Raising the Status of FET: the Labour Market as an Ally

Dr John Sweeney

Introduction

It is the ambition of the FET Strategy to raise the status of the sector and ensure that more of its learners gain satisfying employment in the Irish economy. A problem is that many in Ireland believe only a higher education can do that and have correspondingly low expectations of FET. This scepticism is even within the sector itself denting enthusiasm for the way the Strategy places ‘skills for the economy’ alongside ‘social inclusion’ as a strategic goal and because it emphasises employment outcomes as a metric of performance in many instances.

It is, indeed, hard to welcome the Strategy if the Irish labour market is, in effect, ‘developing away from’ the traditional learners of the FET sector and their communities and making decent employment the preserve of those with a higher education. If people cannot access quality jobs directly through FET, much of the Strategy’s emphases on skills for the economy and on serving employers come down in the end to providing training for what are lower quality jobs and helping people use FET as the backdoor to higher education. There is nothing wrong with these roles and they serve real needs as does improving the ‘skills for life’ of people distant from the labour market. But they are not the roles that will transform the sector’s status and are only part of what the sector does. It is the Strategy’s emphasis on strengthening the role of FET in routing people directly to quality employment where its ambition is most impressive. This requires, among other things, developing new apprenticeships and other combinations of classroom and workplace training that will equip people to work as technicians and associate professionals in emerging sectors, drawing up pathways or frameworks that link participation in specific programmes to advancement in specific sectors and careers (including for those who start far back in adult and community education), and providing lifelong opportunities to people in work (graduates included) to add new skills to their personal inventories as workplace demands and opportunities evolve.

This article explores the validity or otherwise of pessimism about the labour market prospects of those who do not complete higher education but want to enter employment directly ‘armed’ only with a FET qualification (thus, Level 6 or lower). It begins by probing some of the reasons why many people believe a higher education is the high road to good employment in the Irish economy and likely to be the only such road in the future. It then draws attention to four changes in the world of work that are less adverted to but which dispel the notion that ‘only graduates need apply’ will hang on all doors to good jobs in the

1 An abbreviated version of this article was published in ETBI, Spring 2015
future Irish labour market. It concludes by reflecting on the new relationships that must develop between FET and higher education.

There are many grounds for believing that a higher education will be essential to getting a good job in the Irish economy.

Currently, people with a higher education have a much higher employment rate and a much lower unemployment rate than the rest of the population (Figures 1 and 2).

**Figure 1: Employment rate by educational attainment (2013, Q4)**

<table>
<thead>
<tr>
<th>Highest Educational Attainment</th>
<th>Rate (%)</th>
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<tbody>
<tr>
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<tr>
<td>Tertiary</td>
<td>7%</td>
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**Figure 2: Unemployment rate by educational attainment (2013, Q4)**

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Source: SLMRU/SOLAS (2014)
Third level graduates had an employment rate of 80% when the national rate was 61%, and an unemployment rate of 7% when the national rate was 12% (Q4 2013). The graduate advantage is large even over those just below them on the education ladder – an employment rate 14 percentage points higher and unemployment rate 10 percentage points lower than those with post-secondary non-tertiary attainment.

A higher education is also extremely good for the amount people earn. The earnings advantage or ‘graduate premium’ currently associated with an honours degree or higher in Ireland is not just high but one of the highest in the industrialised world. The OECD average is that people with an honours degree or higher typically earn 70% more over their lifetimes than people with a completed secondary education in employment but, in Ireland, they earn 100% more (OECD Education at a Glance 2014). People with post-secondary non-tertiary qualifications earn 30 per cent more, which is approximately the OECD average for this group, so the increase in earnings associated with the step from post-secondary to tertiary education in Ireland is large by international standards. The good news gets even better for Irish graduates when the private financial return a person gets on a third level education over her or his lifetime is calculated. This involves taking into account not just how much people earn over their lifetimes but how those earnings are taxed and how much going to college costs (costs include the earnings they ‘forego’ by being in study rather than employment). Again, graduates in Ireland come out at or near the top of the leader board. The OECD calculates that the private financial return on a third level education is currently the highest of all countries in Ireland for male graduates and the fifth highest for women graduates.

