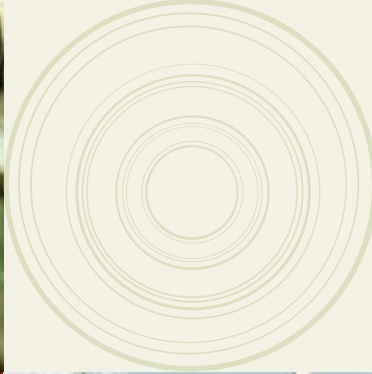


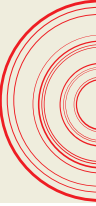
FÁS Training Strategy

Summary



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October 2005



This document contains a summary of the FÁS Training Strategy for the coming years. It indicates the main external factors that will influence FÁS activities, reviews existing FÁS provision, and indicates the nature and mix of FÁS training programmes and services required for the future.

The report is based on a paper developed by the FÁS executive drawing on an internal FÁS working group and a paper on mechanisms for training of the employed drawn up by a sub-committee of the Board of FÁS in 2004.

It is important to note that the report does not address other aspects of FÁS activities such as employment services or employment programmes such as Community Employment. Neither does it go into the detail of implementation. Nevertheless, FÁS believes that it will be useful to set out the main directions it envisages for training services over the coming years. This summary outlines the main conclusions and training priorities of the report.

Economic Growth and the Strategic Implications for training

Over the coming years good economic growth will result in strong employment growth and low unemployment. Over the next five years employment is expected to increase by 150,000 persons, almost all of it in the services sector.

The highest rates of growth will be in professional/technical jobs requiring a third-level qualification. However, there will also be good growth in many service sector occupations. Furthermore, labour turnover will lead to an on-going 'replacement' demand for recruits across the full range of occupations in the economy. Immigration will remain an important source of new labour into Ireland over the coming years.

Irish Government policy, the EU Lisbon Strategy and the recent Enterprise Strategy Group report all lead to the conclusion that Ireland's future must be as a high-skills, knowledge-based economy. This, in turn, requires a high level of education and skills, on-going lifelong learning and up-skilling, and high levels of labour force participation.

Higher levels of value-added, based on productivity improvements across the whole economy, will be essential.

Improving the Qualifications Framework

The National Qualifications Authority of Ireland (NQAI) has established the National Framework of Qualifications (NFQ), which is a key element in the changing education and training landscape. This Framework signals significant progress in the creation of a single, coherent, more easily understood qualifications system for all levels of education and training in the State. It embodies a vision for the recognition of learning activities throughout life, with the aim of improving knowledge, skills and competencies within a personal, civic, social or employment-related perspective.

It will lead to much improved access and transfer within the education and training systems in Ireland. Learners, employers and others will also be able to compare Irish qualifications more easily and accurately with those from other countries. This is particularly important in the European context, where the Bologna and Copenhagen Declarations signal a move towards greater compatibility and comparability of qualifications.

FÁS welcomes and actively supports this move towards more transparency in qualifications. It should result in parity of esteem for all learners, irrespective of the location in which the learning occurs. In particular, this will enable recognition of the value of workplace learning. However, a

balance must be struck between the establishment of detailed, formal procedures for certification and the need for flexibility of training to meet emerging or immediate needs.

Improving the Productivity and Employability of the Workforce

Recent research by the European Commission and the ESRI has demonstrated that the economic returns on investment in human resources are very positive – indeed, higher than previously estimated. ESRI research has also shown that all FÁS training programmes have a net positive impact on unemployed/jobseekers' employment and/or progression prospects.

Because of demographic factors, more of Ireland's productivity growth in the future must come from the existing workforce, and this suggests that there should be a relative shift of HRD investment to those at work. Successful businesses require good skills and performance throughout the workforce. Thus labour market policy must pay as much attention to those persons without third-level qualifications (who make up 70% of the Irish workforce) as the minority with such qualifications. Apprenticeship will continue to be a very important entry route to skilled employment for young people.

It is also important to address the many social inclusion issues facing the country. Training has an important role in helping disadvantaged individuals to gain the skills needed to obtain employment, and this, in turn, is an important factor in reducing

poverty and deprivation. Policy towards the unemployed needs to promote a smooth flow of entrants and re-entrants back to work, as well as tackling the more deep-seated problems faced by the most disadvantaged among the unemployed. Overall, public policy needs to expand the quantity and the quality of the workforce and FÁS contributes to all of the eight main policy instruments involved.

In 2004 FÁS provided training costing €367 million. A large proportion of this (€171 million) was payment of allowances. The main areas of activity were apprenticeship (€128m for 28,000 persons), training of the unemployed/job seekers (€217m for 20,500 persons) and training for businesses and the employed (€22m for about 120,000 persons¹). Other features of current FÁS activity are its very wide range of clients and courses, its national spread, its extensive use of contracted trainers, its links with the social partners and its commitment to the unemployed and disadvantaged.

