

## **Tánaiste Welcomes Major Skills Report**

"Skills will be Ireland's most sustainable competitive advantage in the years ahead", said Mary Harney T.D., Tánaiste and Minister for Enterprise, Trade and Employment today (2nd October, 2003) at the launch of the Fourth Report of the Expert Group on Future Skills Needs (EGFSN). "Skills are pivotal to Ireland's future economic prosperity and will be fundamental to our successful transition to a knowledge economy", she added.

This latest report from the EGFSN reviews the future skills requirements of seven key sectors of the Irish economy. It concentrates on areas of high added-value, such as ICT; biotechnology; financial services and food processing and also investigates the importance of generic skills for organisational success.

"Much of Ireland's economic progress over the past two decades can be attributed to the ready availability of people with the right skills. The essence of the knowledge economy, towards which Ireland is moving, will be the creation and commercial exploitation of intellectual property. This will require the highest level of skills across a full range of disciplines from science and technology to business and law", said the Tánaiste.

The principal findings of the report are:

- Notwithstanding the downturn in the economy and the increase in the rate of unemployment, the workforce continued to expand during 2002, albeit at a reduced rate of 1%;
- The problems in recruitment and staff retention which were ubiquitous in the economy at the time of the Third Report from the EGFSN (July 2001) have largely disappeared and the labour market has loosened appreciably;
- Sectors as diverse as biotechnology, engineering and logistics are primed for significant growth from 2005 onwards;
- If current trends in the supply of skills by the broad education and training sector are left unchecked, there will be a significant short-fall in skills required to fuel this growth; and
- This skills "gap" could be substantial in sectors which depend heavily on science and technology skills.

"The publication of this report is timely in view of the tentative signs of recovery in the global economy, particularly, the US, over the last quarter", said Dr. Daniel O'Hare, the chairman of the EGFSN. It identifies the issues that need to be addressed in order to ensure that Ireland is well-placed to benefit fully from the upturn and to be at the vanguard of the global move towards a knowledge-based economy", he added.

"In the current climate there is a danger that Ireland could adopt an approach of reacting to short-term demand in the provision of skills; such a development would be short-sighted and ultimately detrimental to Ireland's future prospects. Instead, Ireland must continue to identify the medium and long-term skills needed and ensure that they are available to industry," said Dr. O'Hare.

## **Notes for Editors**

The report outlines specific recommendations for each of the sectors reviewed. The recommendations aim to ensure that Ireland's ability to benefit from the anticipated global economic upturn is not in any way compromised by a shortfall in either the quantity or quality of skills available in the economy. The recommendations fall into two broad categories.

Firstly, to increase the proportion of highly skilled workers in the labour force by:

- Improving the quality of the vocational system to facilitate up-skilling and re-skilling;
- Arresting and reversing the decline in the take-up of science subjects at second-level;
- Increasing the participation rate in higher education;
- Addressing the variation in participation and levels of attainment of education based on socio-economic background, gender etc.;
- Establishing a more targeted immigration policy.

Secondly, to address the need to track the evolving skills needs of the enterprise sector.

Emerging skills requirements include:

- Management expertise
- Marketing and sales skills
- Generic skills e.g. communications, team-working, personal effectiveness

The report also makes specific recommendations for action for the principal stakeholders.

### **Government**

The need for greater investment in the public education system and the need to address the manifest inequalities in access to education, at all levels.

### **The Education Sector**

The need to increase the participation rate and levels of attainment; to review curricula on an on-going basis, to ensure that they reflect the changing needs of the enterprise sector; and to place greater emphasis on management skills, sales and marketing expertise and generic skills.

### **Industry and Business**

The need for greater investment in training and more active promotion of the various career-paths opened up by the study of science and technology subjects and courses.