

Exchequer-Employer
Investment Mechanism
public consultation
submission

By Senator Lynn Ruane

Introduction

I welcome the consultation process in relation to the proposed increase in the national training levy from 0.7% to 1.0% and agree that increased educational attainment is the lynchpin of both economic and social progress in Ireland.

The consultation process recognises the importance of a cost-effective and competitive Further Education & Training and Higher Education sector; and the critical role of graduate capabilities and skills in the future of Irish economy and innovation. The process identifies the key challenges facing higher education; including but not limited to;

- Predicted growth in students who will require higher education - 27% by 2028 over 2015 levels.
- Significant decline in higher education spending compared to OECD average.
- Decline in academic staff to student ratio, compared to OECD averages

The consultation process identifies the direct relationship between higher education, labour market skill development and the economic competitiveness of Ireland; people with lower levels of educational attainment and less experience of the workplace experiencing the highest levels of unemployment.

As has been posited, any expansion of the relationship between Higher Education Institutions and Enterprise would be positive for both parties, and for Ireland as a whole. Interactions which focus on 21st century enterprise and how higher education can best facilitate the modern student in acquiring the skills needed to navigate this system would support the developing economy. It is my view that the national training levy provides an appropriate mechanism through which stronger linkages between education and enterprise can be developed. It is my opinion that the national training fund levy should form part of many engagement mechanisms that support meaningful engagement between enterprise and the education sector.

National Training Fund Submission

There are specific areas where the national training fund can make significant contributions and where the current model of education-enterprise engagement can be developed to best support a flourishing partnership; further comments and suggestions with regard to the national training fund consultation process are stated in the following sections:

1. *Replacement or additional*; the consultation process does not specify whether the increase in NTF levy will be provided in addition to the existing revenue streams or whether it will replace these streams. It is important that this is an additional resource.
2. *Infrastructure*; A recent session held by the Oireachtas Education Committee in response to Brexit stated that Irish higher education institutions are ill-equipped to deal with Brexit, and the growth in student numbers over the coming 20 years will put pressure on the existing infrastructure in such a way that higher education institutions will find it difficult to prosper. These structural deficits apply equally to any changes which may occur as a result of the increase in national training fund levy. The general consensus from the education committee was that higher education institutions lack the infrastructure to support expansion; these deficits include a lack of laboratory space, research support and availability of academic support. The national training fund levy could be used at a more strategic level to develop higher education institutions infrastructure in such a way to ensure that research and innovation are embedded within its current and future endeavours.
3. *Authority*: The consultation process does not specify who will act as the authority over the national training fund, and there is little reference to the governance strategy. There is also little reference made to how the expectations of enterprise will be managed within the governance strategy, and what the expected returns will be for further education and training, higher education, Enterprise and any other stakeholders benefiting from the national training fund. It is my view that the funding should be distributed through the current grant structure to further education institutions and higher education institutions. Institutions themselves are best placed to recognise the areas that need to be improved within their own environment and as such they should be free to use the extra funding in a manner consistent with these needs; this must of course align with the Higher Education Authority's overall strategy but there must be flexibility in how the individual institutions choose to harness this funding.
4. *Impact on education structure*: The national training fund can provide a forum through which enterprise can verbalise what they view as being the needs of their industry and there will be scope for this view to impact upon the development of education programmes that are more likely to suit these needs. However, this impact needs to be managed to ensure against a purely

industry lead shift in HE courses. There needs to be an extensive reflective period, whereby any impact that enterprise has on further education and higher education offerings is considered alongside the practical and social needs of the current and future people of Ireland. With the prominence of STEM in enterprise, and in society, we are at risk of losing focus on qualifications that do not necessarily have a practical advantage but have a personal and societal impact. It is important that we recognise education's less practical, but equally vital, functions and keep focused on education being important not only in its ability to help people and societies get ahead, but equally in helping them develop the perspectives that make them fully human. From this point of view caution should be taken with the agreements made in terms of the expected outcomes of the national training fund and the time frame within which these outcomes are met. An alternative to specific course development would be to use the national training fund to add to existing education offerings across further education and higher education. This would incorporate an enterprise/industry/business element to all qualifications rather than focusing on specific STEM or industry skills. A corresponding approach would be to use the national training fund at a more strategic level and use the fund more generically to support a social enterprise focus across further education and higher education courses. Social Enterprises are business models which tackle social, economic or environmental issues. While they are driven primarily by social and/or environmental motives, they engage in trading or commercial activities to pursue these objectives and produce social and community gain. The Programme for Government 2011-2016 recognises the important role of Social Enterprise in the country and contains a commitment to promoting the development of a vibrant and effective social enterprise sector.

5. *The education and skills gap*: An area that could be supported by the NTF is to enhance access to education for students from under-represented groups, especially in areas that are specific to industry skills gap. Students from low-income communities are disproportionately affected by the 'skills gap' in modern industry especially STEM. They are less likely to enter higher education and when they do attend they are 8 times more likely to drop out before completing their degree. They are also less likely to access STEM courses and courses which result in higher professional careers. The national training fund could support the development of education programmes, which provide opportunities for students from disadvantaged communities to acquire qualifications in STEM through pathways to STEM programme and pathways to higher professions programme. These type programmes, build on the work of national access initiatives, which support secondary students to develop the social and academic skills to progress into STEM degree and higher degree course. This type programme would provide an opportunity for industry to feed into the programme design by offering young people from these communities internships, work experience and mentoring, all of which support skill development and breakdown students perceptions of the STEM and the higher professions. The NTF levy could also be used to support the expansion

of existing access models to incorporate 'access to access' work, whereby people from specific underrepresented groups (lone parents, travellers, prisoners) are supported to pursue further and higher education through pre access preparation courses.

Conclusion

It is my view that the merits of an increase in the NTF payment will provide return to industry and enterprise through the availability of a high quality, educated workforce. If the funding generated from the levy is managed well, it could also provide Higher Education Institutions with the opportunity to develop their infrastructures to support the growth in student numbers and the progression of underrepresented groups throughout the system.

As outlined in the Cassells Report on third level funding, the higher education sector is in the middle of an extremely serious funding crisis. The restoration of state funding following budget cuts during years of economic austerity must be a high priority. The use of the increased national training fund levy to contribute to the cost of higher education is an obvious partial solution to the funding crisis. Employers in Ireland benefit hugely from the third level education sector and it is logical that they would contribute more to its financing.