



Chambers Ireland's Submission on the Department of Education and Skills' Statement of Strategy 2016-2018

How well does the Education service meet the needs of children and students?

Firstly, Chambers Ireland would like to recognise the excellent work of those within Irish education system and the Department of Education and Skills in delivering a world class education system. This is reflected in the 2014 OECD statistics on populations with the highest percentages of tertiary education, with Ireland coming 6th place out of all OECD countries, and coming second out of all OECD countries in enrolment rates in 2014. Ireland's education and training system has seen many positive changes over recent years and we are supportive of the work of the Department in modernising Ireland's education system to meet current and future skills needs. However continued reform and innovation are necessary and we welcome this consultation on the Department of Education's Statement of Strategy, 2016-2018.

Chambers Ireland represents the largest network of businesses in the State. With almost 50 Chambers located in every major town and city in the country, we are uniquely positioned to understand the needs of the business community and to represent their views. We welcome the opportunity to feed into this consultation on the Department of Education's Statement of Strategy, 2016-2018. Our views set out in this submission, formed in collaboration with our network of chambers, have been structured in accordance with the areas we feel are most relevant to the needs and interests of the Irish business community.

What improvements can be made within existing resources?

The National Training Fund should be refocused in light of decreasing unemployment figures and to address skills mismatches in the economy. We believe it should be focused on the training of SMEs. SMEs in particular have limited resources to spend on training and skills development programmes for management and employees. Cost is a significant factor in determining whether an enterprise will invest in a training programme. Subsidised programmes for small and medium businesses should be offered with a pathway to allow for the ongoing progressive development of management and operatives. Irish SMEs have tremendous potential to scale up and export if given the necessary training and informational support.

The supports available to jobseekers from the National Training Fund should be evaluated and reassessed. The needs of a jobseeker in 2008/2009 are very different to the needs of a jobseeker in 2016. The number of those unemployed is decreasing consistently and the demand from jobseekers for training and up-skilling is declining. During the recession the National Training Fund provided significant supports to jobseekers but that level of support is not as necessary today.

What improvements can be made through new provision?

While we are pleased with the Government's commitment to delivering 'a step change in our capacity to educate, develop, deploy and retain talent'. The higher education capital budget has been reduced by 85% since 2008 while student numbers have increased by 25%. The state of infrastructure has deteriorated considerably and not kept pace with investments required in technology, equipment renewals / upgrade and space requirements within laboratories catering for emerging skills deficits in key industries, nor have provisions in infrastructure to redress the expansion of apprenticeship programmes or projected growth in student numbers by 14,000 by 2020 been adequate. The Department of Education & Skills' strategy must address the issue of investment in infrastructure to cater for increasing student numbers, diversity of learning modes, renewal/upgrade of equipment within laboratories and growth areas in STEM to provide for current skills demands and deficits in critical areas of the economy.

Comment on work currently being undertaken by the Department in your area of interest and/or expertise. (What are we doing well, what could we do better)?

Chambers Ireland is supportive of the establishment of the Apprenticeship Council and the commitment to increase the amount of apprenticeships and traineeships available in a wider range of fields. We believe this will help to address a number of skills issues: skills mismatch, over qualification, graduates not being workplace ready, gaps between finishing third level and entering workforce and outdated skill sets emerging from certain institutions.

The Regional Skills Fora, while still in their early stages, are a positive initiative which should be developed to further complement the Regional Action Plans for Jobs. This would enable a greater level of regional specialisation among third level institutions and would also support the effective clustering of industries. The Regional Skills Fora are a very positive initiative and will be crucial in addressing regional skills gaps. Key to the success of the Fora is establishing strong and meaningful links with industry. In this regard, it is necessary to be mindful of the position of Skillnets, a national organisation with strong links already with industry and enterprise on a sectoral and regional basis.

Similarly, the increased focus on employer engagement is welcome and will allow the education system to begin addressing the skills mismatches which exist currently, particularly within localities and regions. In addition to industry engagement in respect of curricula development, the Chamber Network supports steps towards integrating internships/work placements into third and fourth level curricula in order to better prepare students for working life and to expose students to the practical side of education as well as the academic.

