Ireland’s Future Skills Needs to 2020

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Context

Source: Enterprise Strategy Group
Context
Current Situation

High percentage of Labour Force with Third Level qualifications

Strong educational profile of immigrant Population

Skills shortages in a number of sectors

Skill level within the Labour Force

High percentage of Labour Force with Lower Secondary Education or below

Low levels of Adult Literacy

Poor participation in ongoing education and training
A Dynamic Skills Framework

Skills Supply
Changing due to:
• New entrants to workforce (primarily school leaving cohort)
• Migration

Existing Skills Stock
Changing due to:
• Upskilling of those in the labour force
• Increased participation
• Demography
Measured in terms of
• Educational Attainment
• Occupational level

Skills Needs of Enterprise
Changing due to:
• Shifting sectoral profiles
• Shifting occupational level profile
• Increasing emphasis of Generic skills
• Changing Occupational specific skills

Productivity

Market Prices

Outsourcing
Global Economy
Demographics
Technology
Domestic Economy
Cultural Diversity
Regional Development
Labour Mobility
Employment by Education Level based on Forecast Demand (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary</th>
<th>Lower Secondary</th>
<th>Upper Secondary</th>
<th>Diploma, Certificate etc</th>
<th>Degree level etc</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>11</td>
<td>40</td>
<td>17</td>
<td>12</td>
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<tr>
<td>2010</td>
<td>8</td>
<td>39</td>
<td>16</td>
<td>14</td>
<td>14</td>
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<tr>
<td>2020</td>
<td>3</td>
<td>38</td>
<td>14</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: EGFSN, ESRI
Employment by Sector in Ireland

2005
- Agriculture: 6%
- Manufacturing Machinery, Equipment, Chemicals: 9%
- Other Industry: 13%
- Construction: 11%
- Distribution: 13%
- Transport & Communications: 14%
- Finance & Business Services: 22%
- Other Market Services: 13%
- Public Admin., Education & Health: 6%

2020
- Agriculture: 6%
- Manufacturing Machinery, Equipment, Chemicals: 6%
- Other Industry: 4%
- Construction: 12%
- Distribution: 6%
- Transport & Communications: 3%
- Finance & Business Services: 14%
- Other Market Services: 3%
- Public Admin., Education & Health: 18%

Source: EGFSN, ESRI
Change in Absolute and Relative Employment by Occupation from 2005 to 2020

Source: EGFSN, ESRI
Increasing emphasis on Generic Skills

• Basic or fundamental skills such as literacy, using numbers, using technology;

• People-related skills such as communication, interpersonal, team working, customer-service skills; and

• Conceptual skills such as collecting and organising information, problem-solving, planning and organising, learning-to-learn skills, innovation and creativity, systems thinking
Within Occupations

There is likely to be demand for an:
• Increasing Breadth of Knowledge
• Increased Share of Knowledge Work / Reduced Share of Routine Work
• Rising Qualification and Technical Skill Requirements
• Importance of Continuing Learning
• Significance of Regulation
• Skills for Dealing with Others

Enterprise Skills

• Management Level Skills
• Sales and Marketing Skills
• Language Skills
• R&D
2005

Current labour stock
1.43m

2005 - 2020

New flow from education system
640,000

Migrant labour/increased participation
310,000

2020

Labour force 2020
2.4m
Skills Stock by Education Level based on Supply Projections

Source: SLMRU
Comparison with other OECD Countries (2004)
Labour Force (25-64) by Highest Level of Education Attained

Source: EGFSN, OECD
Supply & Demand Comparison

- Demand 2005: 20% Lower Secondary or less, 12% Upper Secondary/F.E., 40% Third level: Higher certificate / ordinary degree, 4% Third level: Honours bachelor degree or above
- Demand 2010: 24% Lower Secondary or less, 14% Upper Secondary/F.E., 39% Third level: Higher certificate / ordinary degree, 4% Third level: Honours bachelor degree or above
- Supply 2010: 24% Lower Secondary or less, 10% Upper Secondary/F.E., 41% Third level: Higher certificate / ordinary degree, 5% Third level: Honours bachelor degree or above
- Demand 2020: 29% Lower Secondary or less, 16% Upper Secondary/F.E., 38% Third level: Higher certificate / ordinary degree, 6% Third level: Honours bachelor degree or above
- Supply 2020: 28% Lower Secondary or less, 10% Upper Secondary/F.E., 44% Third level: Higher certificate / ordinary degree, 6% Third level: Honours bachelor degree or above

Source: EGFSN, ESRI, SLMRU
Vision 2020

The Expert Group proposes a vision of a competitive, innovation-driven, knowledge-based, participative and inclusive economy with a highly skilled labour force by 2020.
Vision for Skills Profile in 2020

Baseline 2020:
- Levels 1-2: 5%
- Level 3: 10%
- Levels 4-5: 44%
- Levels 6-7: 14%
- Levels 8-10: 14%

Demand 2020:
- Levels 1-2: 3%
- Level 3: 16%
- Levels 4-5: 38%
- Levels 6-7: 14%
- Levels 8-10: 6%

Vision 2020:
- Levels 1-2: 1%
- Level 3: 16%
- Levels 4-5: 45%
- Levels 6-7: 6%
- Levels 8-10: 6%

Source: EGFSN, ESRI, SLMRU
Achieving the Vision

A number of strands have to be put into effect in parallel, if this vision is to be achieved.

- An additional 500,000 individuals in the workforce will need to progress by at least one level of educational attainment above their current highest level

- Second Level Completion Rate: The Leaving Certificate (Level 4 & 5) retention rate should reach 90% by 2020 (an average of 86% over the next 15 years)

- Ireland should aspire to have 94% percent of the Population aged 20 - 24 with Upper Secondary Education (at Level 4 & 5)

- The progression rate to third level to increase to 70% over the period to 2020.