The report considers FÁS activities in four broad areas –

- (a) apprenticeship training
- (b) training of the unemployed and re-entrants,
- (c) training in companies and for the employed and
- (d) developing the framework for training in Ireland.

Apprentice numbers are at record levels. However, the forecast decline in construction

employment over the medium-term will probably lead to a decline in the demand for apprenticeship in the construction trades. FÁS will seek to extend the apprenticeship approach to other occupations both at craft and other levels.

Lower numbers of young persons leaving school, fewer early school leavers and continued low levels of youth unemployment should reduce the demand for FÁS training provision for young people. However, there are many groups of unemployed, redundant and disadvantaged clients who need FÁS training services.

The employed workforce is growing and much of Ireland's future growth must come from improved productivity of those already at work. Thus there needs to be an increased focus on those at work. FÁS has been allocated €27 million in extra funding in 2005 to address these needs. FÁS will work even more closely with employers and their representatives and make a major contribution towards supporting Ireland's development as a high-skills economy. Implementing the training programmes proposed in this report will help to maintain relevance. More generally, FÁS will need to continue to monitor changing needs and be responsive to the needs of all its clients.

FÁS has an important role providing a suitable framework to encourage and enable effective training in Ireland. Drawing on its existing experience and expertise, FÁS will aim to provide a leadership role in developing the Irish system of vocational

¹ This includes about 95,000 persons on Safe Pass.

training. This will require providing expertise and information, improving the quality of trainers and promoting the benefits of training. Ireland needs a national human resource and skills development strategy and FÁS will assist in drawing it up.

FÁS Training Priorities

The main priorities for FÁS training are summarised below:

Apprenticeship Training

- Apprenticeship provides an excellent model for initial vocational training. Its success is attested by the large increase in numbers over the last decade and the performance of Irish apprentices in the Skills Olympics. It has been further endorsed by the Enterprise Strategy Group's report in 2004. Over the next five years FÁS will adopt a multi-strand approach to the development of statutory apprenticeships by:
 - Ensuring that the curricula, assessment processes and delivery mechanisms for the existing trades are kept up-to-date.
 - Extending the apprentice system to those trades already identified as suitable for apprenticeship.
 - Engaging in discussions with relevant stakeholders about applying the apprenticeship approach to other occupations, including those outside the normal 'skilled worker' area. In this context, a flexible approach to new apprenticeship development

would be needed – for example, different durations, wage setting mechanisms and off-the-job and on-the-job balances would all be considered.

- More generally, continuing to review, in consultation with the social partners, the current apprenticeship model for designated trades to ensure that it remains optimum to the needs of employers and apprentices.

Training for the Unemployed and Job seekers

- FÁS training provision for the unemployed and job seekers will maintain a clear focus on jobs, delivered either through skills training on courses closely related to work and jobs, or through participation in foundation training courses with high probabilities of progression to more specific work/job related training.
- Within the overall framework of early school leaver provision, the FÁS Community Training Centre-delivered foundation phase of Youthreach will continue to have a separate focus from VEC Youthreach Centre provision. However, the FÁS foundation programme will increasingly aim at encouraging and assisting young people to gain formal education qualifications (e.g. Junior and Leaving Certificate) as well as vocational and personal skills. In addition, FÁS will give a strong emphasis to providing

progression options for early school leavers. It will develop initiatives that help employed early school leavers to obtain further vocational education and training.

- FÁS believes that the Traineeship approach, involving a mixture of off-the-job and on-the-job training, can be a valuable entry route into some occupations. In some cases, it can provide a first-stage towards the establishment of a formal apprenticeship for an occupation. FÁS will continue to operate Traineeships where the nature of the training and development required and the support of the relevant stakeholders ensure their success. It is important to emphasise that Traineeships should not be seen as exclusively for young people. Rather, they are suitable for all types of FÁS clients seeking a recognised qualification for a career in specified occupations.
- An important function of FÁS is to provide training to the disadvantaged, enabling them to obtain employment. An increasing proportion of unemployed FÁS clients are severely disadvantaged and suffer from a variety of educational and skill deficits, as well as personal, health or other social problems. There is a wide spread of FÁS provision for such persons including Community Training Centres, Community Training, Community Employment, Foundation Training, Job

Clubs and the High Support Process. FÁS will continue to give a high priority to assisting these clients. To be successful, this will require a higher level of support, including improved counselling and identification of learning difficulties, mentoring advice and support, literacy and other 'remedial' interventions. Partly this can be achieved by improved co-ordination of various inputs from within existing FÁS services, but it will involve a greater average level of investment per trainee (with, of course, a greater level of expected success). Assuming the FÁS budget cannot be significantly increased, this greater cost per trainee may result in a reduction in the number of disadvantaged persons trained by FÁS or a re-allocation of resources from other programmes and/or clients.

Redundant Workers

- FÁS will continue to provide an integrated support service for people being made redundant because of company closures/down-sizing and will extend this to other redundant persons irrespective of the size of their previous employer.

