


- A key element of the Government’s strategy for economic and social development is to ensure that we have the right skills to attract, retain and grow job opportunities, investment and economic growth.

- The new National Skills Strategy is being developed in the context of significant reform in the education and training sector to ensure a more dynamic, responsive and high quality system that provides all learners with the knowledge and skills they need to participate fully in society and the economy.

- The availability and use of skills is impacted by a range of issues including economic performance, growth & decline in particular sectors, investment, demographic change, changes in the skills required for particular occupations, mismatches between the supply and demand for skills and the level of unused skills due to people not participating in the labour market.

- This changing and dynamic environment means that skills requirements of the economy are continually changing and the development of a skills strategy will ensure a coherent response to future skills needs.

- It is now timely to review progress on the implementation of Tomorrow’s Skills, Towards a National Skills Strategy, published in 2007 and set out a new strategy for the period to 2025.

BENEFITS OF INVESTING IN EDUCATION & SKILLS DEVELOPMENT

Benefits for individuals
Studies show that having skills relevant to the labour market significantly increase an individual’s chance of being employed and in a good quality job. Highly-skilled individuals are also more likely to earn higher wages. Individuals need access to relevant education and training and to appropriate experience in the workplace to become highly skilled. The recent Irish experience during the recession shows that people with lower levels of educational attainment and less experience of the workplace experienced the highest levels of unemployment. In terms of well-being and social participation, OECD data shows that higher Educational attainment levels are also associated with higher well-being outcomes in terms of jobs & earnings, social connections and subjective well-being.

Benefits for society
People with higher educational attainment enjoy stronger social networks and live in safer, more connected communities. Data from the OECD Survey of Adult Skills shows that individuals with better literacy levels are more likely to report good health, to believe that they have an impact on political processes, and to participate in associative or volunteer activities. Also life expectancy, subjective well-being as well as civic and political engagement increase with education.

Benefits for the economy
Now more than ever before we see that the well-being of countries depends on the skills of their people. Having a workforce that has high quality skills that are relevant to the labour market contributes to productivity and innovation and is an important factor in attracting multinational companies to Ireland. For some roles, it is possible to define very specific entry level requirements but as global and technological drivers of change impact on enterprises, roles will keep evolving, new career paths need to be defined and enterprises and individuals will need to continuously invest in skills development.

http://dx.doi.org/10.1787/9789264201392-en
SUMMARY OF IRELAND’S PROGRESS ON IMPLEMENTING THE CURRENT SKILLS STRATEGY

TOMORROW’S SKILLS: TOWARDS A NATIONAL SKILLS STRATEGY WAS PUBLISHED IN 2007 AND INCLUDED THE FOLLOWING KEY TARGETS TO BE ACHIEVED BY 2020:

- 48 per cent of the labour force should have qualifications at National Framework of Qualifications (NFQ) levels 6-10 – i.e. from higher/advanced certificate to PhD level
- 45 per cent should have qualifications at NFQ levels 4 and 5 – Awards equivalent to higher secondary level education and
- The remaining 7 per cent are likely to have qualifications at NFQ levels 1 to 3 (equivalent or below Junior Certificate) while aiming to make the transition to higher levels of educational attainment
- 94 per cent of 20-24 population should have at least NFQ levels 4/5
- The retention rate at Leaving Certificate should reach 90% by 2020
- The progression rate to Third Level should increase to 72%

THE FOLLOWING ACTIONS WERE IDENTIFIED IN THE STRATEGY TO ACHIEVE THE TARGETS:

500,000 INDIVIDUALS IN THE WORKFORCE TO PROGRESS BY AT LEAST ONE NFQ LEVEL, TO INCLUDE:

- Upskilling of 70,000 persons from NFQ levels 1&2 to level 3;
- 260,000 persons up to levels 4&5;
- 170,000 persons up to levels 6 to 10.

THE STRATEGY PROPOSED A “ONE-STEP-UP APPROACH” WITH SPECIFIC TARGETING OF:

- Low skilled and educationally disadvantaged
- Integration of migrant workers
- Prioritisation of basic skills in education and training programmes as far as possible
- Integrated Government Policy
Progress Toward the Key National Skills Strategy Targets for 2020

<table>
<thead>
<tr>
<th>TARGET</th>
<th>National Skills Strategy Baseline</th>
<th>Current Position</th>
<th>Progress</th>
<th>Number of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>48% of Labour Force at levels 6-10</td>
<td>33%</td>
<td>44%</td>
<td>+11%</td>
<td>+264,000</td>
</tr>
<tr>
<td>45% of Labour Force at levels 4-5</td>
<td>40%</td>
<td>38%</td>
<td>-2%</td>
<td>+3,500</td>
</tr>
<tr>
<td>7% will be at levels 1-3</td>
<td>27%</td>
<td>15%</td>
<td>+12%</td>
<td>-220,000</td>
</tr>
<tr>
<td>94% of ages 20-24 achieving NFQ Levels 4/5 or more</td>
<td>86%</td>
<td>93%</td>
<td>+7%</td>
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<tr>
<td>90% retention rate at Leaving Certificate</td>
<td>81%</td>
<td>90.6%</td>
<td>+9.6%</td>
<td></td>
</tr>
<tr>
<td>72% progression rate to Third Level</td>
<td>55%</td>
<td>69%</td>
<td>+14%</td>
<td></td>
</tr>
</tbody>
</table>


[2] Excludes individuals who did not state their level of educational attainment.

[3] Excludes international students, encompasses new entrants of all ages (i.e. includes mature students).

Source: Expert Group on Future Skills Needs

Many of the targets set in the last National Skills Strategy relate to progression up the National Framework of Qualifications (NFQ). The many different types of qualifications included in the NFQ are organised based on their level of knowledge, skill and competence. Examples of qualifications on the Framework include the Junior Certificate at Level 3, the Leaving Certificate at Levels 4 & 5, and an Honours Bachelor Degree at Level 8.

Overall, strong progress has been made towards the key targets set out in the last National Skills Strategy. Retention to completion of senior cycle in second level schools has increased significantly, from 81% to 90.6%, exceeding the 90% target set for 2020. 93% of people aged 20-24 achieved NFQ Levels 4-5 or more in 2014, an increase of 7% on the baseline year of 2005 and just 1% short of the target for 2020.

The progression rate to Third Level has increased by 14%, from 55% to 69%, while there has been an 11% increase in the number of people in the Labour Force achieving qualifications at the higher levels of the National Framework of Qualifications (Levels 6-10), with 264,000 extra people holding a qualification at this level.

However, slower progress has been made towards the target for people in the Labour Force holding qualifications at Levels 4-5. In addition, there remains a significant cohort of the Labour Force with qualifications at the lowest levels of the NFQ. The aim of the last Strategy was to reduce the percentage of people in the Labour Force with qualifications at Levels 1-3 from 27% to 7% by 2020. While some progress has been made towards this target, 15% of the Labour Force continue to hold qualifications at Levels 1-3.
CONTEXT FOR THE DEVELOPMENT OF A NEW SKILLS STRATEGY

This section of the consultation paper sets out current Irish policy approaches relevant to the development of the new National Skills Strategy in the areas of Education and Training, Labour Market Activation and supporting Business in Ireland. It also sets out some of the emerging issues in these three policy areas.

Ireland's economy has experienced a considerable contraction since the last National Skills Strategy was published in 2007 and the recession had a major negative impact on the labour market.

Since 2012, the labour market has seen a substantial recovery as a result of a return to economic growth. Since the height of the jobs crisis, the numbers signing on to the Live Register have fallen by almost 112,000 to 337,000. The following are some recent positive trends:

- The unemployment rate has fallen to 9.4%, the lowest rate in five years and down from a peak of just over 15% in 2011.
- If current momentum is sustained short-term unemployment could fall back to pre-crisis levels by the end of 2016.
- The long-term unemployment rate has also fallen to 5.5% in Q2 2015, down from 9.5% in Q1 2012.
- The youth unemployment rate has fallen to 22% in Q2 2015 down from 33% in Q2 2012.
- There has been an increase of 130,000 in the numbers at work.