Perhaps the most remarkable fact of all is that these advantages to a higher education in Ireland are as large as they are despite the huge increase in the supply of graduates in recent years (from the expansion in enrolments and immigration) and the corresponding decline in their scarcity value. By the end of 2013, nearly one half of all jobs (47%) in Ireland were held by graduates; in the EU15, the corresponding figure was 33%.2

Against the backdrop of such compelling facts, it is hardly surprising that people in Ireland place great faith in the power of a higher education to unlock the good life. It should be emphasised, however, that some of the current margins by which graduates do very much better than their FET counterparts in Ireland is the legacy of the ‘Great Recession’. It dealt exceptionally harshly with apprentices and PLC graduates (Bergin et al, 2014). They lost jobs in large numbers because they worked in construction and other sectors reliant on domestic demand and they have since struggled to regain employment, partly because domestic demand remained weak and partly because graduates became increasingly willing to bundle in and take non-graduate jobs. The graduate share of total employment in Ireland increased by a remarkable 12 percentage points between 2007 and 2013 and graduates even became increasingly present in low skilled elementary occupations and service and sales workers.

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2 Eurostat online: lfsa_egised.
Selina McCoy and colleagues in the ESRI have completed a telling study of the experiences of those who completed the Leaving Certificate and made their post-school transitions just as the economy was beginning to collapse (in 2008). Three to four years later, they found only 53% would choose the same pathway again and that the likelihood that young people had realised their aspirations varied hugely with the pathway they had chosen. It was highest for those who progressed to higher education and extremely low for those who had gone straight from school into the labour market (Figure 3). The majority of apprentices managed to realise their aspirations but only one-half of those who had done a PLC. This is hugely challenging and registers, to a large extent, the impact of the crisis and its uneven incidence on the different groups of young people.

![Figure 3: How well are young people learners realising their aspirations?](source)

Ireland is already a ‘third level society’ and intent on becoming more so.

The expansion of higher education in Ireland has had dramatic and hugely positive effects on our society and economy. What began as a highly successful marketing campaign by the IDA now has huge substance – ‘young Europeans’ with a third level education characterise the Irish workforce. There can be little doubt of that. In 2013, the rate of tertiary attainment among Ireland’s 30-34 year olds was 53%, the highest in the EU. Some of these, of course, are graduates from elsewhere in the EU and beyond who have been attracted to the conditions and opportunities in the Irish economy but it principally reflects the high level of participation in higher education of recent years. It is Ireland’s ambition to
improve further on its achievement. The EU headline target, under *Europe 2020*, is that 40 per cent of the bloc’s 30-34 year olds should have a tertiary attainment by 2020, a rise of three percentage point rise on the average of 37 per cent recorded in 2013. Ireland’s National Reform Programme has adopted a 2020 target of 60 per cent (Figure 4). This will expand the margin by which Ireland exceeds the EU target from sixteen to twenty percentage points.³

Figure 4: A third level society and becoming more so

![Figure 1. Tertiary attainment rate 2012, Europe 2020 target and national targets](image)

Source: European Commission

It is interesting to use this target to discuss the fundamental but, in effect, still open question as to what the more settled or steady state mix of skills levels – and, consequently, educational profile of employment – expected to characterise the Irish economy is in the long-run. Does the target mean to convey (as it is probably understood by many people) that 60% of all jobs in the Irish economy will require the knowledge and skills of graduates? If so, it is assuming a quite unique structure to the economy by EU standards at least. There are few clues to what the future might hold. One potentially valuable one is a study of the structure of employment in metropolitan areas of the US which enquires into the consequences of success in creating large numbers of high-skilled jobs.⁴ It finds that

³ After Ireland and Luxembourg, the next highest target set by an EU country for 2020 is France (50%).
regional concentrations of high-skilled workers help to create five times their numbers of jobs in other activities, i.e., a ratio of 5 indirect jobs to each direct one. The indirect jobs are made up of jobs in largely local services for both professionals (e.g., in finance, insurance and real estate) and non-professionals (e.g., restaurant and retail workers) in an approximate ratio of 2:3. This, in effect, means that high-skilled jobs (direct and indirect) and jobs at other skill levels (indirect) typically come on stream in roughly equal numbers even in relatively sophisticated and dynamic city regions. (The research also finds that low-skilled workers in regions that have high concentrations of high-skilled jobs are higher paid than elsewhere).

Such a study helps to underline that, even in economies that are knowledge intensive and innovative, as much as one-half of the labour force need not be graduates. In many ways, this is obvious. If workers with advanced skills are to achieve their potential productivity (e.g., medical consultants in a large city hospital), a larger number of workers with different and lower skill sets must also be employed (e.g., performing laboratory tests, keeping patient records, nursing, cleaning, etc.). The largest multinationals in Ireland might have principally graduates on their payrolls but their Irish operations typically rely on a large number of other workers employed in sub-contracted smaller enterprises and providing the personal and consumer services that make their management and core staff relatively content with their Irish location.