People with Disabilities

- There is a need for a greater effort to support the integration of people with disabilities into the workforce. FÁS will strengthen its efforts to promote the various initiatives in place, working with other stakeholders (e.g. IBEC/ICTU), the public media (e.g. the Three 60 TV

series) and business (e.g. the O2 Ability Awards). All Departments within FÁS have important roles to play in achieving better take-up of FÁS services and, hence, entry of people with disabilities into the workforce. FÁS will complete and implement a strategy for training of people with disabilities following the review prepared by Bearing Point Consultants and the new Disability Act. This will emphasise mainstreaming the provision of services, access to the full range of FÁS training courses and cost-effectiveness.

Migrant Workers

- FÁS will, as appropriate, assist immigrants to achieve recognised vocational qualifications. It will not provide stand-alone English language training, but it will provide technical English when required as part of vocational training courses.

Women Returnees and other Job Seekers

- FÁS will continue to run a range of supports to assist women to return to the workforce. The existing range of programmes and services will be rationalised to provide a comprehensive, coherent, suite of options to meet the varied circumstances and needs expressed.
- FÁS will continue to provide training for other unemployed people to increase their employability. However, recent Leaving Certificate or Third-level

graduates will not be a priority for non-apprenticeship training. FÁS provision will be tightly focused on placement in jobs using skills acquired through FÁS. This requires that FÁS training courses meet industry standards of the future and provide recognised certification.

Ensuring the Quality and Relevance of FÁS training

- A major task for FÁS will be to ensure that its training programmes comply with the requirements of the National Framework of Qualifications, and thus are approved and certified by the national awarding councils. Significant progress in this area has been made by FÁS, but the amount of further work required (e.g. curricula, assessment procedures, access, transfer, progression) should not be under-estimated. FÁS will, therefore, devote considerable resources (both centrally and operationally) to this area over the coming years.
- Ensuring that FÁS training courses continue to be effective in the years ahead will require substantial investment, particularly in the areas of curriculum development, capital investment and the up-skilling of trainers/instructors.

A Greater Focus on Upskilling the Employed

- FÁS will give a greater focus to training of the employed and maintain the higher level of spending planned for 2005. A four-pronged approach is needed to increase overall investment in training of the employed and to address identified gaps. These prongs encompass;
 - (i) Establishing a suitable national training framework;
 - (ii) Helping companies better identify and meet their HRD needs;
 - (iii) Providing selective financial support to encourage employee training in priority skills;
 - (iv) Providing mechanisms that help individual employees gain new skills and qualifications.
- In terms of specific actions, the FÁS strategy towards employee training will contain the following elements:-
 - Maintaining the increased resources allocated to company/employee training in Budget 2005, at least over the medium-term.
 - Supporting targeted interventions to up-skill the employed, particularly those with low-level skills and older workers, so that they will have portable skills that are nationally-certified.
 - Responding quickly to business training requirements through continued research and co-operation with relevant organisations to maintain a good understanding of business trends and needs.
- Reaching out to employees across the full range of occupations in manufacturing, construction and services.
- Building on existing programmes – Excellence through People, the Competency Development Programme and Sectoral Initiatives – to deliver these new initiatives.
- In the sphere of management training, FÁS will support the provision, at nominal cost, of short, flexible, training modules for SME owner-managers in specific functional disciplines.
- Providing new programmes / measures to meet the needs of low-skilled employees. In particular, paid training leave, an expansion of tax relief for individuals attending approved training courses and information/advisory services for individuals are proposed. If FÁS were required to fund paid training leave, this would require very considerable additional funds. Provisional costs of €13.9 million have been estimated for a pilot scheme covering 5,000 people.

Supporting the National Framework for Training

- FÁS aims to provide the services appropriate to a national training authority, drawing on its experience and expertise. In this regard it will:
 - Advocate the need for, and contribute to the development of, a national human resource and skills development strategy for Ireland².
 - Provide a source of expertise on training within Ireland.
 - Help ensure a sufficient number and quality of trainers.
 - Promote the importance and benefits of investment in HRD.
 - Support the certification and qualification authorities in their work.

In conclusion, the FÁS training strategy does not propose radical changes to the level or mix of FÁS training services. In financial terms, it requires the continuation of the additional allocation of funds for training the employed provided by Government during 2005. In respect of training for the unemployed and the disadvantaged, the current level of activity is broadly appropriate. As regards apprenticeship, numbers in the designated trades are determined by employers and FÁS activity levels must respond as required. Thus, leaving aside any changes in apprenticeship, the cost of this strategy would be in line

with FAS expenditure levels in 2005. Given the importance of skills to the economy, and the very high rates of return found for training investments, FAS is confident that expenditure on its training strategy will be money very well spent.

² The term 'human resource' is used here in relation to workforce skills and capabilities; not other aspects such as industrial relations, wages etc.

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