

# NALA's views on the Public Consultation on Proposed Exchequer - Employer Investment mechanism for HE and FET



National Adult Literacy Agency  
Aisíneacht Náisiúnta Litearthachta do Aosaigh

The National Adult Literacy Agency (NALA) welcomes the opportunity to offer our views on Exchequer - Employer investment mechanism for HE and FET.

NALA believe adults with literacy and numeracy needs should have access to high quality and relevant learning opportunities, including intensive and flexible programmes, blended learning options and workplace basic skills. Workplace basic skills programmes enable workers with less than a QQI Level 4 qualification to go back to learning and improve their skills for work and life.

## Literacy and numeracy needs in the workplace

Unmet adult literacy and numeracy needs are a key concern for Ireland as they have devastating consequences for individuals, families, communities, society and the economy. Recent research<sup>1</sup> shows that one in six Irish adults (521,550 people) find reading and understanding everyday texts difficult: for example, reading a leaflet, bus timetable or medicine instructions. One in four (754,000 people) has difficulties in real world maths, from basic addition and subtraction to calculating averages.

There are many adults currently in the workforce with literacy, language, numeracy and digital needs – this can make them vulnerable in their workplace and often stops them going for promotion and progressing. Current statistics show that 291,200 people in the labour force have less than a Leaving Certificate or equivalent qualification (QQI level 4)<sup>2</sup> with 251,700 in employment. Many of these adults would like to improve and gain confidence in these skills and potentially work towards a qualification.

## Policy context

Ireland's **National Skills Strategy 2025** sets out how it will support the development of a well-educated, well skilled and adaptable labour force, with lifelong learning being promoted and supported alongside skills in the workplace. However, over the last number of years it has been and still is a challenge to increase the number of adults up to level 3. This figure stands at 15.4% nearly double the 2020 target of 7%. The Strategy proposes that lifelong learning and skills development is a shared responsibility between the State, employers, citizens and FET providers.

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<sup>1</sup> Programme for the International Assessment of Adult Competencies (PIAAC) 2012 Survey Results for Ireland: CSO, Dublin

<sup>2</sup> Quarter National Household Survey Q. 4, 2016

The recent European Commission **Upskilling Pathways** aims to target adults with low levels of skills, knowledge and competences. Ireland will produce a plan for this in 2017 which we hope will address the current gap in intensive, flexible and innovative ways to deliver adult literacy and numeracy provision. To achieve the National Skills Strategy 2025 target to upskill 165,000 people from PIAAC Level 1 or below then we must invest in adult literacy and numeracy provision.

Since 2004 the National Training Fund (NTF) has funded the **Workplace Basic Education Fund** - [www.skillsforwork.ie](http://www.skillsforwork.ie). The fund is currently €2.8 million and provides adult literacy and numeracy tuition to approximately 3,000 employees annually (mainly in the private sector). There is no cost to the employer or employee for the training programme. It is managed by Dublin and Dun Laoghaire Education and Training Board (ETB). Skills for Work provides much needed upskilling for adults in work with low or no qualifications.

## Responding to consultation questions

**Question 1:** Is an increase in the National Training Fund levy as set out in this consultation paper the most appropriate way to meet the recommendations of the Expert Group report regarding enhanced employer funding contributions, or, are there alternative models such as partnerships with education providers or direct employer contributions, of the scale required to deliver the same result in a more effective manner, given the level of increased levy revenue being indicated?

### Answer:

The proposal as suggested is the most appropriate way to increase the NTF in the context of addressing basic skills needs of the 291,200 adults with low or no qualifications in the labour force. The National Skills Strategy 2025 has set a target to upskill 165,000 people from PIAAC Level 1 or below in literacy, and 256,000 people from PIAAC Level 1 or below in numeracy, by 2025. With very limited intensive adult literacy provision, meeting these targets will present a significant challenge. We will need to improve basic skills at Level 3 and to do this will involve an increase in funding and capacity of the Skills for Work programme through the NTF. As it had proven difficult to get employers to invest in workplace basic education pre-2004, the establishment of the Workplace Basic Education Fund was necessary and welcome. We believe this fund should continue to be funded and expanded and should be a priority allocation from the NTF.

**Question 2:** What are the implications for the National Training Fund Act in a changed landscape of employer-education engagement?