In Ireland, we may need to communicate much more clearly to students and their parents that even the highest level of success in building a knowledge-intensive, innovative economy is far from implying that everyone will work for a Google. Currently, people are regularly reminded of the numbers and nature of jobs created in agency assisted enterprises, but the downstream and supporting jobs in a myriad of SMEs around them are not tracked or highlighted. It is easy to forget that the large majority of people at work in the private sector in Ireland are working in SMEs. Caution also has to be exercised in extrapolating past trends (principally the rise in the graduate share of total employment and the ‘graditisation’ or growing presence of graduates in practically all types of occupation) in trying to understand what the future employment structure might look like. Already, there are some signs that the degree of emphasis on higher education as a sine qua non for good employment is creating pressures that a stronger communication of the heterogeneity of the Irish economy’s emerging skills needs could help to alleviate.

In the first place are signs that a higher education is less a guarantee of career success than it used to be. The warning that ‘past performance is no guarantee of future returns’ becomes more apt as the graduate share of employment continues to increase. Non-completion rates now vary significantly by the average level of CAO points of those who enrol in HE and it is clear that some institutions are finding it difficult to hold onto students who have benefited the least from the Leaving Cert cycle.
The low progression rates particularly amongst those studying at levels 6 and 7 in the institutes of technology raise some concerns regarding entry routes to higher education. Some students entering with a Leaving Certificate attainment of 255-300 points are struggling to remain in higher education. Possible further declines in higher education funding coupled with projected increases in higher education participation have the potential to negatively impact those students requiring high levels of staff-student interaction (HEA, 2014. Italics added).

Transitions into jobs that need their knowledge and skills have become more difficult for a growing number of graduates and a greater heterogeneity now characterises their labour market outcomes. Large numbers by previous Irish standards and in comparison with other EU member states are in non-graduate jobs and a significant number are earning at a low level. For example, the proportion of waiters and waitresses who are graduates has risen from 22 to 31 per cent, and of sales assistants from 16 to 23 per cent since 2009. A significant number emigrate, not just to escape unemployment but even more to quit jobs in which their degrees are not being used nor are likely to be. A further number may not recover from a poor start in the labour market but be permanently scarred by it. At the same time, employers continue to find that a significant number of graduates need a long period on the job (up to two years) before they are finally ‘job ready’ and pulling their weight. Not finding graduates or FET learners who are able to ‘hit the ground running’, more are instructing recruitment agencies to look abroad: an employer ‘wants the job done, and if that’s an Irish person returning or a New Zealander coming to Ireland for the first time, as long as they’ve the right skills, they’re in line to get that job’. In short, there are in all likelihood more young people than before transferring directly to higher education from school whose aspirations, more beneficial patterns of learning and immediate employment prospects would be better served if they entered quality, occupation-focussed FET programmes.

In second place, the dominance of higher education has created unintended but significant ‘collateral damage’ for the one third of school completers who do not take the highway to higher education. The vocational streams within the senior cycle of secondary education are poorly developed and it is not always evident where they lead to. The options open to young people not filling out CAO forms are poorly presented and poorly explained, a phenomenon not unique to Ireland and described by the OECD as the ‘hidden’ and ‘less well understood world of colleges, diplomas, certificates and professional examinations’. Accordingly, many make poor post-secondary choices and do not complete courses they begin. The number of apprenticeship routes has been limited, in part because the interest of employers waned as they found they were able to recruit graduates instead. Many school

5 HEA, A Study of Progression in Irish Higher Education Institutions, 2010/11 to 2011/12.
6 Annual National Skills Bulletins, EGFSN/SLMRU.
7 Glynn et al, 2013, Irish Emigration in an Age of Austerity. UCC.
8 Hays Ireland recruitment agency, Irish Independent, 22/11/14.
leavers are unable to compete not only with Irish graduates willing to take entry-level jobs but with the more confident and technically better prepared school completers arriving from other EU countries (there has been significant on-going recruitment of migrants to entry-level and intermediate jobs).