Data from the CSO shows that employment growth in the recovery has been of good quality with full-time employment accounting for virtually all of the increase in jobs since 2012. In addition, data suggests the recovery is broadening with employment growing in ten out of fourteen economic sectors.

Economic recovery is also resulting in intensifying of skills shortages across a number of areas such as ICT, engineering, sales/customer care, logistic, health, business, finance. Specific shortages are also emerging in areas such as hospitality (chefs) and construction (surveyors and steel erectors/flexers). As the economic recovery gathers pace, employers will increasingly experience difficulty in attracting and retaining staff in elementary occupations (e.g. hospitality, care, meat processing).

However, analysis of labour market transitions between employment, unemployment and economic inactivity suggests that a segment of the Irish labour market is associated with transitory employment. While this may not be an issue from a labour market flexibility point of view, it does pose a challenge for securing sustainable employment for many individuals. The National Skills Bulletin, 2015 shows that there is a need to address the issue of precarious employment and career progression for persons presently lacking skills to enable them to avail of labour market opportunities elsewhere in the labour market.
OVERVIEW OF THE EDUCATION AND TRAINING SYSTEM

- 1,090,000 full-time learners across the system
- 67,000+ pre-school children
- 916,000 children and young people in schools
- 360,000+ further education and training places
- 173,000+ full-time students in higher education
- 38,000+ part-time students in higher education
- 1/3 of the public sector employed in the education and training sector
- 2015 Budget for the sector (excluding the National Training Fund) is €8.6 billion and represents 16.1% of Government spending
  - Pay / Pensions €6.4 billion (74% of budget)
  - Non Pay €1.58 billion (18% of budget)
  - Capital €0.568 billion (7% of budget)

- 4,009 schools
- 16 Education and Training Boards
- 19 regional training centres
- 39 State funded higher education institutions
- Range of private providers

EDUCATION AND TRAINING SECTOR OUTPUT

There are currently over 916,000 children and young people in our schools. The school going population is set to increase over the period to 2026 with a corresponding increase in demand for places in further education and training and higher education over the period of the new skills strategy and beyond.

- There has been an increase of over 171,000 in full-time education enrolments, across all levels, since the 2004/05 school year.
- The numbers of primary school children are projected to increase by over 19,000 between 2015 and 2018 before declining thereafter.
- The number of students in second level schools are projected to increase by nearly 67,000 between 2015 and 2025 before declining thereafter. The largest increases will be between 2020 and 2024.
- This increase in the student population will also increase demand for further education and training and higher education places over the period of the new skills strategy and beyond.
EDUCATION AND TRAINING SECTOR OUTPUT

Further Education and Training

It is estimated that there were 282,000 learners in the FET sector in 2013/14. Of these, 194,000 were on further education (FE) courses (blue coloured boxes in diagram), either full-time or part-time; an additional 87,000 were in training (yellow/orange boxes) where courses can broadly be divided into training for learners under 25 years, training for the unemployed and other training. Currently, the vast majority of places in training, except apprenticeship, are reserved for unemployed persons referred to training by the Department of Social Protection. FET courses aimed at catering for the needs of younger age cohorts include Post Leaving Certificate, Youthereach, apprenticeship and Community Training Centre courses, where the majority of learners tend to be under 25 years.

EDUCATION & TRAINING SECTOR OUTPUT

Higher Education

There are currently over 173,000 full-time students in higher education and over 38,000 part-time students. Full-time enrolment in higher education has grown by 30% over the past 9 years and demand for places is expected to increase by almost 27% by 2027.

The number of graduates has increased by 15% from 2010 to 2014

- University and College graduates have increased from 36,851 in 2010 to 41,141 in 2014
- Institute of Technology graduates have increased from 21,371 in 2010 to 25,514 in 2014

Source: Monitoring Ireland’s Skills Supply 2015, Expert Group on Future Skills Needs

Source: Higher Education Authority
EDUCATION & TRAINING SECTOR OUTPUT

Education level gained and types of graduates

Upper secondary or tertiary education attainment

- 2014 data indicates that 74.4% of the population between 15 and 64 hold an upper second level or tertiary education. This is slightly above the European Union (28 countries) average of 72.6%.

- Focusing on those aged from 20 to 24, 87.2% of the population in this cohort have upper secondary or tertiary education compared to the European Union average of 80.4%.

Tertiary education graduates (ISCED 5-6)

- The composition of Ireland’s graduates is broadly in line with that of the EU average.

- Ireland has more graduates in the humanities (3.8 percentage points) and science, mathematics and computing (2.7 percentage points) as a proportion of total tertiary graduates.

- The EU average number of graduates is higher in social science, business and law (4.9 percentage points) and engineering, manufacturing and construction (1.7 percentage points).

TERTIARY GRADUATES AS A % OF ALL FIELDS

<table>
<thead>
<tr>
<th>Field</th>
<th>EU 28</th>
<th>Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humanities and arts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social science, business and law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science, mathematics, and computing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering, manufacturing and construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture and veterinary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and welfare</td>
<td></td>
<td></td>
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<tr>
<td>Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Eurostat

HOW WELL ARE WE DOING?

International benchmarks show that Ireland is performing well in some areas

- In 2012, 99% of those aged between 4 years old and the starting age of compulsory education participated in ECCE compared to the European average of 94%.

PIRLS 2011 (Reading at primary level, 4th class)

- Irish students scored significantly above international average.

- Irish students were ranked 10th out of 45 participating countries.

- Students in only five countries performed significantly better than Irish students.

TIMSS 2011 (Maths at primary level, 4th class)

- Irish students scored significantly above the international average.

- Ireland placed 17th out of 50 participating countries.
HOW WELL ARE WE DOING?

PISA 2012
■ Overall, PISA 2012 showed that relative to other OECD countries, between school differences in average student performance are small in Ireland and so we can say that Ireland has a relatively more equitable school system

PISA 2012: Science
■ Irish students performing very significantly above the OECD average
■ The percentage of students in Ireland performing at the lower levels in science is 11.1%, below the OECD average of 17.8%
■ The percentage of students in Ireland performing at the higher levels in Science is 10.8% and higher than the OECD average of 8.4%
■ Performance of Irish students in 2012 significantly better than when science was first tested in 2006

Eurostat data from the EU Labour Force Survey shows that:
■ The proportion of early school leavers in Ireland in 2014 was 6.9%, down from 13.1% in 2004, and well below the EU average of 12.8%

OECD Education at a Glance 2014 showed:
■ 49% of 25-34 year olds in Ireland have attained tertiary education, significantly above the OECD average of 40% and EU average of 37%. Placing us 6th in OECD and 2nd in the EU (Luxembourg are 1st at 50%)
■ 51% of 30-34 years old have attained tertiary education, compared to an OECD average of 40% and EU average of 38%. Placing us 4th in the OECD and 1st in the EU

HOW WELL ARE WE DOING?

Some international benchmarks show that Ireland could do better

PISA 2012
■ PISA 2012 shows that there has been no real improvement in the performance of Irish students in mathematics since 2003 or reading since 2000
■ In mathematics, higher–achieving students performed significantly below the OECD average. In print mathematics, Ireland is ranked 13th of 34 OECD countries and 20th of all 65 countries
■ However, Ireland has changed since 2003 (there has been an increase in immigrant students from 3.5% to 9.6%; and increase in SEN students participating in PISA from 2% to 4.7%; and fewer students leaving school early)

PIAAC – Adult literacy survey
■ The PIAAC survey shows that in terms of numeracy Ireland’s performance is below average with more Irish adults having low levels of proficiency at 25% compared to the average of 20% across participating countries
■ 36.3% of Irish adults are performing at the high levels compared to 46.8% on average across participating countries
HOW WELL ARE WE DOING?

Progress on reaching EU 2020 literacy targets

The EU 2020 benchmarks state that by 2020, the share of 15 year olds with low achievement (below Level 2 on PISA) in reading, maths and science should be less than 15%.

