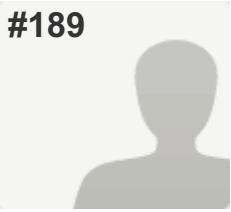


#189



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**PAGE 1: Please complete this consultation paper in respect of your area of interest and/or expertise**

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**Q4: 1(a) What improvements can be made within existing resources**

1. Greater analysis of programmes relevance and performance against desired outcomes.
  2. Greater analysis of progressions from FET and HE with regard to fulfilling career aspirations and responsiveness to industry demand.
  3. Career guidance supports, aptitude / inventory skills assessment - with career guidance commencing much earlier in the secondary school cycle - ideally in 2nd year.
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**Q5: 1(b) What improvements can be made through new provision**

1. The NATIONAL SKILLS STRATEGY 2025 is a major contribution from the Department and which should be a central tenet of the proposed Statement of Strategy 2016 - 2018. The document needs to be brought to the attention of T.D.s and communicated widely to the public - surprisingly it was not mentioned in the Programme for a Partnership Government.

Because SKILLS are seminal to what individuals, communities and the country will achieve, the Strategy - rightly - presents itself as the 'keystone of Ireland's [overall] strategy to deliver long-term sustainable growth'. The DES needs to 'sell' the Strategy much more, and articulate its vision, analyses and policy directions much more vigorously.

2. The current contradiction between DES policy of a 'Learn First' approach to skills development in contrast to DSP adopted policy of 'Work First' needs debate and resolution in the public and economy's interest.

Ireland's development as a first world economy is characterised by its support for talent development, modern infrastructure and flexible support for enterprises. Building on this strength is essential as it can only be maintained and improved by carefully thought out strategic policies and actions particularly in the field of education. To this end increasing the employability rate and in-tandem productivity are indicators of progress that can be met through a strategic approach especially in terms of a supportive education strategy. In terms of new provision that can contribute to the achievement of these goals the introduction of new apprenticeships is critical at this juncture. The Digital Agenda as enunciated by the EU is central to the development of member states and in Ireland's case even more so as an exposed global economy. The tech revolution promises to become an accelerating driver of societal change and prosperity for those countries who can exploit the opportunities. The availability of skills in developing fields such as cloud computing, big data, the Internet of Things, eHealth, dev ops and many more growing tech areas is the fuel for prosperity and broader inclusion of more of our population of working age in this first world economy. Ireland's development as a first world economy characterised by its support for talent development, modern infrastructure and flexible support for enterprises is key to future prosperity and growth.

ICT Ireland/IBEC has cited the need to ring fence resources for the rapid development of Tech Apprenticeships building on the success of the ICT Associate Professional programme developed by FIT with the IT sector. This is seen as a potential game changer for Ireland and a firm goal to get behind this in the new education strategy will pay dividends for both our economy and society.

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**Q6: 2. Comment on work currently being undertaken by the Department in your area of interest and/or expertise. (What are we doing well, what could we do better)?**

1. As mentioned the National Skills Strategy 2025 is a major contribution from the Department in meeting the career aspirations of learners and the future productivity capacity of the Irish economy.

Cedefop (2014) estimates that 378,000 jobs in the Irish economy to 2025 will be for individuals with either an FET qualification or completed upper secondary education (classified together as 'medium skilled'). This propels FET into a leading role – it shows that the majority of job openings do not require higher education.

2. There is a need to improve the labour market currency of Level 5-6 awards and strengthen employers' confidence in, and recognition of certification at those levels. Not all the certification required, however, needs to be 'home grown'. There is scope for a greater use of industry certification and international certification to boost supply at levels 5-6 while simultaneously strengthening its labour market currency.

The tech and related sectors pose particular opportunities. Key finding of the FIT ICT Skills Audit 2014, based on the input of tech companies representing over 30% of the sector in Ireland highlighted:

- Significant skills shortages in the tech and related - in excess of 7,000 immediate vacancies.
- 75% of demand is for entry and competent level skill sets (mid-level skills) - where much of this demand could be addressed through technology skills development programmes at Level 5 to Level 6 on the NFQ.
- Integration of Industry certification into programmes is valued by employers.

3. DES needs to capitalise on the growing acceptance within the sector of the need to broaden the scope of interventions, encourage diversity and to recruit candidates beyond traditional cohorts. Companies are willing to engage with appropriate interventions which could address such needs in a timely and efficient manner. Multi-national companies indicate that if they had greater confidence in the pipeline of tech skills supply they could compete within their global operations for further business development opportunities to be located in Ireland.

