



Royal Irish Academy Consultation Response (01-17)

April 2017

Response to the consultation by the Department of Education and Skills on Proposed Employer-Exchequer Investment for Higher Education and Further Education and Training

The Royal Irish Academy ('the Academy'), Ireland's leading body of experts for the sciences, humanities and social sciences, welcomes the opportunity to respond to the consultation by the Department of Education and Skills on the proposed employer-exchequer investment mechanism for higher education and further education and training.

Summary

- The Academy welcomes the Government's recognition of the need for a significant programme of reinvestment to address the demographic challenges and continue to deliver the high quality higher and further education vital to Ireland's economic and social sustainability, prosperity and cohesion.ⁱ
- An increase in the employer contribution via the National Training Fund should be understood as an additional and sustained injection of investment to the higher education system in addition to Exchequer investment and student contributions.
- NTF contributions should support the development of transferable skill sets for humanities, social science and science graduates.
- Higher education institutions are already highly responsive to shifts in demands for course provision. Changes should be underpinned by evidence as to the likely nature of provision and demand from students and employers.

Introduction

The Royal Irish Academy welcomes the opportunity to contribute to the Department of Education and Skills (DES) consultation on the proposed Exchequer-Employer Investment mechanism for higher education and further education and training.

Universities and higher education are important national assets and must be adequately supported to enable them to generate the public good from which society as a whole benefits. The Academy welcomes the Government's recognition of the need for a significant programme of reinvestment to address the demographic challenges and continue to deliver the high quality higher and further education vital to Ireland's economic and social sustainability, prosperity and cohesion.ⁱⁱ

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The Academy strongly supports the findings of the Expert Group on Future Funding for Higher Education ('the Cassells report') on the need for action to secure the future financial sustainability of Ireland's higher education sector. The necessary funding mix should include Exchequer investment, student contributions and philanthropy and employer contributions recognising that the latter are a major beneficiary of Exchequer and individual citizen's investment in higher education.

Increase in National Training Fund levy

In its statement to the Joint Oireachtas Committee on Education in November 2016, the Irish Universities Association argued that the significant surplus in the National Training Fund (NTF) should be considered as an immediate source of funding to help alleviate the crisis in higher education funding. More immediately, as proposed in this particular consultation document, a small rise by 0.1 per cent between 2017 and 2020, from the current 0.7 per cent level, into the NTF could yield up to 200million for higher and further education.

The Academy strongly supports the recommended increase in the employers NTF levy proposed in the Cassells report. The increase in the employer contribution should not displace existing or proposed higher levels of state investment and support for higher education but represent an additional injection of investment to the system.

The Academy recognises that use of the NTF to support higher education represents a significant alteration to the existing NTF model insofar as it is mostly allocated for programmes to upskill people already in work or who wish to gain employment. Additional discussion on foot of this consultation would help identify how best to leverage this additional funding to support skills based training within the context of Level 8 and Level 9 education across all disciplines.

Identifying need and skills demand

The consultation document proposes to use the additional revenue arising from the increase to the NTF to support programmes in areas of knowledge and skills demand across the economy and public services. In so doing, it is necessary to recognise that the path from higher education to industry is not necessarily always a linear one. Many science and technology-led industries rely heavily upon humanities and social science graduates as well as graduates from science, technology, engineering and maths (STEM) disciplines. It would be beneficial to use the additional NTF contribution to enhance graduate opportunities to acquire particularly transferable skill sets rather than setting up new undergraduate degrees to respond to a particular sub-set of any industrial sector.

There are many stakeholders who can usefully play a role in identifying relevant skill sets and likely future skills demands e.g. higher education providers, employer bodies, professional associations, academics and researchers, third sector organisations,

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government departments, research funders and other state agencies such as the National Competitiveness Council. The Springboard initiative run by the Higher Education Authority offers a relevant recent example of a popular skills-led investment and supply in higher education. It would also be interesting to consider what demand for these courses tells us about student demand for employer-focused provision: recognising of course that Springboard is a targeted initiative to combat unemployment, differing fundamentally from direct-from-school entry to college.

Student demand is the principal way in which universities determine their course offerings. Higher education institutions are already highly sensitive to shifts in demands (from students) and frequently adjust, add on or remove courses in response to emerging demands from the student base. A new funding mix should not result in the diversion of funds from courses for which there is a solid base of student demand. Demand remains high for courses across the arts and humanities for example and many of its graduates ultimately pursue careers in science and technology-led industries. Higher education institutions and employers should therefore be encouraged to consider how best to further the skills training offered to undergraduates from these disciplines as well as the more visible STEM disciplines.

There is a long tradition of higher and further education providers working with employers to provide and deliver technical and professional education. Similarly, there are many examples of successful and beneficial partnerships and relationships between higher education institutions and industry at the undergraduate and post-graduate level e.g. internships and work placements. These offer a strong foundation to build upon in future discussions as to how employer influence on skills training and education could be best achieved within the current model of higher education.

A 2014 paper by the UK Higher Education Policy Institute argued:

“A golden rule should be established: the scale of the Government’s ambition for employer-funded education and training should be determined by real evidence of employer demand. It would be quite wrong to divert funding from provision which is meeting a need to provision for which no need can be demonstrated. What is badly needed is some evidence of likely demand – both about the nature of the provision and the size of demand – on which to base policy.”ⁱⁱⁱ

Future models of investment in higher education should continue to operate on the same principles as existing state investment in undergraduate and postgraduate education with particular reference to access initiatives, supporting students from disadvantaged backgrounds, enhancement of the overall student experience and funding across *all* disciplines in the humanities, sciences and social sciences. The public interest in – and benefit from – higher education must continue to be protected. Society as a whole has a very significant interest in the values and principles of higher education which include – but also extend far beyond – preparing young people for employment.

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Additional Information

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ⁱ See the Royal Irish Academy Advice Paper no. 8, 2016, Future Funding of Higher Education in Ireland.

ⁱⁱ See the Royal Irish Academy Advice Paper no. 8, 2016, Future Funding of Higher Education in Ireland.

ⁱⁱⁱ Sastry, T. and Bekhradnia, B., 2014, Higher Education, Skills and Employer Engagement. Paper prepared for the Higher Education Policy Institute.