Chambers Ireland welcomes the creation of Technological Universities linked to industry. The creation of Regional Technological Universities is critical to the development and attraction of talent and skills both within and into the regions. Furthermore, Technological Universities of international standing are fundamental to enhancing the research and innovative capacity which will support a competitive enterprise base across the country. We welcome the mergers of local ITs to create truly regional universities, which will be highly responsive to stakeholder needs due to their proximity to stakeholders and their cooperation with enterprise. However, greater clarity is now required in the Department of Education & Skills' strategy on the legislation, timeframe, international quality standards and investment which will underpin the creation and resourcing of the Technological University sector in Ireland.

Are there opportunities (e.g. new areas of work) which the Department should consider when developing the 2016 - 2018 strategy which would advance the achievement of our mission, vision and objectives across the continuum of education and skills?

Education and skills policy must not be treated in isolation, yet there is little or no mention of Innovation 2020, Ireland's strategy for research and development, science and technology launched in 2016 in the Programme for Government and more specifically in the work programme for Education. This strategy's vision is for Ireland to become a Global Innovation Leader driving a strong sustainable economy and a better society. Our ability to deliver on the ambition will much depend on our people - undertaking the research, working in, collaborating with and creating successful enterprises. We need to support the full continuum of talent development in order to ensure that the quantity and quality of trained people into the future is sufficient. Through our Higher Education Sector we also must support the full continuum of research, from frontier research to the creation and development of research-informed innovative products, processes and services. Support for excellent research across all disciplines (including arts, humanities and the social sciences as well as science, technology, engineering and maths) is essential, as is the provision of adequate research infrastructure to enable Irish researchers and through association, Irish enterprise, compete on a global level. The formulation of the Department of Education & Skills Strategy 2016-2018 should reflect the priorities as set out for the Higher Education sector within Innovation 2020.

While we recognise that it is a complex issue, we believe that the Statement of Strategy 2016 – 2018 should have an ambition to begin addressing the long term sustainability of funding of higher education in Ireland.

How should success on achieving our strategies be measured.

One potential indicator for measuring the success of education strategies would be reductions in the level of youth unemployment and the long term unemployed. This could help monitor how 'labour market ready' those who have engaged with Department of Education and Skills programmes are as a result.

Comment on any issues relating to the continuum of education and skills, in addition to your particular area of interest and/or expertise

As mentioned above, Chambers Ireland represents the largest network of businesses in the State and as such we are uniquely positioned to understand the needs of the business community and to represent their views.

We are greatly encouraged by the commitment to a partnership approach to working with enterprise and industry. Businesses are on the front line of jobs creation and are often faster to respond to the evolving skills needs of the economy than educational institutions.

Similarly, inclusions in the education programme related to an increased focus on entrepreneurial skills and greater recognition of work placements are to be welcomed. Engagement with enterprise within the education system, especially third-level, can give Irish graduates and learners an advantage in being work-place ready upon completion of their courses, while employers will benefit from new intakes with work experience behind them.

Also critical to enabling our capacity to develop talent will be targeted investment in programmes and infrastructure which will ensure flexibility of development and delivery to accommodate the evolving skills requirement of industry and learner profile.

Any other observations that you would suggest the Department should consider in the formulation of our strategy for education and skills 2016 – 2018

We would consider that pace of innovation should be a priority. Given the rapidly changing skills needs of a modern labour market, the Department's goals should be to deliver on necessary and ambitious objectives as swiftly as possible. Future strategies should also strive to be dynamic and responsive to the changes in the labour market and the requirements of an evolving economy.

Prioritising Early Years

We see the main issues in early years' education as being; low Levels of investment, lack of affordability and lack of educational focus.

The implementation of the ECCE scheme was a milestone in improving the availability of early childhood care and education in Ireland and Chambers Ireland welcomes the introduction of a second preschool year. It should be noted however, that even with the second ECCE year allocated, the State is still only spending 0.4% of GDP on early years which is below the OECD average and UNICEF guidelines, as well as other European states.

Even with this extra ECCE year, there is still no universal entitlement for children aged six months to three years also in need of care. This gap must be closed to ensure appropriate care provision between the end of paid maternity leave and the time of eligibility for the ECCE scheme.

In relation to educational focus in the sector, until recently, regulation of the childcare sector has primarily centred on health and safety rather than educational attainment. While we recognise recent efforts by the Minister for Children to increase the level of qualification within the early childhood sector, highly qualified staff will be attracted to other sectors such as primary schools where job security exists and where wages are up to twice that of the average earnings of non-senior staff in the childcare industry. Unless capitation levels are increased it is therefore unlikely that service providers will be able to attract and retain the employees needed in order to realise high-quality yet affordable childcare services.