4. There is growing consensus that the concept of 'smart people with smart skills' should be promoted as a means of widening the pool of candidates interested in pursuing careers in the technology sector, as the primary need is for employees with talent and ability - this view should be widely promoted within DES and across education and training providers.

5. More needs to be done in 2016 to address shortages and satisfy companies' skills needs by drawing on the large pool of job seekers with the acumen to work within the sector and providing them with additional skills training programmes which respond to the broad range of varied roles and disciplines in demand across the sector.

**Q7: 3. Are there opportunities (e.g. new areas of work) which the Department should consider when developing the 2016 - 2018 strategy which would advance the achievement of our mission, vision and objectives across the continuum of education and skills?**

Traditionally, FET and HE have been developed and planned for two different sections of the population. The National Skills Strategy 2025 commits to integrated strategic planning in order to ensure the Further Education and Higher Education sectors provide a continuum of services to the same population supporting two way flows throughout people's working lives.

Usually (and the text of the Programme for a Partnership Government largely communicates this line of thinking), 'integration' is explained almost entirely as enabling FET to function as a longer or 'more round about' route to higher education for those disappointed with their CAO points. This progression route is hugely important. However, in the context of the demand for skills coming from enterprise and the economy, it is ALSO important to emphasise that more graduates will need FET at different times to update their skills, add new ones (including entrepreneurial skills) and satisfy higher statutory requirements. The Department should support movements downwards and sideways on the NFQ as well as 'one step up' with the single objective of enabling individuals add to their bodies of knowledge and inventory of skills during their working lifetimes in order to remain in employment and increase their earnings.

There should also be better regard for the fact that a L5 or L6 qualification in its own right can be legitimate and valued attainment to quality employment with good career prospects with regard to certain roles and requirements across industry.

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**Q8: 4. How should success on achieving our strategies be measured.**

SMART Objectives - with regular review and accountability.

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**Q9: 5. Comment on any issues relating to the continuum of education and skills, in addition to your particular area of interest and/or expertise**

1. Enhance the quality of FE provision at L5 & L6 in accordance with the revised Common Awards System (CAS) and by incorporating proven industry certification and international qualifications such as C&G, and direct it to where employment prospects are best assured;
2. Research into employers' skills needs should encompass what both FE + HE are capable of supplying as a continuum - thereby addressing the dichotomy between the two sources of tertiary provision;
3. Engagement between tertiary education providers (FE + HE) and employers needs to be more systematic and granular
4. Develop dual-education learning opportunities for a different occupations as a complement to existing provision
5. Opportunities for work-based learning and work experience should become much more prevalent in tertiary education
6. All work orientated FE and HE programmes should be Employment Proofed

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**Q10: 6. Any other observations that you would suggest the Department should consider in the formulation of our strategy for education and skills 2016 - 2018**

Establish 'stakeholder' groups representing the views and aspirations of learners, employers, parents and providers to ensure a broad contribution, wide adoption and advocacy for the final draft of a strategy for education and skills 2016 - 2108. Social media could be used as a platform for such dialogue.

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**Q11: 1(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

N/A - this important area does fall within the remit or experience of FIT.

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**Q12: 1(b) How should progress on Prioritising Early Years be measured?**

N/A - this important area does fall within the remit or experience of FIT.

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**Q13: 1(c) What would you consider to be the priority actions and outcomes in this area?**

N/A - this important area does fall within the remit or experience of FIT.

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**Q14: 2(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

1. It is hugely welcome that the Programme for a Partnership Government commits to ensuring that the major FET reforms which have been undertaken 'empower those who did not get an equal educational opportunity in their youth' and that 'educational programmes and skills training for those unemployed or underemployed are effective in supporting their path to QUALITY employment'.

The Department's next Statement of Strategy must instance concrete steps that follow-through on key perspectives it provides in the National Skills Strategy 2025. In particular:

- the need for higher skills at ALL levels and, thus, how it will support those entering or already in entry-level jobs to have the skills that underpin productivity and satisfactory pay
- the high level of ambition in the new National Skills Strategy that unemployed jobseekers should be supported in finding 'the best possible job' and enjoy a definitive escape from reliance on welfare (both out-of-work and in-work)
- 'TRAIN FIRST' rather than 'work first' should be adopted as a the default setting in guiding how the DES and DSP work together to end labour market disadvantage.