- **Reading**: PISA 2012 shows that, in print reading, 9.6% of Irish students perform below Level 2 compared to 18% across the OECD countries. In digital reading, 9.4% of Irish students perform below Level 2 compared to the OECD average of 17.6%.

- **Maths**: PISA 2012 shows that Ireland has 16.9% performing below Level 2 on the overall print mathematics scale compared to the OECD average of 23%. On computer-based mathematics, 17.9% of Irish students performed below Level 2 compared to the OECD average of 20%. These scores show we still need to improve our performance in maths.

- **Science**: 11% of Irish students are performing below Level 2 on the science scale, which is considerably lower than the corresponding OECD average of 17.8%.

HOW WELL ARE WE DOING?

Global Competitiveness Report 2014-2015

The Global Competitiveness Report 2014-2015 ranks 144 countries across a number of different metrics including Higher education and training. Ireland ranks 6th for secondary education.

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According to the report, the quality of math and science education ranks 24th. According to the report, the quality of the overall education system according to the Global Competitiveness Report Ireland ranks 5th. In terms of quality of the overall education system according to the Global Competitiveness Report Ireland ranks 5th. Ireland ranks 6th for secondary education enrolment rate and 25th for tertiary education enrolment rate. When assessed for the quality of business schools Ireland ranks 15th which is one place behind Hong Kong. Ireland ranks 36th for internet access in schools which is the lowest rank for educational indicators in the report.
How Well Are We Doing?

Entrepreneurship education is important due to the challenges faced by a globalised economy upon which entrepreneurship can have a large impact through the promotion of innovation, employment generation and social empowerment.

The Global Entrepreneurship Monitor survey 2014 shows that:

- There is a strong correlation between perceived capability (skills) and early stage entrepreneurial activity and suggests that all forms of education (formal, informal, non-formal) are important in developing entrepreneurial competences.
- The survey results show that entrepreneurship education at basic levels (primary and secondary school) is rated rather unfavorably in most economies.
- In terms of primary and secondary education Ireland achieved a score of 2.09 compared to the European Union average of 2.12.
- Irish post-secondary education scored 2.95 which was above the European Union average of 2.8.
- Within the European Union Denmark scored the highest for both primary & secondary and post secondary with scores 3.10 and 3.43 respectively.

How Well Are We Doing?

Research has shown a positive relationship between lifelong learning (including employee training) and reducing skills mis-matches in the economy. However, Ireland does not have a strong track record.

Life Long Learning

- Latest data from Q4 2014 shows that of the 2.48 million adults aged between 25 and 64 years in the population, almost 181,000 people had engaged in lifelong learning activities in the preceding four weeks.
- The lifelong learning participation rate was 7.3% compared to an EU average of 10.5%; the gap was widest for employed persons, with Ireland's rate at 6.2% compared to EU average of 11.4%. In contrast, at 10.7%, it was above the EU average of 7.7% for the economically inactive.
- The gap between Ireland's lifelong learning participation rate and the EU average has increased since 2009.
- Lifelong learning participation tends to decline with age.
- The higher the education attainment level, the more likely adults are to participate in lifelong learning.
EDUCATION AND TRAINING: INITIATIVES ALREADY UNDERWAY

There is a significant programme of reform underway across the Education and Training sector and a range of initiatives are relevant to the development of the new National Skills Strategy including curriculum reform in the schools system, implementation of the Further Education Strategy and the Higher Education Strategy.

The reform programme recognises the importance of all levels of education and training as integral elements of a framework for lifelong learning. Reforms centre around four key goals of promoting Learning for Life, Improving Quality and Accountability, Supporting Inclusion and Diversity and Building the Right Systems & Infrastructure:

LEARNING FOR LIFE

In line with most other OECD countries Ireland is adopting a skills based approach to teaching and learning across the entire curriculum from early childhood to post-primary education. This includes:

- **Early Childhood Education:** Aistear (The Early Childhood Curriculum Framework) sets out four themes – Exploring and Thinking, Wellbeing, Identity and Belonging and Communicating – that are all seen as contributing to developing competent and confident learners.

- **Primary Curriculum:** A strong emphasis is placed on developing the ability to question, to analyse, to investigate, to think critically, to solve problems, and to interact effectively with others.

- **Junior Cycle:** The new Junior Cycle is designed to promote, amongst other things, creativity and innovation. It will support learners in learning how to learn, and in taking responsibility for their own learning. Eight key skills will be embedded across all learning within the new Junior Cycle. These are Managing Myself, Staying Well, Managing Information and Thinking, Being Creative, Working with Others, Communicating, Being Literate, & Being Numerate.

- **Senior Cycle:** The five key skills for senior cycle are Being Personally Effective, Communicating, Critical and Creative Thinking, Information Processing and Working with others.

**Implementation of the Literacy and Numeracy Strategy to 2020:**

- The Strategy provides for increasing the amount of time to be spent on reading, writing and mathematics in primary schools, changing the school curriculum, developing digital literacy and changing how teachers are educated, with specific targets to be achieved by 2020. A new mathematics curriculum has been fully implemented in all post-primary schools.

**Digital Strategy for Schools:**

- A new five year strategy has recently been published and contains a range of measures to further embed the use of ICT in teaching and learning in primary and second level schools.
Foreign languages:

- A new Foreign Languages in Education Strategy which covers post-primary, further and higher education is under preparation for publication in 2015.

Reform of the Leaving Certificate grades and CAO points system:

- Significant changes are underway to improve transitions and remove barriers to progression between the levels of the education system, including a new grading system for the Leaving Certificate; a revised common points scale for entry into higher education and broader undergraduate entry into higher education.

Reforms in Further Education and Training:

- A five year Further Education and Training Strategy and related implementation plan was published in 2014 which identifies key objectives and targets for the sector and a new funding model based on performance levels is being implemented through the agreement of annual Service Plans with the Education and Training Boards (ETBs) & SOLAS.

- Reform of the Apprenticeship system is underway with new standards and curricula are being developed and rolled out for existing apprenticeships in 2015. In addition, a call for proposals from employers and education and training providers for the development of apprenticeship programmes in new areas was undertaken by the recently established Apprenticeship Council. The response to the call was very strong and a range of proposals have been approved for development.

- SOLAS is also leading on the development of a Workforce Development Policy and Strategy to address the challenges of up-skilling in the wider workforce and this will be informed by the new National Skills Strategy.

Reform in Higher Education

A major reform programme is being implemented to improve the quality of the experience of students; to improve the quality of the outcomes from the system and to enhance accountability and the efficient use of resources. This includes the implementation of a Systems Performance Framework for higher education institutions which sets out for the first time national objectives in seven key areas including human capital development, teaching and learning and research. These objectives underpin a new strategic dialogue process between the Higher Education Authority and higher education institutions, the agreement of performance compacts and the introduction of performance funding. Particularly relevant initiatives in the higher education sector include:

- An ICT Action Plan is being implemented to increase the supply of graduates with ICT skills and includes actions to increase the number of places on mainstream level 8 degree programmes as well as one year full-time ICT conversion courses.

- The Higher Education Authority (HEA) published an Enterprise Engagement Strategy earlier this year to underpin the further development of new education-enterprise partnerships, embed regional development and innovation, cultivate entrepreneurial approaches and to support Ireland in becoming a global leader for talent development.

IMPROVING QUALITY AND ACCOUNTABILITY

Early Childhood Care and Education:

- The Department of Education and Skills (DES) is working closely with the Department of Children and Youth Affairs on quality improvement within the early-years sector. Better Start the newly established quality support service for the sector will deploy a team of early years specialists as mentors/advisers working with early-years services on quality improvement. An early years inspection unit has been established as part of the DES Inspectorate to carry out focussed inspections on the quality of educational provision in early childhood settings. DES are carrying out a review of education and training programmes that lead to qualifications in early years care and education.
Developing all teachers as professionals:

- As part of the ongoing progression towards a fully regulated teaching body within the framework of the Teaching Council Acts changes have been made to the content and pedagogical approaches included in Initial Teacher Education (ITE) programmes to prepare teachers better for the classroom and a number of ITE programmes for the Further Education and Training sector have been accredited.