In light of the strong economic and social benefits associated with high-quality childcare, we recommend that annual investment into early childhood education be brought in line with the UNICEF guideline of 1% of GDP. While this would require the State double its current level of spending, the return on investment will far outweigh both the short and long term costs since affordable childcare and after-school services will positively impact female labour market participation, the social well-being of children, the gender pay gap, and State revenues due to higher tax returns and reduced social remedial spending.

Research by Eurostat has found that in countries where the correlation between parenthood and employment is low, total public spending on childcare and early-education services as a percentage of the national GDP is particularly high. This indicates that participation in the workforce for parents is greatly impacted by public expenditure on childcare. Higher employment rates would lower the State's social welfare bill, as well as increase tax revenue for the Exchequer due to more people remaining employed in tax-paying jobs. While there undoubtedly will be additional costs to the State associated with increasing public investment in childcare services these costs will in the short term be offset by an increase in tax revenues, and in the medium by reduced social spending. In Ireland, although the rate of labour market participation is equal at 85% among men and women without children, female labour market participation falls to 59% for women with a child under three and 40% for women with two or more children. This is an issue which especially affects women in returning to the workforce after having children. Increasing childcare affordability and accessibility would promote increased female labour market participation and would also address some of the causes of the gender pay gap. In addition to this, businesses across the country are experiencing staff losses because it does not make economic sense for many parents to work and the loss of knowledgeable and experienced employees is a serious problem. This problem disproportionately affects SMEs as they are often unable to compete with childcare provisions offered by larger firms.

Finally, high childcare costs add pressure to wage demands from working parents. Rising labour costs have already been identified by the National Competitiveness Council as undermining the competitiveness of Irish businesses. As long as the costs of our childcare services remain high, working parents will be under financial pressure to seek higher wages in order to meet their expenses. The consequences of this will not only be a slowdown in new job creation, but also a reduction in our national competitiveness. Against this backdrop, subsidising the cost of childcare services should also be viewed as an opportunity to avoid additional wage pressures and thus support the competitiveness of our industries.

What would you consider to be the priority actions and outcomes in this area?

Chambers Ireland is in favour of the provision of direct State subsidies to the providers of early childhood care and after-school services in the form of capitation grants. These subsidies should be made directly to service providers on condition that these reach certain educational quality standards. This would facilitate both parents from all social classes to remain active in the labour market.

In order to ensure services are accessible to households of all income levels, we are in favour of varying the level of subsidy per child in accordance with parents' income to ensure that services become affordable for low-income households. We recommend a co-funding model where parents contribute to the cost of services based on a percentage of their income.

Efforts to increase staff qualifications within the childcare sector to maximise the return on investment must continue. We suggest that the level of funding for the ECCE scheme should be increased to allow for the recruitment and retention of qualified staff. By doing so, service providers currently operating at a loss will also be supported to remain in business and provide much-needed childcare places.

Tackling Disadvantage

Chambers Ireland is supportive of the provision of relevant educational programmes aimed at early leavers and second chance learners. Given the significant numbers of long-term unemployed in Ireland, it is necessary to increase educational initiatives which will facilitate people to re-enter the workforce. Similarly, for early-school leavers, we must ensure that this does not lead to unemployment and should offer education specifically aimed at them in order to increase their employment opportunities. The education system should cater to all, not simply those who go on to tertiary education and we would like to see this reflected in courses tailored for engagement of the long-term unemployed and early school leavers. According to the most recent European Commission Country Specific Recommendation for Ireland, persistently high long-term unemployment implies that unemployment risks becoming entrenched, negatively affecting working and social conditions. The Commission highlights that nearly 60% of the long-term unemployed are low-skilled. Given this fact, we must introduce appropriate active and passive labour market and training policies in order to tackle low-skilled, long-term unemployment and prevent this becoming a trap for individuals. Early-school leavers and long-term unemployed should be the focus of specific educational programmes which will enable them to enter the labour force.