2. The FET Strategy 2014 - 2109, the National Skills Strategy 2025 and Enterprise 2025 all appear well aligned in their ambition to ensure the long-term unemployed acquire in-demand skills and hold jobs that are decent on a sustained basis.

Pathways to Work 2016-2020, in contrast to the policy priorities of DES, appears to encourage job seekers to enter low-skilled jobs because the job seekers themselves are unskilled. This is not alignment with the strategies outlined above. The major JobPath Programme provides no incentives to its contractors to seek substantial training for their clients.

Accordingly the alignment of Pathways to Work 2016-2020, and of Job Path in particular, with the state's enterprise and skills policies must be viewed as a work in progress. The contractual commitments made to Job Path contractors should not be allowed to weaken the desirability of and commitment to reskilling the long-term unemployed.

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**Q15: 2(b) How should progress on Tackling Disadvantaged be measured?**

Looking at this in terms of education policy and strategy suggests some relevant measures:

1. Traditionally a measure of progress has been the progression rate of school completers from disadvantaged areas into Third Level courses in the CAO domain. Progress has been evidenced by a change in some of the most disadvantaged areas from for example 5% to 10% over recent decades. To reflect the emerging view of the continuum of FE & HE as valid advances for learners a new measurement methodology could be developed to show progressions to all FE & HE from disadvantaged areas and indeed all areas. This is needed to reflect the new skills development pathways which are emerging (new apprenticeships) and existing FE routes which contribute to learners acquisition of market relevant skills.
2. In concert with the above a longitudinal measure should be established which tracks the progress of a sample cohort (including a large sample from disadvantaged areas). This could be set up as a fully resourced research action with immediate effect and a twenty year span. The qualitative and quantitative outputs of such an activity would be invaluable in informing and steering ongoing educational policy, strategy and actions.

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**Q16: 2(c) What would you consider to be the priority actions and outcomes in this area?**

A key measure of success as the Irish economy rallies must be the quality of job creation and its capacity to generate jobs that pay for both workers and employers. Increased employment rates as against unemployment rates should be the priority alongside elevating the education and skills profile within disadvantaged communities and cohorts.

Ensuring the effective implementation of policy as outlined in adopted strategy documents such as the FET Strategy 2014 - 2019, the National Skills Strategy 2025 and Enterprise 2025 - which are instrumental in raising the quality of employment across the economy through prioritising policy actions geared at transforming Ireland's employment intensive domestic sector, enhancing the competitiveness of locally traded sector while nurturing the skills profile that attracts FDI.

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**Q17: 3(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

The options facing school leavers who do not transfer immediately to higher education are still not being presented positively in their own light - not explained well or communicated to parents and young people.

Concrete measures should be announced that will advance the access to, and labour market relevance of, career guidance on routes to quality employment and sustainable career through FET - for those who do not wish to pursue HE and or who wish to postpone advancing to Third Level immediately on finishing school

The National Skills Strategy 2025 is aware of this and seeks not to 'oversell' what HE can achieve for all young people. The Programme for a Partnership Government tends more to reflect the ambitions of the HE sector than the national need for a stronger FET sector to complement it.

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**Q18: 3(b) How should progress on Diversity and Choice for Parents be measured?**

1. Young people aged 15+ should have access to appropriate skills inventories and aptitude assessments, full information on the range of educational pathways and professional guidance to deliberate the best learning route to realise their aspirations
2. Correct the widespread and mistaken impression that higher education will be the only route to decent employment in the knowledge-intensive economy Ireland is creating, by prioritising the specific FET programmes that enable young people who do not transfer directly to HE to yet enter jobs of good quality

**Q19: 3(c) What would you consider to be the priority actions and outcomes in this area?**

1. The development of new a set of matrices which set out appropriate participation rates with in FE & HE, incorporating the take-up of traditional and new apprenticeships and other dual education initiatives should be articulated in line with the goals of the National Skills Strategy 2025.
  2. Career Guidance professionals need to be better informed of the range of pathways to quality employment - and give due to deference to the routes other than third level that can give rise to satisfying and rewarding career opportunities.
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**Q20: 4(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

N/A - this important area does fall within the remit or experience of FIT.