Self Evaluation in schools:

- The new self-evaluation model for all primary and post-primary schools continues to be rolled out. The new self-evaluation model articulates a clear set of standards for schools and focuses on outcomes for the learner, the objective of which is to enable school improvement.

New Inspection Models in schools:

- The roll out of a new range of inspection models for all schools will continue in 2015. These new inspection models increase the efficiency and effectiveness of inspection and they support the targeting of resources where the need for assistance and support is greatest.

Further Education and Training:

- Some initial work will also be undertaken by SOLAS in 2015 on profiling the skills base in ETBs to inform the development of a CPD Strategy for ETB staff involved in the delivery of further education and training programmes.

Higher Education:

- In 2015, the National Forum for the Enhancement of Teaching and Learning is working on the introduction of a professional development framework for teachers in higher education which will drive initiatives in the areas of academic professional development and flexible provision. In addition a roadmap for the integration of technology in teaching in higher education has recently been developed.

- A new Strategy for Science, Technology and Innovation is being developed and is due to be published in late 2015. A central theme of the new strategy will be talent and skills.

SUPPORTING INCLUSION AND DIVERSITY

- Implementation of DEIS (Delivering Equality of Opportunity in Schools) the Action Plan for Educational Inclusion in primary and second level schools. Work is now underway on identifying options for future interventions to tackle educational disadvantage in school.

- Supports are provided for students with special educational needs and disabilities. New inspection models will evaluate and report on the quality of education provision for marginalised learners and learners with special education needs during 2015.

- Legislative proposals have been published which will provide the legal underpinning to ensure that the process of enrolling children in schools is more open, equitable and consistent.

- Education services are provided in alternative settings for children and young people who are at risk and referrals provided to specialist services and centres.

- Implementation of the Report and Recommendations for a Traveller Education Strategy is underway.

- A new National Access Plan for higher education is being finalised to promote access for disadvantaged groups and to put in place coherent pathways from second level education, from further education and other non-traditional entry routes.

- A new Means tested student grants is provided for further and higher education courses which includes a special rate of maintenance grant for students from welfare-dependent families and a Student Assistance Fund at college level to assist students in particular financial difficulties. A new Third Level Bursary Scheme based on merit, but targeted specifically towards students from disadvantaged areas, commenced in 2012.

- The Department has commenced work on the development of a more strategic approach to social inclusion across the continuum of education. In 2015 this work will focus on a mapping and analysis of current policies and programmes and the preparation of a policy document to direct future provision in this area.
BUILDING THE RIGHT SYSTEMS AND INFRASTRUCTURE:

Creating centres of excellence for teacher education:
- Structural change is underway to create a small number of high quality centres for the provision of teacher education with a planned reduction in the number of teacher education providers from 19 to 6.

Building a primary and post primary learner database:
- New databases which hold student information as they progress through primary and post primary school are being developed to provide valuable information for the development of policy within the Department and help reduce the administrative burden on schools.

National Framework of Qualifications:
- The National Framework of Qualifications (NFQ), which embraces all sectors of education and training, enables qualifications to be compared and recognised, in Ireland and abroad. The NFQ facilitates individuals in accessing and progressing through education and training programmes including across different fields and disciplines. It also gives assurances that qualifications are robust.

OVERVIEW OF THE LABOUR MARKET

POPULATION BY LABOUR MARKET STATUS
QUARTER 2, 2015

<table>
<thead>
<tr>
<th>Population</th>
<th>4,636,000</th>
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<tbody>
<tr>
<td>Children (&lt;15)</td>
<td>1,028,900</td>
</tr>
<tr>
<td>Working age population (15-64)</td>
<td>3,008,000</td>
</tr>
<tr>
<td>65 and older</td>
<td>606,300</td>
</tr>
</tbody>
</table>

| In employment full-time | 1,469,800 |
| In employment part-time | 423,800 |
| Not in employment | 1,107,200 |
| Not in employment 65,100 (35,000 full-time) | N/A |
| Unemployed (ILO) | 210,000 |
| Inactive | 897,100 |
| Student | 347,000 |
| Home duties | 285,000 |
| Ill health/disability | 105,700 |
| Other | 98,000 |
| Retired | 60,900 |

Source: SLMRU (SOLAS) analysis of CSO data
Note: Discrepancies are due to rounding.
The Monitoring Skills Supply 2015 shows that there has been a drop of almost 200,000 (or 26%) in the number of 20-29 year olds in the population. This is partly due to a fall in the number of births in the 1990s, although outward migration is shown to have negatively affected those aged 15-24 and 25-44 far more than any other age group.

The National Skills Bulletin 2015 shows that net outward migration for Irish nationals continued to persist at 29,200 in 2014; although this was a decline of 6,000 compared to 2013 (35,200).

In the Population and Labour Force Projections 2016-2030, the CSO present three scenarios of net migration:

- All three assume some level of negative migration in the period up to 2016 ranging from -19,100 to – 25,100
- In the period 2016-2021 two scenarios (M1 and M2) forecast a return to positive net migration ranging from a low of 4,700 to a high of 18,200
- In the period 2021-2046 the negative migration scenario forecasts average annual net migration of minus 5,000 compared to the positive scenario’s of net migration between 10,000 and 30,000.

As highlighted at a recent National Youth Council of Ireland conference, failure to attract emigrants back to Ireland has serious social and economic policy implications. As well as the impact on potential future economic growth there are implications for Ireland in terms of impact on the family, alteration of Ireland’s age structure and emergence of a youth generation gap.

In the coming decades there will be a reduction in the number of people in 20-64 age group and a substantial increase in the very old population (80 years and over)

- In the coming decades there will be a reduction in the number of people in the standard working ages (20–64)
- The old population (i.e. those aged 65 years and over) is projected to increase very significantly from its 2011 level of 532,000 to between 850,000 and 860,700 by 2026, and to close to 1.4 million by 2046.
- The very old population (i.e. those aged 80 years of age and over) is set to rise even more dramatically, increasing from 128,000 in 2011 to between 484,000 and 470,000 in 2046 depending on the scenario chosen.

SKILLED MIGRANTS IN THE WORKFORCE

The 2015 National Skills Bulletin indicates that in Q4 2014, non-Irish nationals accounted for 286,000 persons or 14.7% of total employment. EU nationals accounted for over 70% of all non-Irish nationals.

The State’s general policy is to promote the sourcing of labour and skills needs from within the workforce of the EU (including Ireland) and other EEA States. Where specific skills prove difficult to source within the EEA, an Employment Permit may be sought by an employer to hire a non-EEA national. However, migration is intended to complement the primary policy objective of Government which is the up-skilling of the resident population at all levels.

While we will work to increase the numbers of graduates with the appropriate skills from our own education and training system, the speed of innovation in the marketplace, and the rapid evolution of the technologies in enterprises requires an enhancement of our capacity to attract experienced professionals from elsewhere to expand Ireland’s skills base.

Even in the context of a steady increase in indigenous expertise, there will always be innovators and knowledge leaders with cutting edge or combination skill-sets, who Irish-based enterprises may wish to attract.