In relation to early years' education, for low income parents, access to subsidised services is often difficult to obtain. On an annual basis approximately 25,000 children are cared for under the Community Childcare Subvention⁵ (CCS) programme in almost 900 community crèches. However, budget provision provides for 34,000 children to partake in the programme, meaning that more than 25% of spaces are not filled. Part of the reason for this is that CCS spaces are not sufficiently available in areas with need, particularly in rural areas. The impact hereof is that low income families who reside far from urban areas do not necessarily have access to the same state supported childcare facilities that may enable them to take up and retain employment as their urban peers. For this reason, we recommend that the CCS programme is extended throughout the country, including into privately run services in areas where no community crèches exist.

Promoting Excellence and Innovation in Schools

Chambers Ireland welcomes the proposals laid out in the Programme for Government which seek to promote excellence and innovation in schools. The flexibility being offered to schools is a positive measure, as is the investment in additional continuous professional development for teachers.

We are especially encouraged by the proposal to establish a pool of experts to assist school initiatives, promote innovation and enterprise engagement, especially at second level, as we see a need for greater enterprise education and opportunities for students here. Consideration should also be given to introducing more innovation based learning.

Chambers Ireland is very supportive of the proposal to establish a new Schools Excellence Fund to reward new approaches by teachers and parents. It is important to recognise and reward innovation and excellence in teaching and we believe that this measure will have positive outcomes for pupils.

In relation to the Digital Strategy and the proposed introduction of new technology for remote learning in classrooms, we see the implementation of the National Broadband Plan in as timely a manner as possible as integral to this. Without broadband access, increasing the technology available to schools will be a wasted investment. Schools across the country should have equal access to broadband facilities, rural or urban. We cannot allow the digital divide to affect our education system and the opportunities we afford young people. It is critical that all schools be offered broadband and access to digital learning devices in order to cater for the skills needs of the present and the future.

Promoting Creativity and Entrepreneurial Capacity in Students

In relation to education in STEM subjects, the Higher Education Authority funding model gives additional weighting to science and engineering programmes, which have a higher cost of delivery for educational institutions given the need for lab equipment and other resources for these courses. As an increasingly large portion of funding for higher education institutions is now coming from the student contribution, to which this increased weighting is not applied for STEM subjects, there has effectively been a cut in funding to STEM subjects. This has resulted in a significant reduction in state funding for STEM programmes at tertiary level. In implementing a National Strategy to develop competence in Science, Technology, Engineering and Maths, the funding model for the resourcing of high quality STEM programmes at tertiary level must be re-balanced to reflect the higher costs involved in running these courses for educational institutions. STEM disciplines are vital in addressing Ireland's skills mismatches and increasing employment, and the funding model must reflect this.

We are happy to see the inclusion of Transition Year as an educational priority in the Programme for Government as we view it as an excellent way to prepare young people for decisions regarding further education and training which they will make at the end of secondary level. We would like to see more collaboration with industry and colleges to open up new opportunities and programmes for transition year, and increase the rates of those who participate in this Year.

The proposal to benchmark entrepreneurial activity in Irish higher education is welcome and we would like to see greater engagement of industry in higher education, through collaboration between educational institutes and

businesses or industry groups. This will help to identify and address skills gaps, ICT and STEM needs before they become an issue for the economy and potentially hinder growth.

Chambers Ireland supports acceleration of the Digital and ICT agenda, along with the introduction of ICT/Computer Science as a Leaving Cert subject. We believe that this reflects the skills needs of the economy and of employers, and will go some way to helping Ireland increase the skills in ICT required in today's modern economy, preventing future skills gaps in this area. We are mindful however that many schools do not yet have adequate broadband access and we reiterate our calls for the National Broadband Plan to be rolled out as soon as possible in order to facilitate the host of digital educational reforms proposed in the Programme for Government.

A related point is the need for appropriate guidance counselling services for students at secondary level. The Institute of Guidance Counsellors recently outlined that the most disadvantaged schools have seen the biggest cuts to the numbers of hours allocated each week for guidance and student support services. This disproportionately affects those where guidance is arguably most needed. Where students are entering unsuitable courses we will have higher drop-out rates at tertiary level, a wasted investment by the state in courses which students are unsuited to, as well as skills mismatches where students are not able to utilise their education in the career they pursue. Guidance counselling is essential in assisting students when making these critical choices which will affect their working lives and their ability to participate in the workforce upon completion of education. We believe that there is also a role to play for the business community in terms of supporting the work of schools in helping students understand their options for the future.