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**Q21: 4(b) How should progress on Promoting Excellence and Innovation in Schools be measured?**

N/A - this important area does fall within the remit or experience of FIT.

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**Q22: 4(c) What would you consider to be the priority actions and outcomes in this area?**

N/A - this important area does fall within the remit or experience of FIT.

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**Q23: 5(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

Implement the reform of the Junior Cert and progress the development of a new Leaving Cert curriculum.

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**Q24: 5(b) How should progress on Promoting Creativity and Entrepreneurial Capacity in Students be measured?**

1. Embed key traits such as Critical Thinking, Entrepreneurial Approach, Problem Solving, Collaboration, Project Management etc. throughout the education framework.
  2. Greater use should be made of project work / assignments and applied learning opportunities to reinforce learning.
  3. Students should be better informed in the use of study skills.
  4. Teachers and students should be more better informed of the benefits of productivity tools and online learning resources / portals to enrich the learning process.
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**Q25: 5(c) What would you consider to be the priority actions and outcomes in this area?**

Implement the reform of the Junior Cert and progress the development of a new Leaving Cert curriculum.

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**Q26: 6(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

Significant training opportunities for unemployed job seekers are being lost because premises and plant are not available during the summer months.

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**Q27: 6(b) How should progress on Making Better use of Educational Assets within Communities be measured?**

FET providers that are able and willing to provide skills training during the summer months should be facilitated in doing so. Much valuable educational infrastructure is idle for too long during recess.

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**Q28: 6(c) What would you consider to be the priority actions and outcomes in this area?**

Full utilisation of the state education and training infrastructure on a year long basis.

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**Q29: 7(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

N/A - this important area does fall within the remit or experience of FIT.

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**Q30: 7(b) How should progress on Special Needs Education be measured?**

N/A - this important area does fall within the remit or experience of FIT.

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**Q31: 7(c) What would you consider to be the priority actions and outcomes in this area?**

N/A - this important area does fall within the remit or experience of FIT.

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**Q32: 8(a) Comment on the approach contained in the Programme for a Partnership Government (are we capturing the essential issues, are there additional matters we should take into account).**

1. The National Skills Strategy 2025, and the OECD Skills Strategy (2012) that influenced it, both emphasise that raising enterprises' DEMAND for skills is a legitimate interest on the part of education and training providers. In short, an employment and skills system adequate to the emerging challenges must 'invest as much effort on raising employer ambition, on stimulating demand, as it does on enhancing skills supply' (OECD, 2012: 24).

Education and training providers have to ask employers 'what skills do you currently require to remain in business and expand? It is important, however, that they also ask 'are you aware of the potential of our learners to boost your productivity?' The pride of education and training providers in what their learners achieve has to find some correspondence in the ambition of the employers who recruit them.

There are many reasons why young people in Ireland, backed by their parents, have an exceptionally strong preference to transfer to higher education immediately after completing the Leaving Certificate.<sup>6</sup> They include:

- The employment rate advantage, the 'graduate premium' in earnings and the private financial returns to a tertiary education in Ireland are among the highest in the OECD (OECD, 2015);
- It is easy, as outlined above, to have the impression that, within a decade or more, all good jobs will be for graduates;
- Alternative FET routes are underdeveloped;
- As in other countries too, post-secondary vocational education and training is a relatively 'hidden' and 'less well understood world' because of the quality and limited supply of careers information and guidance(OECD 2014).

At the same time there are several indicators that a growing number of graduates are being disappointed by what their higher education achieves for them. For example:

- The number of graduates in non-graduate jobs is large, by EU and previous Irish standards; 8
- The inequality in earnings among those with a tertiary education in Ireland is high by OECD standards (OECD, 2015)
- The proportion of people at work over-qualified for their jobs is high (Quintini, 2014)
- The quality of the undergraduate experience has come under enormous pressure as staff- student ratios and undergraduates' contact hours with teaching faculty have fallen
- Non-completion rates are high in parts of the HE sector. Students are enrolling who would be better served by quality FET programmes if they were available
- The job-readiness of graduates is of significant concern to many employers and their recourse to sometimes quite long in-house graduate placement programmes

FIT draws attention to these issues knowing more evidence and careful analyses are needed for their full importance to become clear. It believes it is important that the new Statement of Strategy should seek to encourage discussion of the risk that young people are being led to believe disproportionately in the ability of higher education to meet their career aspirations. The possibility, even probability, that 'past performance is no guarantee of future returns' where a higher education is concerned is being more openly discussed in other countries.