- A total of 5,175 Employment Permits were issued to end Q3 2015, a 13% increase over the same period in 2014. The ICT sector has accounted for 39% of all Employment Permits issued, with a further 36% issued to the healthcare sector. In terms of occupations, professionals accounted for 73% of all permits issued to end Q3 2015, for positions including IT developers, doctors, nurses, engineers and business analysts.
EDUCATION PROFILE OF THE LABOUR MARKET

In Q4 2014, the education profile of employment in Ireland shows that:

- 15% of persons in employment had at most qualifications at NFQ levels 1 – 3
- 31% had qualifications at NFQ levels 4-5
- 27% had qualifications at NFQ levels 6-7
- 27% had qualifications at NFQ levels 8-10

QUALIFICATIONS AT NFQ LEVELS

The Eurostat data above shows that people with less than primary, primary and lower secondary education represent 18% of all those in employment (15 to 64 years) in 28 EU countries. In comparison to Ireland at 14%, the low skilled make up 12% of those in employment in Germany, 15% in the UK, 17% in Norway, 22% in the Netherlands, 6% in Poland and just 4% in the Czech Republic, Lithuania and Slovakia. For those in employment with upper secondary and post secondary but non-tertiary, Ireland has the lowest proportion out of the countries listed at 38% and is well below the EU average of 49%. In contrast, for those in employment with tertiary qualifications, Ireland far exceeds the EU average of 33% and has the highest proportion of the countries listed at 45%, followed by Lithuania, Finland and Norway all on 42%.
PROFILE OF UNEMPLOYMENT

The overall number of those in unemployment as of quarter 2 2015 is 211,200

- 69% (148,800) are between the ages of 25 and 54
- The largest cohort of unemployed are between the ages of 25 and 34

The overall percentage of those who are unemployed in quarter 2 2015 is 9.8%

- Only 33% of people with disability of working age are in work compared with 66% of non-disabled people
- Unemployment rates are the highest among the youngest age groups
- Although those between the ages of 15 to 24 account for only 9% of the labour force

There is a strong correlation between educational attainment and unemployment, with unemployment rates highest for those with the lowest levels of qualifications

Educational attainment is a good predictor of labour force activity, 17% of those with a third level qualification are inactive compared to 33% of those with a higher secondary or PLC qualification

Note: refers to persons aged 15-64 years
Data Source: CSO (QNHS)
LABOUR MARKET ACTIVATION: INITIATIVES UNDERWAY

In 2012, the Government launched a two pronged approach to tackling the jobs crisis with the launch of Pathways to Work and the Action Plan for Jobs initiatives. The Action Plan for Jobs is focused on stimulating employment growth; Pathways to Work on making sure that as many as possible of these new jobs, and other vacancies that arise in the economy are filled by people from the Live Register.

There have been significant reforms of the State's approach to helping unemployed jobseekers return to work. Since its launch, this programme of work has seen the:

- Rollout of Intreo, a single point of contact for all employment and income supports. Designed to provide a more streamlined approach, Intreo offers practical, tailored employment services and supports for jobseekers and employers alike. As part of the rollout of Intreo, the following measures have been introduced:
  - a Group Engagement process whereby all new jobseekers are briefed on the services available to them
  - the profiling of every client on the Live Register to help prioritise and direct interventions

- the introduction of a case management approach whereby jobseekers receive scheduled one-to-one interviews with case officers based on their profile

- the introduction of a ‘social contract’ of rights and responsibilities between jobseekers and the State for both the Department of Social Protection and the jobseeker agreed through the Record of Mutual Commitment

- the redesign of payment claim processes to significantly reduce the processing time of jobseeker payment claims

- the introduction of ‘fast-track’ claim processing to allow unemployed jobseekers take up short-term/seasonal work opportunities.

- Development and rollout of JobBridge, the national internship scheme

- Design, development and introduction of JobsPlus, an incentive scheme from the Department of Social Protection to encourage and reward employers who offer employment opportunities to the long term unemployed

- Merger of the Community Welfare Service (CWS), the Department of Social Protection (DSP) and the employment and community services of the former FÁS to deliver this transformed service

- Modification of jobseeker payment rates including the introduction of penalty rates of payment, revised payments for casual workers and young jobseekers and the introduction of a transitional Jobseeker scheme for lone parents migrating from the One-Parent Family Payment

- An increase in the number of places on Tús, Community Employment and training & education programmes by about 30%

- Development and launch of Momentum and Springboard providing skills training and education in areas where there is demand for skills in the labour market. Both of these initiatives are funded by the Department of Education and Skills and managed by SOLAS and the HEA respectively.
Launch of the Skills to Work jobs campaign, aimed at making it easier for jobseekers and employers to know what Government skills initiatives are available to them. This includes the five skills initiatives: Springboard, Momentum, JobBridge, JobsPlus and Skillnets.

- An increase in the number of staff deployed on front-line case work duties
- Creation of an Employer Services Division in DSP to start the process of building effective relationships with employers
- Design and tendering of a contracted employment services model - JobPath
- Formation of a Labour Market Council of industry leaders and labour market specialists to monitor and advise on the implementation of the Pathways to Work Strategy
- Development of protocols between the Department of Social Protection, the Department of Jobs, Enterprise and Innovation, IDA Ireland, Enterprise Ireland and the new Local Enterprise Offices (LEO’s) to maximise the recruitment of appropriately skilled persons from the Live Register by enterprise agency client companies

Some key statistics related to the rollout of Pathways to Work include:

- The total number of long-term unemployed people who have moved into employment since Pathways to Work was launched in 2012 is now over 70,000
- The exit rate for people who have been on the Live Register for two years or more has risen from 26% in 2012 to 47% in July 2015
- The persistence rate (the rate at which short term unemployed people become long term unemployed) has fallen from 35% in 2012 to 28% in July 2015

Springboard

Springboard was designed to help reskill people who lost their jobs as a result of the recession. By the end of 2015, up to 30,000 places will have been funded under the initiative, which is supported by a €105 million investment from the Exchequer. The programme has been continually evaluated since it commenced in 2011 and the most recent trend analysis shows that:

- a survey of all graduates 2011 – 2014 indicates that within two years of completing a Springboard course, 60% of respondents are employed or self-employed, with progression to employment steadily increasing over time.
- a scan of data by the Department of Social Protection indicates that 74% of all Springboard participants 2011 – 2014 are no longer on the Live Register.
- 95% of respondents’ jobs are in Ireland and 49% are located outside Dublin. The quality of employment is also improving, with 85% of respondents employed full-time and 62% in managerial or professional roles.
- Participants who were long-term unemployed at the start of their course find it harder to get employment but 45% of this group now achieve employment or self-employment within six months of completing a Springboard course.
Momentum

Momentum provides free education and training courses for long-term jobseekers enabling them to gain in-demand skills and to access work in sectors of the economy where there are job opportunities, such as ICT, tourism and hospitality, transport, distribution and logistics. The programmes are aligned to levels 4 to 6 on the National Framework of Qualifications (NFQ) or to an industry recognised certification within the sector, and include on-the job training in the form of work experience modules. In line with the Department’s commitment to the Youth Guarantee initiative, one third of all places are ring-fenced for the under 25’s. An evaluation of Momentum indicates over 50% of starters on the programme had signed off the Live Register at the end of the programme in 2014.

JobBridge

JobBridge is the national internship scheme providing unemployed people the opportunity to gain valuable experience in a working environment and to gain the relevant knowledge and skills required to enter into a particular career field. The work experience placements are for a 6 month or 9 month period. JobBridge aims to assist in breaking the cycle where jobseekers are unable to get a job without experience, either as new entrants to the labour market after education or training or as unemployed workers wishing to learn new skills. Interns receive an allowance of €50 per week on top of their social protection entitlement which is payable for the period of the internship. To date 41,259 interns and 17,000 host organisations have registered with JobBridge.

JobsPlus

JobsPlus is an employer incentive which encourages and rewards employers who employ jobseekers on the Live Register. It is designed to encourage employers and businesses to employ people who have been out of work for long periods. Eligibility was broadened in 2015 to include young jobseekers (under 25 year olds) unemployed for four months or more in the previous 6 months and jobseekers transitioning from One Parent Family Payment. JobsPlus provides a direct monthly financial incentive to employers in the form of a monthly grant paid over two years. The provision of JobsPlus for 2015 is €25.5 million with the aim of supporting 6,000 employees in employment.

Skillnets

Skillnets funds and facilitates training through over 50 networks of private sector companies under the Training Networks Programme (TNP), in a range of sectors and regions across the country. These networks identify their own common training needs, typically on a regional or sectoral basis. They also source their own training providers and develop their own learning solutions. This ensures projects remain enterprise-led and aligned with their needs. In 2014 Skillnets achieved over 100% of the target set for training days in respect of employees and jobseekers.

Skills to Work

The Skills to Work brand, developed by Government, represents a coordinated approach to presenting the range of enterprise-focused targeted education and training programmes available to jobseekers. Skills to Work includes ICT conversion courses, Springboard, Momentum, Skillnets Jobseeker initiatives, and two programmes from the Department of Social Protection, JobBridge and JobsPlus.
Other relevant initiatives underway include:

- As part of Pathways to Work, a Youth Guarantee Implementation Plan has been developed and is now being implemented.