Making Better use of Educational Assets within Communities

Chambers Ireland very much supports the proposal to utilise school buildings out of hours. Lack of access to after-school services is big issue for parents and to date, no national policy or legislative framework has been put in place to ensure an effective provision of accessible, high-quality after-school care. Across the country, after-school activities are instead provided in an inconsistent manner of varying quality that often do not match the needs of working parents. We therefore welcome the commitment in the Programme for Government to explore the utilisation of school building out of hours to provide services such as homework clubs and afterschool care. This would be a cost effective and efficient way to enhance provision of affordable and accessible childcare For after-school services, we recommend that qualified staff are employed to engage in meaningful learning activities e.g. music lessons, physical exercise, crafts, etc. in order to maximise the benefits of this provision.

We recognise the constrained resources facing the Department and the increasing pressures of demographic changes and in light of this we would like to see resources focussed on the areas where the need for schools and education provision is greatest. Many new residential developments will be emerging in response to the housing crisis and we must ensure that where there are large or growing populations, there are also schools which meet their needs.

Meeting the Skills Needs of the Future

As mentioned above, the long term unemployed require extensive engagement and support in order to get them back into the workforce. Programmes such as Momentum have proven to have a double dividend for the economy, as it has reduced the numbers of long-term unemployed and has successfully matched participants with employers in expanding sectors of the economy. Statistics show that 40% of those who completed the Momentum programme had positive outcomes. It is important that this programme has a role in the future, as it addresses both social and economic problems associated with long term unemployment and Ireland's high rate of jobless households while including strong employer engagement. Programmes such as this are another way in which we can address skills mismatches in the economy.

Chambers Ireland would like to express strong support for an increase in the number of flexible courses and opportunities available which would give people the opportunity to attend courses part time, during evenings, in the summer and at weekends. This may be particularly useful for those in employment where further education requires flexibility in order to accommodate the work life of prospective students in employment.

Chambers Ireland welcomes the increase in apprenticeships coming on stream in 2020. The expansion of an apprenticeship based system will help to address a number of skills issues in the economy: skills mismatch, over

qualification, graduates not being workplace ready, gaps between finishing third level and entering workforce and outdated skill sets emerging from certain institutions. We are also pleased with the commitment to increase traineeship places and introduce a mechanism to recognise practical work experience. This is a useful way to incentivise and reward hand on practical experience and will increase the employment opportunities for those who participate where there is a mechanism to recognise this.

Internships and on the job learning through job placement schemes should become a core element of our third level education system, and as such we welcome the support of the Government for “sandwich year” courses whereby students spend a year working in industry as part of their course. There are several well known academic programmes which are highly sought after specifically for their professional placement component, rather than their academic component. The merits of such internships and placements are widely recognised by employers and should have a greater recognition within our education system. There is a benefit to those undertaking work placements as they are afforded an opportunity to develop their skills and test their aptitude for a particular role while maintaining links with their educational programme

In light of the rapidly changing nature of some of the industries which employ significant numbers of people, such as ICT, digital services, chemical and pharmaceutical industries, we are very supportive of inviting industry to partner in the delivery elements of the curricula at third and fourth levels. We believe responsive curricula are required to deal with the pace of change in many sectors, and industry is well placed to input and inform educational institutes of developments in their fields. This is another way in which we can enable the creation of a system where there is delivery and renewal of skills in emerging technical areas. Through engagement with industry such requirements can be identified and mechanisms for the skills required can be developed.

The Department should also investigate a reform of the CAO system. The methodology has long been recognised as delivering imperfect matches of students with courses, and does not really reflect suitability of a student for a course, or specific aptitudes necessary to succeed in a particular field of study or employment. We understand that this is significant undertaking, but ultimately a reformed applications process will address some of the skills mismatches that are prevalent in our economy.

Given its importance for Ireland’s economy, we must reiterate our point on the importance of education in labour market activation. Following the European Commission’s Recommendations, funding to address long term unemployment should be prioritised. The education system should cater to all, not simply those who go on to tertiary education and we would like to see this reflected in courses tailored for engagement and re-training of the long-term unemployed. The Commission highlights that nearly 60% of the long-term unemployed are low-skilled. We must therefore introduce appropriate active and passive labour market and training policies in order to tackle low-skilled, long-term unemployment and prevent this becoming a trap for individuals. The long-term unemployed should be the focus of specific educational programmes which will enable them to enter the labour force and such programmes may also involve attempting to tackle the skills shortages which currently exist.