FIT is of the view that more young people than before are transferring directly to higher education from school whose aspirations, more beneficial patterns of learning and immediate employment prospects would be better served if they could enter quality, occupation-focused FET programmes and postpone their decision on third level education until they are older. Minimally, the new Statement of Strategy should seek to lessen the pressures on young people to seek entry to HE immediately after completing the Leaving Certificate and commit to strengthening the alternatives at Levels 5-6, while leaving clear doors open to their enrolling for HE at a later age.

2. Enterprise 2025 underlines the 'interdependence between place-making (ensuring an attractive environment) and enterprise development' and encourages regions to exploit it. For example, locally traded services must be of wide diversity and to high standards if working and living in a region is to be attractive to high-skilled workers This implies there must be a major focus on the quality of local jobs, e.g., in child care, retail, restaurants, bars and hotels, sports and leisure amenities, hairdressing and home care, etc.

The European Centre for the Development of Vocational Training (Cedefop) has explored the extent to which skill shortages reported by employers are due to shortcomings in skills supply or arise for other reasons. It concludes that some employers who claim to have difficulties related to the lack of skilled labour, fail to attract labour reasons other than a lack of skills - including unattractive job offers, their unwillingness or inability to offer a competitive market wage, poor job quality, precarious employment contracts, and lack of employer commitment to talent management.

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**Q33: 8(b) How should progress on Meeting the Skills Needs of the Future be measured?**

1 The range of skills needed within knowledge intensive sectors of the Irish economy is wider than many assume. The

## Consultation Paper - Statement of Strategy 2016-2018

1. The range of skills needed within knowledge intensive sectors of the Irish economy is wider than many assume. The flagship sectors (ICT, financial services, life sciences, etc.) are not graduate enclaves and many employed in them are performing roles for which being a graduate is not necessary. The primary concern of employers in these sectors is with skills and who can do the job rather than with qualifications and where they were acquired.

This was the core finding in the FIT ICT Skills Audits of Ireland's - tech sector in 2012 and 2014. In both years, it found that the majority of vacancies which large multinationals were having difficulty in filling were positions requiring 'entry level' or 'competent' skills sets rather than 'experts' sets, and that the former were well within the range of well-designed FET programmes to deliver. In 2014, for example, 75% of 7000 existing vacancies required skill sets that could be addressed through programmes at Levels 5 or 6 on the NFQ. Demand at this level is complementary to the strong demand for graduates but there is not as much awareness of it. It is hugely significant for the 35% of young people not entering third level.

What the FIT organisation has established for the ICT sector is evident also in the findings of several EGFSN reports but the implications of these opportunities for suitably prepared vocational students have not been systematically investigated. It has been articulated at a higher level and for Europe as a whole by the OECD. In concluding its series of Skills Beyond School country reports, it points out that nearly two-thirds of overall employment growth in the EU 25 is forecast to be in the 'technicians and associate professionals category' and that many of these jobs 'require no more than one or two years of career preparation beyond upper secondary level' (OECD, 2014). In short, they find that there is a major need in many countries for new and diverse forms of apprenticeship and other post-secondary dual education programmes to route more young people into good jobs, particularly those who prefer to develop through 'applied learning' and for whom 'earning while learning' is an imperative.

To meet their skills needs, it is not unusual now for large internationally trading companies to operate graduate and non-graduate recruitment channels in parallel, or to admit both types of entrant on equal terms to their own -internship programmes and other in-house training -initiatives. When they do so, it is frequently their experience that employees whom they recruited initially with a vocational education subsequently advance to become leaders in their organisations every bit as successfully as those who started as graduates.

In the context of the demand for skills coming from enterprise and the economy, it is important that the new Statement of Strategy 2016-2018 should present FET as a direct route for ambitious and smart young (and not-so-young) people to satisfying careers in its own right (an option heightened by the determination of the new National Apprenticeship Council to see that apprenticeships can lead to the highest NFQ levels) and not just as a progression route to higher education.

Where employers and FET providers can design and deliver programmes that meet the requirements for filling entry-level and middle-level positions (such as the two-year ICT Associate Professional dual- education programme FIT is piloting with the support of SOLAS), there can be several advantages: the response to skills shortage is faster - employers and candidates can be matched in programmes of, at the most, two years duration rather than after four-year degree courses (and frequently, subsequent graduate placement programmes); companies gain a business advantage by having a wider and more diverse pool of talent on which to draw; companies are able to increase the proportions of their workforce's that are indigenous and reduce some of the accommodation / sustainability issues that accompany the recruitment of graduates from abroad.