A seminal OECD study on skill demands has warned of the ‘potential boomerang effects’ of an educational ethos that assumes all students should ambition a university degree and that those not seeking or not prepared for university study risk being shut out or left adrift unless career pathways and vocational educational and training alternatives for them are strengthened.\(^\text{10}\) The Leaving School in Ireland Longitudinal Study comes to very much the same conclusion:

> The dominance of higher education in the Irish context has had important implications for young people in Ireland, particularly those from more disadvantaged backgrounds... Reforms ...have the potential to enhance the quality, status, relevance and impact of a wide diversity of post-school education and training opportunities for all young people. (McCoy et al, 2014)\(^\text{11}\)

In this context, the more SOLAS, the new Apprenticeship Council and the ETBs succeed in increasing and improving vocational routes to quality employment in the Irish economy, the more the HE sector itself could potentially benefit. More young people might divert to FET who would otherwise attempt but not complete HE or finish their degrees without gaining any clear career direction.\(^\text{12}\) Reducing the numbers not benefiting from HE in these ways would also support improved efficiency in the use of resources.

**Some labour market developments point to a growing rather than declining role for FET in meeting the emerging skills needs of the economy**

*(i) Job Openings and not Job Creation matters the most*

In the first place, in many industrialised countries, replacement demand is becoming steadily more important as a source of job openings.

The skill requirements of job creation receive a lot of attention in Ireland given the need to recover the jobs lost in the recession, to continue expanding the economy and to ensure the human capital that allows this to happen. Employment projections typically compare the numbers of jobs in the future that will need given levels of educational attainment with the numbers that need those attainments now. This allows the growth in jobs associated with each educational level to be quantified (Table 1). Current projections envisage employment

\(^{10}\) Handel, M.J. (2012), *Trends in Job Skill Demands in OECD Countries*. OECD.

\(^{11}\) Selina McCoy et al. (2014), *Leaving School in Ireland: A Longitudinal Study of Post-School Transitions*. ESRI.

\(^{12}\) For example, 9 months after graduation, 30 per cent of those who completed honours degrees in Arts & Humanities in 2013 were in further study or training in a different field. Of those employed, 49 per cent described their degree as irrelevant to their job. *What Do Graduates Do? The Class of 2013*. HEA, 2014.
increasing by 280,000 in the best case scenario over the period 2012-2020, an increase of 16% – this is decomposed into 160,000 more jobs that need a higher education (57% of all the jobs created), 44,000 more that require an FET qualification (16% of the total), 61,000 more for those with upper secondary education and 14,000 more for those with a junior certificate or less.

Table 1: Projected employment growth by educational attainment, Ireland 2012-2020

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2020</th>
<th>Growth 2012-2020</th>
<th>Share of Growth</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>'000s</td>
<td>'000s</td>
<td>'000s</td>
<td>%</td>
</tr>
<tr>
<td>Third level or above</td>
<td>810</td>
<td>970</td>
<td>160</td>
<td>57</td>
</tr>
<tr>
<td>FET</td>
<td>236</td>
<td>280</td>
<td>44</td>
<td>16</td>
</tr>
<tr>
<td>Higher secondary</td>
<td>423</td>
<td>484</td>
<td>61</td>
<td>22</td>
</tr>
<tr>
<td>Below higher secondary</td>
<td>287</td>
<td>301</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>1756</td>
<td>2035</td>
<td>279</td>
<td>100</td>
</tr>
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</table>

However, jobs new to the people doing them are wider than jobs that are new to the economy and currently receive less attention in Ireland. Cedefop enquires into the educational and training requirements of all the job openings that will have to be filled in Member States over the longer period 2013-2025. Job openings include replacement jobs that fall vacant as their current incumbents retire, switch careers, emigrate or withdraw from the workforce for other reasons. A ‘replacement demand’ arises when a job which has a long-term future has to be filled because the person in it quits it permanently. The approach taken by Cedefop is to add estimates of replacement demand to estimates of job creation (‘expansion demand’) to get estimates of job openings at each skill level (Table 2).

Table 2: Projected Job openings by qualification, Ireland 2013 -2025

<table>
<thead>
<tr>
<th></th>
<th>Expansion demand</th>
<th>Replacement demand</th>
<th>Total Job Openings</th>
<th>Share of Job Openings</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>'000s</td>
<td>'000s</td>
<td>'000s</td>
<td>%</td>
</tr>
<tr>
<td>High qualification</td>
<td>121</td>
<td>328</td>
<td>449</td>
<td>48</td>
</tr>
<tr>
<td>Medium qualification</td>
<td>67</td>
<td>311</td>
<td>378</td>
<td>40</td>
</tr>
<tr>
<td>Low qualification</td>
<td>-95</td>
<td>205</td>
<td>110</td>
<td>12</td>
</tr>
<tr>
<td>All qualifications</td>
<td>93</td>
<td>843</td>
<td>936</td>
<td>100</td>
</tr>
</tbody>
</table>

Cedefop estimates that 378,000 job openings will arise in the Irish economy for individuals with either an FET qualification or completed upper secondary education (classified
together as ‘medium skilled’)) between 2013 and 2025. This is a totally different order of magnitude to the 105,000 new jobs projected for this group when job creation demand alone is analysed. The number of job openings available to people with less than an upper secondary changes even more; it rises from the almost negligible 14,000 positions to 110,000 and their share of total job openings from 5% to 12%. The message to the FET sector is effectively transformed. The magnitude of the challenge to the HE sector is also increased as replacement demand affects high-skilled occupations too but the multiple by which it increases is less than for FET (2.8 as against 3.6).