- The First Steps programme offers a young person aged 18 to 24, who has had little or no experience of working, the opportunity to learn basic work skills and social skills while on a placement in a real work situation.

- Since 1 January 2015, under JobsPlus Youth, the qualifying period for JobsPlus for jobseekers aged under 25 has been reduced to 4 months. Eligible young people are given certification that they qualify for the JobsPlus subsidy and they can use this when applying for jobs.

- The first Irish diaspora policy, Global Irish, was published in March 2015. The policy recognises the unique and important relationship between Ireland and its diaspora and sets out actions to nurture and develop this relationship and to engage the diaspora. A new website was also established at www.dfa.ie/global-irish/ and includes information for the diaspora on support services; living abroad; staying in touch; and returning home to Ireland.

- In early 2015, the Government announced an initiative to develop eight regional Action Plans for Jobs in order to support job creation across the country. As of September 2015, three plans have been published for the Midlands, South West and South East.

- A comprehensive employment strategy for people with disabilities 2015 – 2018 has recently been published which provides a framework for actions to improve the transition to work of people with disability.

Overview of Business in Ireland

The recovery in Ireland is being underpinned by a competitive export-led enterprise sector and this is supported through a range of initiatives including the National Action Plan for Jobs initiative introduced in 2012 and the more recent Action Plan for Jobs Regional initiative that commenced in 2015.

Ireland is competing in an increasingly competitive global environment which is constantly changing and evolving. This means that there is a constant need for enterprises to ensure they have people with the right skills for their business as it develops. It’s also important that education and training providers and current and future employees have access to information on what skills are in demand and what career opportunities are available.

Business in Ireland

- 185,499 active enterprises in Business economy employ 1.2m people (excludes public sector, health, education, agriculture)
- 99.7% are SMEs: total employment 829,295
- 90.7% of companies employ less than 10 people each
- EI/IDA client base c.6000 companies with c.300,000 employees
- 30% of employment in Retail and Accommodation, lowest value added
- 14% of employment in Manufacturing, highest value added
- 6% of employment in ICT, 2nd highest value added

EMPLOYER PROFILE

<table>
<thead>
<tr>
<th>Number of companies</th>
<th>Employment</th>
<th>% of total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large (+250)</td>
<td>555</td>
<td>384,000</td>
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<tr>
<td></td>
<td></td>
<td>32%</td>
</tr>
<tr>
<td>Medium (50-249)</td>
<td>2,412</td>
<td>227,000</td>
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<tr>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>Small (10-49)</td>
<td>14,283</td>
<td>270,000</td>
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<tr>
<td></td>
<td></td>
<td>22.5%</td>
</tr>
<tr>
<td>Micro (-10)</td>
<td>168,249</td>
<td>318,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26.5%</td>
</tr>
</tbody>
</table>

EMPLOYMENT BY ECONOMIC SECTOR

EMPLOYMENT GROWTH BY SECTOR - Q1 2014 TO Q1 2015

LABOUR MARKET-SKILLS SHORTAGES

The National Skills Bulletin 2015 highlights that as the economic recovery gathers pace, skills shortages are being observed in a greater number of occupations and sectors than in recent years. These shortages may be small in scale but critical to the operation and development of the particular sector. In summary, skills shortages are arising for roles in the following sectors:

- Professionals/associate professionals (ICT, engineering, science, business & finance, health and construction)
- Clerical (multilingual credit control/debt control and supply chain)
- Skilled trades (chefs, tool making, welding (TIG, MIG), butchers/deboners, steel-erector)
- Sales (technical sales, multilingual customer support, online sales and marketing)
- Operatives (CNC, drivers (fork lift and special vehicle))
- Retention issues are also being experienced (care, chefs, butchers/deboners, elementary (e.g. waiters))

The Expert Group on Future Skills needs has identified the need for skills in high-level ICT skills (for the ICT sector and across all sectors), Big Data & Analytics skills (ICT sector and data savvy roles across sectors), manufacturing (all manufacturing, engineering, biopharma-Pharmachem, Medical Devices, Food & Beverages, ICT Hardware, Skillsto Trade Internationally (all sectors), International Financial Services, Construction Skills, Entrepreneurship (all sectors), Creativity, Design & Innovation (all sectors), Freight Transport, Distribution and Logistics, Cross Enterprise Skills (all sectors) and foreign language competence.

The Employer Survey, published in 2015, also shows that there are lower satisfaction rates among employers with the language skills, business acumen/awareness and entrepreneurial skills of graduates.
ENTREPRENEURSHIP

New and growing businesses are an essential part of the economic structure in any country, without growing businesses, goals of full employment and wealth creation cannot be achieved.

The Global Entrepreneurship Monitor Survey shows that:

- Ireland is close to the European Union average in nascent entrepreneurship (those in the process of starting up), new business ownership and discontinuation of business rates.
- Irish entrepreneurship in the form of established business ownership rates exceed the European Union average by 3.2 percentage points.
- The European Union average entrepreneurship rate for early stage entrepreneurial activity exceeds the Irish rate by 1.3 percentage points.

PHASES OF ENTREPRENEURIAL ACTIVITY - 2014

<table>
<thead>
<tr>
<th>Phase</th>
<th>European Union</th>
<th>Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nascent Entrepreneurship rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New business Ownership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Stage entrepreneurial activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established business ownership rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinuation of business</td>
<td></td>
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</tbody>
</table>

Source: GEM 2014

OCCUPATIONAL FORECASTS

The Skills and Labour Market Research Unit in SOLAS forecasts that over the period to 2020 the strongest rate of employment growth will be in construction (albeit from a low base following the recession), STEM occupations including ‘competitive manufacturing’, legal, business and financial occupations. A recovery in the EU economy would bring strong employment growth for sales occupations (over 40,000); however, lack of credit or drag in the EU exports, would reduce employment growth to a quarter of that projected for the recovery.

It is forecast that there will be slow growth for education, health and social care occupations (3,000-22,000) and the number of farmers are expected to decline by 13,000.

Source: SLMRU, SOLAS
BUSINESS IN IRELAND: INITIATIVES ALREADY UNDERWAY

Enterprise Policy 2025, is a new ten year framework for Irish enterprise policy. It will set out the strategic actions needed to ensure Ireland’s enterprise policy is robust in the context of a changing competitive environment, and intensified global competition for trade, investment and people.

The strategic actions are framed by ‘Global Drivers of Change’ and ‘Global Trends’ which are forecast to develop over the coming decade and will have implications for enterprise policy.

The Global Drivers of Change are shaping the environment in which business operates and include demographics, technological advances and climate change.

The Global Trends emerging as a consequence will have implications for enterprise policy and also for education and training policy. These trends are summarised below:

Technology Disruption

Emerging or developing technologies are expected to continue to drive substantial economic impact and disruption across all sectors of the economy. ICT innovations and processes will enable transformation of business models, organisational structures and value chains. ‘Key Enabling Technologies’ (KETs) will facilitate the creation of new products and services, disrupting and supplanting established ones.

Potential major disruptors include: Mobile internet, automation of knowledge work, internet of things, cloud technology, advanced robotics, autonomous or near autonomous vehicles, next generation genomics, energy storage, 3D printing, advanced materials, advanced oil and gas discovery, renewable energy. This trend is considered a key driver of competitiveness.
Global Value Networks (GVNs)

Previously integrated industrial operations are increasingly sliced up into highly complex smaller manufacturing and services packages, sometimes geographically redistributed across continents. Different stages in the production process are located across different economies, leading to greater specialisation—these broadly encompass all activities of firms’ value chains, including production, distribution, sales and marketing, R&D, innovation. The emergence of GVN is facilitated by falls in transport and communication costs, and transaction costs and risks traditionally associated with doing business across borders. This trend has implications for Ireland’s FDI position, the competitiveness of Irish firms as suppliers, partners and innovators and growth/internationalisation strategies of Irish based firms.