The effective implementation of Actions and proposed Outcomes outlined in key policy documents such as the FET Strategy 2014 -2019, the National Skills Strategy 2025, Enterprise 2025, the Action Plan for Jobs, the ICT Action Plan etc. should be reviewed and evaluated periodically with regard to impact - which should be communicated widely. External economic factors should also be monitored to ensure ongoing responsive to emerging needs and opportunities. The departments and stakeholders who are the authors of such policy should undertake to publish end- of-term report with regard to implementation of proposals and the and the resulting outcome and should conclude with follow-on recommendations which could formulate the basis and strategies of future policy statements.

2. The importance of integrating strategic planning for HE and FET has recently begun to receive welcome attention: 'The HEA and SOLAS, together with the Department of Education and Skills, should without delay begin the process of putting in place the arrangements for integrated strategic planning between the Further Education and Higher Education sectors' (HEA, 20134). The Action Plan for Jobs 2015 asks the new National Skills Strategy to pay particular attention to the 'synergies between the higher and further education sectors'.

The principal synergy, traditionally, has taken the form of FET (principally the PLC for young people) serving as a longer or 'more round about' route to higher education for those disappointed with their CAO points after the Leaving Certificate. This progression route remains important. However, in the context of the demand for skills coming from enterprise and the economy, it is important the new Statement of Strategy should emphasise that graduates also may

need FET at different times to update their skills, 'bolt on' new ones or satisfy requirements for given employments.<sup>5</sup> It should speak not only of 'one step up' on the NFQ but support movements downwards and sideways as individuals add to their bodies of knowledge and inventory of skills during their working lifetimes in order to remain in employment and increase their earnings. The new Statement of Strategy should take a quantum step in ensuring that FET and HE in Ireland are conceptualised and planned for as offering a portfolio of services to the same population supporting two way flows throughout people's working lives. Traditionally, FET and HE have developed and been planned for two different sections of the population.

3. The extent of skills deficits among the unemployed that has been revealed by PIAAC should be highlighted in the Statement of Strategy. For example, some 26% of the unemployed are at or below Level 1 in literacy and 36% at or below Level 1 in numeracy. These percentages are likely to be even higher for the LTU as a group. The figures should seriously temper the expectation that the LTU can or should return to employment either quickly or after relatively cheap interventions.

An OECD review (2015) of the current state of evidence as to whether and how policy interventions in advanced countries help adults with low literacy and numeracy skills concludes: 'low basic skills levels of adults are a complex policy problem that has neither straightforward causes nor straightforward solutions and successful interventions are relatively uncommon' (Windisch, 2015: 8). The OECD's summary of why this is so echoes FIT's experience: "Often those concerned will have done badly at school and have a negative perception of education; they may lack awareness of their deficiencies, and even if aware, are embarrassed to admit it. Initial motivation is therefore a serious obstacle. Even for those interested in tackling their weaknesses, it may be difficult to translate that interest into action. For adults with busy working and family lives it is often hard to find space for learning and drop-out rates of programmes are usually high. Although the employment benefits of basic skills acquired in early life are clear, the returns from mid-life learning are much less certain. Most evidence suggests that it is hard for adults to improve their career trajectories by learning basic skills in mid-life, and in the absence of job enhancement, newly acquired literacy and numeracy skills may rapidly decay through lack of use (op. cit., p. 8)."

Several types of so-called 'low skilled jobs' are growing that have significant up-skilling needs (as anyone who values good elder care and good child care or who receives good customer service well knows). In effect, few occupations will soon remain that are 'low skilled' by the standards of the past. A European study captures this by speaking of the 'surprisingly demanding nature of "low skilled" jobs' after a forensic analysis of what employers in one EU country were looking for. It found responsibility, flexibility, skills with customers, the ability to communicate and even language abilities for housekeeping / customer service staff in hotels being required by employers in candidates for entry-level jobs.

