

# Adult Education and the Irish Economy

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The Irish Economy is at an interesting and dynamic phase of its development and we are faced with major decisions that will impact on the Irish society for many years to come. These decisions are and must be made by all who are in a position to influence.

Over the past year we hear of significant job losses and of migration of basic manufacturing to Eastern Europe and further east to China and the other countries of Asia. To quote the IBEC quarterly economic survey just published:

"More than 32,000 jobs have been lost in the manufacturing industry over the past 3 years and a further decline is likely in the first half of this year. Manufacturing employment is back at levels reached in the late 1996 with falls in the modern sector as well as traditional industry. Policy makers cannot stand idly by as manufacturing jobs relocate to other parts of the globe. There is a certain complacency which rests on the thesis that manufacturing can be outsourced while higher paid employment in R&D, innovation and marketing is retained here in Ireland. Much of the higher income activity can be performed in lower cost countries – a trend that will gather pace if we do not meet the challenge".

We listen to the concerns of the EU about influxes of labour from the new accession states post May of 2004. We listen to the Government telling us we need immigrant labour to sustain our economy. We have 100,000 notified vacancies that we continually struggle to fill. Reliance on visas issued to immigrant labour is growing and many of our hospitality industry jobs are filled by non-nationals. Along with this news, we know that there is in excess of 4%

unemployment – a total of 86,500 persons - and that this is rising. So we live in dynamic times but times we need to mould and influence.

### **The Historical Context**

Economic evolution or revolution is not new and is most certainly not new to these shores. The Ireland of the 1950s is no more. But we have undergone a number of significant evolutions and revolutions since the 1950s. Ireland of the post World War Two was a traditional agricultural economy relying primarily on the small family farm. In the 1960s we had the beginnings of an Industrial Economy under the influence of Sean Lemass. This industrial base was small but had roots in the agricultural background. Things like flour milling and shipping come to mind, along with the co-operatives and the basic processing of the agricultural output. In the 1970s we had the migration of the multi-nationals to Ireland, attracted by the IDA. We had plenty of cheap labour and we could provide a base in Europe and more importantly in the EEC (now the EU) for cheap and low skilled manufacturing. Like the birds in the night, many of these companies are long gone. In the 1980s we began to attract organisations that were interested in a more skilled workforce – and we had that to offer – and we were still a lot less expensive than other parts of the world. I am thinking of the Chemical/Pharmaceutical industries and others, – companies like Syntex and Analog Devices. This second phase of industrialisation was more embedded and longer lasting and many of these companies remain with us today.

In the 1990s we started to see the emergence of the ‘knowledge economy’ and the ‘Dot Com’ companies. The Iona Technology Organisation comes to mind, along with the Intels of this world. In the first decade of this millennium we have been introduced to a new phenomenon – the Service Economy. While we can debate the time of the various evolutions and the impact of each, we need to accept that this evolution is part of the changing Irish Economy.

### **The Impact of Change**

So what is the debate about and what can we do to influence the impact of the changes that are thrust upon us by the evolution?

One key item that we struggle to come to terms with is the fact that there is ‘no job for life’ outside of the civil service and perhaps the semi-state sector. Even the banks are changing in this regard. This means that individually we have to

compete for jobs that are available and that sometimes we will have to compete for jobs with people from other countries as many of the decisions on where to locate businesses are not made in Ireland. It also means that we need individually to ensure that we have the skills and competencies required for this ever changing market place.

There is no doubt that the key influences on our economic growth were and are the IDA, Enterprise Ireland and the Education System along with the fact that we had English as our first language. In addition to these key factors, we had a reasonable rate of returning Irish immigrants who had relevant training and experience abroad and understood the needs of the evolving economy.

We currently have approximately 1.8 million in employment and 86,500 (4.5%) unemployed. That number is rising, as is the number of long term unemployed (1.4%). The 'economic inactive' (12% approx) remain almost static. These are the people in our society who are not currently in the workforce and are aged between 18 and 65, e.g. early retirees, travellers, lone parents and others who are not registered 'at work' but also not registered as unemployed.