Shifting economic power structures

Greater global assertion by developing and transition economies through demographic growth, outward investment, technology disruption, and the expansion of their middle classes, which has increased demand for goods and services. These economies have attained greater power to influence world economic policy. This trend has implications for diversification of Ireland’s FDI portfolio, its position on international trade negotiations, the internationalisation strategies of Irish firms, Ireland’s mergers and acquisitions framework.

Shifting consumption patterns

Shifting consumer patterns and behaviours are impacting on manufacturing and retail. Consumer preferences are becoming more diverse and customised. Expansion of e-commerce is bringing the global marketplace to any individual consumer with an internet connection which in turn is creating a wider and more open market where small, innovative companies can gain traction quickly. Better informed consumers are also increasingly guided by values rather than just necessarily price, e.g. concerns over the sustainability of food sources and fair trade. Countries with ageing populations and low fertility rates (i.e. most developed countries) driving strong demands on health and lifestyle products and services.

Urbanisation/Pressure on Resources

The growth in urbanisation, and with it the importance of the city will increasingly present challenges for policy makers to manage the growth sustainably. 60% of the world’s population is projected to live in cities by 2020, increasing to 70% by 2050. Cities are increasingly in competition with each other to attract investment and talent. Population growth is leading to increased demand for resources: food, water and energy, commodities/raw materials. The resulting pressure on resources (e.g. rise in energy prices), and global push to cut carbon emissions, holds potential for move to low carbon, resource efficient economy. Climate change is testing the resilience of natural systems globally.

Workforce transitioning

Technology advances are requiring higher levels of tech savyness and leading to an increasing danger of skills obsolescence amongst maturing employees. This gives rise to a need for reskilling and upskilling on an ongoing basis. Differential rates of economic growth, technology adoption and demographic ageing are predicted to fuel a decline in availability of skilled workers globally.

New Ways of Working

All of the above trends are impacting on the world of work. Workplaces are becoming more mobile and flexible, with individuals identifying with a particular skill/professional network rather than a single company. More flexible forms of work are already being used including job sharing, casual work, ICT based mobile work and portfolio work. Generational differences are emerging with the so-called ‘tech-savvy’ generation having different norms and expectations about work and the workplace.

Advantages of flexible work forms depend on context. Some employees will experience more or less flexibility and bargaining power. Some forms of casual work characterised by low income, poor social protection, little career development prospect e.g. phenomenon of ‘zero hours contract’.
HOW WE GATHER AND USE INFORMATION ON THE DEMAND FOR SKILLS

The Expert Group on Future Skills Needs (EGFSN)

The Expert Group on Future Skills Needs (EGFSN) was established in 1997 to provide advice on future skills needs and emerging skills gaps. It reports jointly to the Minister for Education and Skills and the Minister for Jobs, Enterprise and Innovation. Activities of the EGFSN are funded by the Department of Education and Skills from the National Training Fund. The Chair is appointed by the two Ministers and members include representatives from Government Departments, SOLAS, the HEA, universities, institutes of technologies, Skillnets, Enterprise Ireland, IDA Ireland, IBEC, ICTU, NALA and individual enterprises.

The EGFSN oversees a work programme of research and analysis managed by a Secretariat jointly provided by the Strategic Labour Market Unit of SOLAS (SLMRU) and the Department of Jobs, Enterprise and Innovation (DJEI). The SLMRU also manages the National Skills Database which pools all available information on the supply and demand for skills in Ireland and it produces a number of reports annually on the demand and supply of skills. EGFSN and SLMRU research provides an input to the development of course curricula and has informed the development of new competitive funding models of provision to address emerging skills needs, including Springboard, Momentum and the ICT skills conversion programmes. EGFSN/SLMRU reports are published on the EGFSN website www.skillsireland.ie.
The Apprenticeship Council

The Apprenticeship Council was established by the Minister for Education and Skills in November 2014 to oversee the expansion of apprenticeship into new sectors of the economy. The Council is enterprise led and has representatives from business, trade unions, further and higher education bodies and the Department of Education and Skills.

New Network of Regional Skills Fora

The Department of Education and Skills is leading a project to create a network of regional skills fora to foster greater engagement between the education and training system, employers and other local stakeholders in building the skills needs of their regions. The objective is to provide for a mechanism for engagement on skills issues that is simple and accessible for both providers and employers.

DEVELOPING A NEW NATIONAL SKILLS STRATEGY FOR THE PERIOD 2015 - 2025

The OECD Framework for Skills Strategy Development


- The strategy identifies three key themes that need to be examined in developing effective skills policies:
  - How to develop relevant skills
  - How to activate skills supply
  - How to ensure effective use of skills

- Using the OECD framework as a reference point, we are seeking comments on existing policy approaches and on proposals for new actions to be considered for inclusion in the new National Skills Strategy.

The following sections provide an overview of the OECD framework, the relevant policy levers that are suggested for each theme and questions relevant to the development of policy and initiatives in Ireland.
Developing relevant skills
A country can develop its relevant skills by:

- Encouraging and enabling people to learn throughout life
- Fostering international mobility of skilled people to fill skills gaps
- Promoting cross-border skills policies
- Increasing engagement between enterprise and the education and training system including schools, further education and training providers and higher education institutions

Activating skills
A country can activate the supply of its skills by:

- Encouraging people to offer their skills to the labour market
- Retaining skilled people in the labour market
- Engagement between enterprise and the education and training system to design appropriate upskilling and reskilling opportunities

Effective use of skills
A country can put its skills to effective use by:

- Creating a better match between people’s skills and the requirements of the labour market
- Increasing the demand for high-level skills
- Engagement between enterprise and the education and training system on immediate and future skills needs

Tell us your views
You can send us your submission on the questions set out in the following sections:

- by email to nss@education.gov.ie
- by post to Higher Education Policy and Skills Unit, Department of Education and Skills, Marlborough Street, Dublin 1.
- by online form at www.education.ie/nss

The closing date for submissions is Tuesday 1st December, 2015.
Ensuring that the supply of skills is sufficient in both quality and quantity to meet the current and future skills needs of enterprise, and to support economic and social development more generally, is central to effective skills policy. Supply can be ensured by developing the right mix of skills through education and training, and influencing the flow of skills by attracting and retaining talent. Education institutions focusing on innovation and in particular new technologies can also be involved in developing the skills that will shape the economy and society of the future.

The OECD identifies a number of policy levers which can contribute to improving the quality and quantity of relevant skills in a country. These and other relevant levers are listed below.

**Encourage and enable people to learn throughout their lives:**
- Gather and use intelligence on the demand for skills. In Ireland this work is currently undertaken by the Expert Group on Future Skills Needs, the Skills and Labour Market Research Unit in SOLAS and this work is underpinned by the data on the supply and demand of skills in Ireland in the National Skills Database
- Increasing engagement between enterprise and the education and training system
- Promoting greater flexibility by further education and training and higher education providers to better respond to changes in demand
- Design efficient and effective education and training systems
- Remove barriers to investing in further learning
- Raise the quality of education
- Promote equity in educational opportunities

**Enable skilled people to enter and remain in their territory:**
- Facilitate easy entrance for skilled migrants
- Encourage international students to remain after their studies
- Facilitate return migration

**Establish effective cross-border skills policies:**
- Facilitate knowledge transfer and cross-border education
DEVELOPING RELEVANT SKILLS TELL US WHAT YOU THINK

Relevant Skills:
This document sets out a range of drivers of change and trends which impact on the world of work and the economy and society more generally over the period to 2025. This includes new ways of working, technological advances and changing consumer preferences and behaviours. This document has also highlighted a range of initiatives that are underway to ensure that the education and training system provides relevant, flexible, quality opportunities and that activation measures are targeted appropriately. However, we also know that competitor countries are also introducing changes in order to compete in the skills area in the future.

- What do you consider to be the relevant skills for development in the period to 2025?
- Do we have the right mix of initiatives to deliver the future needs of enterprise, the economy and society?
- How can employers and education and training providers work more effectively to identify and address skills needs and ensure the “work readiness” of learners?