Less is known, and less appears to be achieved, in how VET programmes for disadvantaged job-seekers effectively impart soft skills. A McKinsey report notes that soft skills require 'hard work' and can have significant occupation-specific elements that are best acquired on occupationally specific FET programmes. The 'hard work' in question is not the simple inclusion of modules on communications, team-work and other generic skills in course programmes. The 'hard work' is done when the attainment of higher competency in soft skills effectively occurs and is verified on the basis of reliable assessments, whose results are included in the awards made and the certification granted. Otherwise, modules on soft skills will be 'soft subjects', contribute primarily to longer programme durations and, most damaging of all, fail learners in areas that subsequently prove fatal to their employment prospects.

The economic recovery to date has brought with it a significant and welcome fall in LTU. The upskilling challenge facing those who remain LTU is becoming more, not less, formidable. If their low skills are not addressed, a significant number among the LTU will lose out, as happened in the period before 2008, to competition from younger, better educated jobseekers from elsewhere in the EU. The need to embrace the growing complexity of what is now required to accelerate progress in reducing LTU has been articulated by the European Commission in a way that FIT fully endorses:

"Upskilling the low-skilled long-term unemployed is a complex long-term project for which their period of unemployment can be put to good use. The process builds on the assessment of each individual's skills and skills needs, can include validation and accreditation of existing skills and follows up with referral to a training course/ adult education, preferably including on-the-job training, supported by counselling and guidance throughout the path to stable employment. An essential ingredient for such a complex process is cooperation between employment services and private or public adult education services." (European Commission SWD (2015) 176 final, p. 21).

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**Q34: 8(c) What would you consider to be the priority actions and outcomes in this area?**

1. The Department's new strategy should commit to raising the skills dialogue as a key element and action with the new Regional Skills Fora as well as with key sector interests groups.

2. A new activation programme is currently being rolled-out by DSP. Two private contractors, covering approximately the northern half and southern half of the country respectively, have been engaged on a payment-by-results basis to engage with LTU on the Live Register and place as many as possible in employment. In a short space of time, this programme, JobPath, will dwarf all other activation programmes in its scale. Over the next 4 years, the large majority of all those who are currently LTU on the Live Register, or who become so, will be clients of one or other contractor for a year.

The design of the JobPath contract drew to a significant extent from on the Work Programme in the UK. The UK Work Programme intentionally adopted a 'work first' approach. Its limited recourse to training was noted in the design of the JobPath contract. This led to the incorporation in the contract of the option for contractors to 'stop the clock' for any one individual for up to x months if s/he enrolls for training. This is a passive and accommodating approach and not a direct incentive to contractors to choose the training route as a priority. In practice, the large majority of the employment advisers they are assembling are starting with little background knowledge of Ireland's FET sector and programmes. These are grounds for concern. There is a great need to monitor the extent to which clients of the two contractors will access training in the numbers needed and of the duration/quality that are in their long-term interest and that of the economy.

The issue of low skills does not go away when the individuals concerned enter employment. There is little evidence that their low-skills are more easily addressed than if they had remained unemployed. This may happen but hinges crucially on the employers who were willing to recruit them as low skilled to subsequently become interested in raising their skill levels. In practice, doing so may only threaten their business models that rely on low wages to be successful. In addition, the hours and conditions of many low skilled workers can make their participation in training hugely difficult. They are more likely to find themselves in a 'low- pay, no- pay cycle' and to alternate between periods in which they have low earnings and repeat periods of unemployment. A significant minority in the workforce appear to be in this position. When in employment, those with families are likely to need FIS or other in-work benefits in order to have adequate incomes for their households.

In the late summer and autumn of 2015, a clear bottleneck developed as the number of LTU completing one-to-one interviews with Intreo case officers and, thus, in a position to be forwarded for training, fell far behind the availability of places for them on FET programmes. LTU individuals themselves and course providers became, in effect, by-standers as training places remained unfilled. It has been difficult for providers, confident of the quality of their provision and their ability to place LTU individuals in quality employment after training, to believe that demand for VET on the part of the LTU is now below supply.

It is important that the relative role of a 'work first' approach adopted by DSP in general and of JobPath in particular is addressed by the DES new Statement of Strategy and that the ambitions, expectations and policies of the three Departments with core responsibilities for people who are unemployed (Education and Skills, Jobs Enterprise and Innovation and Social Protection) are consistent and aligned on a long-term basis.