**Answer:** N/A

**Question 3:** In what ways can increased National Training Fund levy contributions be linked to (i) identifiable skills needs, (ii) the workforce development agenda and (iii) the local, regional and national roles of institutions?

**Answer:**

With 18% of the population having less than a national level 4 qualification,<sup>3</sup> equivalent to the Junior Certificate, literacy and numeracy difficulties have a direct impact on the workplace, effectiveness and productivity, career opportunities, personal finances, progression, family and everyday life. Changing skills needs in the workplace require employees to “build upon basic skills – such as literacy and numeracy – and to master ICT, innovation and learning how to learn in order to maintain their employability.”<sup>4</sup>

Improving basic skills benefits both the employer and employee. Employers who have supported basic skills in their workplace report many benefits, including:

- \* Increased profits
- \* Improved time-keeping, attendance, production targets and customer relations;
- \* Reductions in wastage;
- \* Better attention to quality, morale and more flexibility from employees.<sup>5</sup>

A cost benefit analysis of adult literacy<sup>6</sup> concluded that there is a positive and rapid return on investment across the board, for participants, the companies they work for, the Exchequer as well as a significant return to economic development. The report concluded “literacy training increases employment by about 12% per increase in NFQ level”. While “at a national level, a country with a literacy rate 1% higher than the average will have a 2.5 % higher than average GDP per capita”. The report also found that “expenditure on adult literacy training generates high economic returns” with the annual income gain per person per level increase on the National Qualifications Framework being €3,810 and the gain to the Exchequer, in terms of reduced social welfare transfers and increased tax payments, being €1,531 per annum.

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<sup>3</sup> Central Statistics Office (CSO) Quarterly National Household Survey

<sup>4</sup> Expert Group on Future Skills Needs (2008), All-Island Skills Study, pg 128

<sup>5</sup> National Adult Literacy Agency (2006), An Employers' Guide to Basic Skills at Work, Dublin: NALA

<sup>6</sup> NALA (2009), A cost benefit analysis of adult literacy training Research Report, Dublin: NALA

**Question 4:** How can increased National Training Fund levy contributions be used to support further forms of employer-education engagement, flexible forms of education and training delivery, and, the education and training outcomes required to meet forthcoming skills needs?

**Answer:**

Increased NTF levy and funding can be used to continue and expand the Workplace Basic Education Fund/Skills for Work programme. We need to offer all adults in work with literacy, language, numeracy and digital needs and less than a QQI Level 4 qualification a high quality and relevant learning programme with a local education and training provider. This would include intensive and flexible options; appropriate supports as required (paid learning leave, income, transport, child and elder care) and progression opportunities.

In particular it could look at new and innovative ways to upskill employees using ways such as:

- blended and distance learning,
- intensive workplace basic education programmes,
- paid learning leave in the workplace,
- bridging programmes to prepare people for other training, and
- integrating literacy into vocational education and training programmes.

**Question 5:** Is the manner in which we develop, nurture and deploy talent central to HE and FET and other sectoral strategies?

**Answer:** N/A

**Question 6:** Are there skills gaps existing or emerging which require a more coherent response from the HE and FET sectors?

**Answer:**

There is a current gap for a concerted strategy to integrate literacy support and development into all education and vocational training programmes.

Integrating literacy reduces literacy barriers to access, participation and achievement in education and training programmes, and increases literacy levels, as part and parcel of the same process. International

evidence shows that this approach is a win-win for everyone. NALA has worked for many years with FAS, ETBs/VECs and now SOLAS to progress this. NALA's integrating literacy guidelines are available [here](#).

The National Skills Strategy identifies that literacy and generic basic skills should be integrated into all public funded education and training programmes.

The FET Strategy 2014-2019 commits to:

“Identify and develop priority research areas with a focus on improving literacy and numeracy practice, in particular by conducting robust research into the practice and impact of integrating literacy and numeracy into all FET programmes at various levels and various settings in order to identify and disseminate best practice in that regard.”

SOLAS is currently overseeing this research. We eagerly await this research and hope that it will drive the development of a concerted strategy to integrate literacy support and development into all education and vocational training programmes.

**Question 7:** How can better partnerships be forged between Education and Enterprise?

**Answer:**

Better partnerships can be forged if we raise awareness of literacy, language, numeracy and digital literacy needs with employers and businesses and offer supports to address these needs. Together we need to engage on this issue and work to improve basic skills in the workplace for the person, the workplace, society and the economy.

**Further information**

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