### **Changing Trends**

We know that 80% of the new jobs that we will create in the near future will be classified as high skilled. Our future competitiveness and the future of our economy is linked to those in the workforce now and into the future who are capable of more advanced work skills, have higher levels of education and have high levels of core and soft skills. The FÁS/ESRI Survey concludes that no less than three fifths of the new jobs in the next seven years will require higher education, and almost all the rest will require upper secondary education.

So where are these new jobs to be filled from?

Most of those currently in work will be available for work for the next decade at least. Let's examine their capacity to fill these high skilled jobs. The reality is that the number of adult workers in education and training in Ireland is below the EU average. About one third of the existing workforce – 500,000 – does not have a Leaving Certificate. We can conjecture that an individual involved in semi-skilled work or unskilled work who is over 40 years of age is likely to be functionally illiterate. Equally we can conjecture that any person who is involved in low skilled or semi-skilled work and is under 20 years of age is

equally likely to be functionally illiterate. These people will have difficulty with reading and writing and are unlikely to be keyboard or computer literate.

Of those who are in education we have similar concerns – only half of the school leavers obtain a third level qualification and 15% are early school leavers (not having completed lower secondary level and having no vocational qualifications). By way of example, I met a twenty year old recently who was a reasonably competent garage hand, he had a child but was not living with the mother, but was caring for the child on a part time basis. He was unemployed and unable to access apprenticeship or training because he could not read or write, he had left school at 12 according to his mother. I am sure we all know of such dysfunctional situations. But what does the future hold for such people and families?

### **Looking to the Future**

So what we are saying is: We will continue to create jobs. These jobs will be in the knowledge or service economy and will require high levels of education and high skills. Many of those currently in work will not be qualified to fill these jobs. These are the people who are vulnerable to redundancy and losing their jobs as manufacturing moves east to find a lower cost base. Significant numbers of those coming through the education system will be equally unqualified to fill the jobs in the new economy. It is obvious that many of those who are currently unemployed or long term unemployed are not in any serious position to compete for the new jobs that are being created.

So why worry? Why bother? If we do nothing or more importantly if we get it wrong we run the risk of further exaggerating the two tier society in which we now live, and that in turn will have a financial cost, in benefit payments, disadvantage and more importantly, the alienation of many generations.

So what is to be done? Here are some suggestions to open the debate:

- We must move fast to assist everyone onto the FETAC/HETAC learning ladder. We can do this through the accreditation of existing skills, competencies and learning. We can introduce ‘accreditation by doing’.
- We can look at the existing pattern of ‘Employment – Unemployment – Employment’ and move to an ‘Employment – Learning- Employment’ continuum. Why should we pay people to do nothing when we know that learning is the key to future employment? This will require new thinking on

what ‘learning is’ – and a move away from the traditional course and programme structures determined by the academic year.

- In addition to the discussions on ‘lifelong learning’ we need a serious and detailed national debate on who and how we will fund learning. This could lead to existing resources and funding being used differently with the possible introduction of ‘learning accounts’. This debate is hopefully starting in a low-key manner but needs to be tackled urgently with immediate follow up action.
- We could consider some form of compulsory ‘third level’ education for all in line with the continental model. This would mean that everyone on leaving formal education would have a craft or skill and more importantly would be literate and have the soft skills required for integration into the workforce. This would require a major change in thinking, action, methodology, funding and commitment by a significant number of interested parties.

The Government task force which is looking at the Economy of the Future is due to report in the next few months and we wait to see what this has to tell us. But we cannot stand back and hope that the Government will give us the answers. We need to have the debate and more importantly we need to take action now. The fate of the evolving Irish Economy depends on the answers and our future prosperity depends on us getting the answers right.

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