3. FIT has had significant experience of, and success with, the Momentum Programme. The level of ambition of the programme (to take individuals who are LTU and upskill them to the point where they become employed in specifically targeted emerging sectors of the economy), the effectiveness with which it has engaged people out of work for very long periods (over 50% of participants on the Momentum reported themselves as having been unemployed for 3 years or more) and the results it is getting (currently one of the most successful of all SOLAS training programmes) should be built on in the new Strategy. Core lessons include: individuals who are LTU can have bright futures in the labour market; education and training providers with the required expertise and commitment can be found in the private, not-for-profit and public sectors; the long-term economic and social returns are large; value for money should not be confused with low cost and providers that can deliver should be properly resourced.

4. The OECD 2012 Skills Strategy contains extensive evidence and analysis of how regional and local economies can become characterised by a large proportion of jobs that are low-skilled. It describes such situations as low-skills equilibria:

In low-skills equilibria, people are matched with their jobs, but at a low level. Employers have business models based on price-competition and their ability to offer cheap products or services. This, in turn, relies on their adoption of low-quality and standardised 'production' lines that require a limited range of low-level skills from the majority of their employees. Most of their employees, accordingly, have a low productivity and low earnings. They also have few incentives to remain in education or participate in training because local employers are neither seeking, nor are they willing to reward, higher levels of skills. For their part, employers have little incentive to upgrade production processes or workers' skills since this can undermine their price-based competition strategy.

Households in the region become part of the equilibrium. Low household incomes mean families seek the cheapest products and services which, in turn, can only be provided if wage costs are low, which contributes to keeping household incomes low. A further refinement is that a region may then begin to experience simultaneously an outflow of its most educated young and a parallel inflow of migrants to fill the low-skilled jobs. This is because the better educated in the region choose to move outside the region to find more appropriate employment, while local people with family and other commitments are less willing and less able to take the low-skilled jobs on offer leading cost-sensitive employers to rely on immigrants.

For such reasons, the OECD is strongly insistent that regional skills strategies in particular must not neglect the challenge of raising the demand for skills in their territories but encourage employers, across a range of sectors and including SMEs, to pursue business models and product-market strategies that are based more on quality and less on price.

The attractive regions envisaged in Enterprise 2025 are, in fact, the antithesis of the low-skilled equilibria about which the OECD warns. Enterprise 2025 emphasises that there is 'interdependence between place-making (ensuring an attractive environment) and enterprise development'. This implies that there must be a major focus on the quality of local jobs, e.g., in child care, retail, restaurants, bars and hotels, sports and leisure amenities, hairdressing and home care, etc.. The OECD 2012 Skills Strategy gives the example of childcare. It notes how differently the skills challenge involved in ensuring adequate childcare in a region will be depending on whether early childhood education and care services are understood as the provision of day care keeping children safe while parents work, or as pre-schools and kindergartens committed to children's educational development (op. cit. p.96).

In short, unless consumer and household services have a wide diversity and are to standards that make working and living in a region the clear choice of high-skilled workers for whom there is strong competition from employers in other locations, the regional economy and its urban pole (s) will not be dynamic or resilient. In dynamic regions, the numbers, earnings and conditions of employment of workers in local services are higher the greater are the concentrations of high-skilled 'innovation workers' finding employment and choosing to live there (Moretti, 2013). They are regions which have been able to avoid a 'bifurcation of their labour markets between a relatively low-skilled, relatively low-paid customer-facing leisure sector, disconnected from a relatively professionalised...high-skilled internationally trading economy', an outcome 'fundamentally unhealthy' for the local economy and society.

All the above implies a major role for ETBs in providing the training that ensures local services reach the required standards and are of the required diversity. As noted, the thrust of national economic development and enterprise policies is that high quality local services are a hallmark of regions that are able to develop, attract and retain high-performance enterprise and the high-skilled workers who work for them. The new Statement of Strategy should commit to a focus on quality and up-skilling across a wide range of industrial and services sectors. This would include jobs traditionally regarded as low-skilled and in which the low cost of their services, no matter the consequences for the terms and conditions of employment, was considered their primary contribution to the local and regional economy.

ETBs on the new Regional Skills Fora should be recognised and accepted as having a particular interest in scrutinising the quality of entry-level and traditionally low-skilled jobs in their regions. It will be their responsibility to adopt the best balance between FET which is 'light' and equipping people with the minimum skills or regulatory requirements for holding entry-level jobs and that which goes deeper and produces learners capable of advancing in their employments and of changing the jobs they enter.

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