Measurement & targets:
The current skills strategy focuses on targets related to NFQ levels to be achieved by 2020. There are a number of other relevant targets in related strategies like the Literacy and Numeracy Strategy and EU targets on school leaving and participation.

- What indicators should be used to measure progress in the new Skills Strategy (e.g. NFQ levels, Employer surveys, other)?

Life Long Learning:
The lifelong learning rate in Ireland at 7.3% is well below the EU average of 10.5%. The gap between Ireland’s lifelong learning participation rate and the EU average has increased since 2009. Data also shows that lifelong learning participation tends to decline with age and the higher the education attainment level, the more likely adults are to participate in lifelong learning. As highlighted earlier in this document, there has been a relative decline in investment in training by Irish employers, compared to traditional lifelong learning leaders across the EU.

- How can we motivate more people to participate in life-long learning? What are the attitudinal and structural barriers to learning that need to be overcome?
- What actions can be taken by employers to support and encourage increased participation in lifelong learning?
- What actions can be taken by education & training providers to support and encourage increased participation in lifelong learning?
- What actions can be taken by the State to support and encourage increased participation in lifelong learning?
- How can we give recognition to prior learning including skills acquired in work, home or community settings?
- What barriers need to be addressed in order to stimulate investment in training by Irish enterprises?
- What barriers need to be addressed to encourage disabled people to engage with education and training?
Real world experiences for learners:
Experience from initiatives like Momentum and Springboard show that skills development is more effective if the world of learning and the world of work are linked. Hands-on workplace training and experience can help smooth the transition from education into the labour market and also give people an opportunity to learn ‘hard’ skills like working with cutting edge equipment and ‘soft’ skills of communication, team work, good decision making and negotiation.

- How can the range of work place experiences be expanded, particularly in SMEs, to increase opportunities for learners to gain practical experience as part of their education and training programme?

Skills infrastructure:
It is clear that there will be an increasing demand for more flexible learning opportunities in the coming years. Learners and enterprises will want to be able to access a range of different upskilling and reskilling opportunities which might include work place learning, e-learning, short courses, part-time and distance courses.

- Is the structure and architecture for the education and training system fit for purpose?

- Is there a need for greater collaboration, particularly in the post-secondary sector to support learners to access learning opportunities and to meet the skills needs of employers?

- How can we encourage the provision of a range of programme offerings by education and training providers that are relevant to learners and enterprise needs?

- What can institutions do to ensure their policies and practices are inclusive and open to people with disabilities and other under-represented groups?

- There are divergent views on the issue of over-education and the scale of skills mismatches in the economy. It is clear that enterprise requires skills at all levels of the NFQ. We would welcome views on this issue and the implications that it has for the skills system and in particular the balance of provision between further education and training and higher education.

- How can education and training providers and employers work together more effectively to respond to the results of the Employer Survey to achieve greater satisfaction amongst employers in future with the skills of graduates?
ACTIVATING SKILLS SUPPLY

Individuals may have skills, but for a variety of reasons may not offer them to the labour market. Many individuals are out of the work force by choice due to personal reasons or because there are no financial incentives to work. Integrating under-represented groups into the labour force can increase the skills base in an economy. However, this requires identifying inactive individuals, possibly retraining them, ensuring that the system offers them financial incentives to enter or return to the labour market, and removing demand-side barriers to hiring.

Areas for consideration on how countries can encourage people to supply their skills to the labour market include:

(i) Encouraging inactive people to supply their skills to the labour market
- Identify inactive individuals and the reasons for inactivity
- Offer financial incentives
- Overcome non-financial barriers to labour force participation
- Combine activation policies with retraining and up-skilling

(ii) How to retain skilled people
- Discourage early retirement
- Counter the potential of a brain drain
There are significant initiatives underway across Government to stimulate job creation and to ensure new jobs and other vacancies are filled by people on the live register. These initiatives include the national and regional Action Plans for Jobs national and regional, Pathways to Work and targeted skills initiatives Springboard, Momentum, JobsPlus, JobBridge and Skillnets.

Employment is recovering and is forecast to continue to recover. Unemployment is projected to decline from an average 9.6% in 2015 to 6.9% in 2020. Employment growth is acting to reduce unemployment but long term unemployment remains a problem. There is a potential latent skills supply amongst some cohorts who are under-represented in the workforce, such as people with disabilities and ethnic minorities. The youth unemployment rate, for 15-24 year-olds also remains high, at over 22%.

There is also a significant cohort of people in the Irish labour market - both employed and unemployed - who are relatively poorly qualified and who move in and out of relatively low skilled jobs. Recent data for male and female participation in the labour market shows that males had a higher share of persons in employment, at all levels of education.

- What changes can be made to the approach to training and skills development to improve the employment prospects of people who are long-term unemployed?

- How can the education and training system better engage with unemployed people with low levels of educational attainment?

- How can we encourage people with disabilities and other under-represented groups to return to education or to retrain for employment?

- What measures can be taken to improve the progression of young people from education and training – as well as those not in education or training, including early school leavers – to employment?

Net outward migration for Irish nationals continues and there has been a particular impact on the 15-24 and 25-44 age groups. Many of those leaving the country have higher education qualifications. At the same time, the Employment Permits system provides a mechanism to facilitate immigrant workers who have the skills that cannot be found within Ireland or the EU/EEA.

- What can we do to facilitate and support the return of skilled Irish migrants in the coming years?

Ireland’s demographics are changing and in the coming decades there will be a reduction in the number of people in the standard working ages (20–64) with a significant increase in the older population.

- How can we encourage older people to reskill & retrain and continue to participate in the labour market? What skills will they require?

- How best can this reskilling and retraining be facilitated?
EFFECTIVE USE OF SKILLS

Ireland performs well on a range of benchmarks regarding skills qualifications. However, how these skills are used is what really impacts on our economic and social prosperity. In order to support economic growth and social cohesion we need to make better use of skills in Ireland. This requires investment and support for different types of learning and skills development. It also requires that organisations enable individuals to use their skills most effectively.

A number of actions that can help contribute to the better use of skills:

Help employers to make better use of their employees’ skills
- Support employers to make better use of their employees’ skills
- Enhance the use of skills through better management and innovation
- Tackle unemployment and help young people to gain a foothold in the labour market
- Provide better information about the skills needed and available
- Facilitate internal mobility among local labour markets

Increase the demand for high level skills by:
- Helping economies to move up the value-added chain
- Stimulate the creation of more high-skilled and high value-added jobs
- Foster entrepreneurship
EFFECTIVE USE OF SKILLS

TELL US WHAT YOU THINK

There is a well developed national infrastructure to support the identification of potential and emerging skills needs and future skills needs, however, recent analysis undertaken in relation the development of the regional skills fora shows that the data available on the labour market and future skills needs could be more effectively communicated to both education and training providers, employers, students and those in employment already.

- What changes could be made to ensure that future skills needs of the economy can be anticipated and communicated most effectively to education and training providers, employers, students and those already in employment?

- How can all stakeholders work more effectively to increase awareness of skills requirements and career opportunities among both school leavers and those already in the labour market?

- How can the new network of Regional Skills Fora best contribute to the development of the skills base in each region?

- How can we ensure a better understanding of the skills that are available, for instance in creating a common understanding of language proficiency?

Adapting and updating the skills of those already in the labour market is becoming increasingly important because of the rapid changes in technology, globalisation and longer working lives.

- How can we promote a more effective use of skills at work? In particular, how can managers be supported to identify effective work and organisational practices that make the best use of skills available to them?

- How can this best be promoted among SMEs?

- How can workplace learning be used more effectively to link training provision more closely to employer needs?

- What additional measures are required to support entrepreneurial education and entrepreneurship skills in Ireland?

Supporting SMEs to engage in training:

Available data points to a preference by smaller companies for more informal training and flexible delivery mechanisms, which are less disruptive of the company’s operations that formal, structured training courses which require worker absences.

- How can SMEs be better supported and encouraged to engage with training?
INVITATION FOR SUBMISSIONS ON THE DEVELOPMENT OF A NEW NATIONAL SKILLS STRATEGY