One approach is not right and the other wrong. At the same time, projections of job openings are a richer type of information for education and training providers than projections of job creation. It makes little difference after all to providers whether they are preparing people for jobs that will be new or are currently being performed by someone else so long as the knowledge and skills they are helping people acquire is put to use and appropriately rewarded. The first and more highlighted approach in Ireland gives major prominence to the HE sector, while the second approach, if anything, propels FET into the leading role – it shows that the majority of job openings do not require a higher education. This is because the highest proportions of replacement demand arise in low and medium-skilled jobs, the ‘bread and butter’ as it were of the FET sector. SOLAS and the SLMRU are well aware of this but somehow its significance for the relative roles of FET and HE in helping people get permanent jobs is not widely appreciated.

(ii) **Flagship economic sectors are not graduate enclaves**

In second place, the range of skills needed within knowledge intensive sectors of the economy is wider than many assume. The flagship sectors (ICT, financial services, life sciences, etc.) are not graduate enclaves and many employed in them are performing roles for which being a graduate is not necessary. The primary concern of employers in these sectors is with skills and who can do the job rather than with qualifications and where they were acquired.

This was the core finding in the FIT Skills Audits of Ireland’s ICT sector in 2012 and 2014. In both years, it found that the majority of vacancies which large multinationals were having difficulty in filling were positions requiring ‘entry level’ or ‘competent’ rather than ‘expert’ skill sets, and that the first two were well within the range of well-designed FET programmes to deliver. To be more specific, 75 per cent of 7000 vacancies in 2014 were estimated to require skills sets that could be addressed through programmes ranging from 6 months to 24 months at Level 5 or Level 6 on the NFQ. It is for these reasons that some large companies, in a variety of sectors and not just IT, have developed their own internal apprenticeships and other in-house training programmes to source the skills they need. When they do so, it is frequently their experience that employees whom they recruited initially with a vocational education subsequently advance to become leaders in their organisations every bit as successfully as those who started as graduates.
What the FIT organisation has established for the ICT sector has been hinted at in EGFSN reports for other emerging sectors but not as systematically investigated. It has been articulated at a higher level and for Europe as a whole by the OECD. In concluding its series of Skills Beyond School country reports, it points out that nearly two-thirds of overall employment growth in the EU 25 is forecast to be in the ‘technicians and associate professionals category’ and that many of these jobs ‘require no more than one or two years of career preparation beyond upper secondary level’ (OECD, 2014). In short, they find that there is a major need in many countries for new and diverse forms of apprenticeship and other post-secondary FET to route more young people into good jobs, particularly those who prefer to ‘learn by doing’ and for whom ‘earning while learning’ is an imperative.

(iii) Higher skills are needed for all jobs

In third place, there are occupations currently classed as ‘low skilled’ for which demand is projected to grow strongly in many countries. In the US, for example, four of the five occupations for which the largest absolute increases in employment are projected to 2022 are occupations for which the current typical entry-level education is less than high school (namely, personal care aides, retail salespersons, home help aides, and food preparation and serving workers)\(^ {13}\). In the UK, a huge increase is projected to occur by 2022 in the number of people needed to work in caring personal service occupations with the number of positions also growing in customer service occupations and in leisure, travel and related personal services.\(^ {14}\) The scale of employment growth in occupations currently classed as low skilled in these countries reflects aspects of their societies and economies that are distinct from Ireland, principally the growing numbers of post-war baby boomers in retirement that will require care. However, their occupational projections are timely reminders that some key personal care and personal service occupations must grow in numbers in Ireland also as the retired population increases and as the numbers and incomes of high skilled workers grow.

The so-called ‘low skilled jobs’ that are growing have significant up-skilling needs that are far from trivial, as anyone who values good elder care and good child care or who receives good customer service well knows. The time has, in effect, passed when such occupations should be described as ‘low skilled’. A European study has drawn attention to the ‘surprisingly demanding nature of “low skilled” jobs’ after a forensic analysis of what employers in one EU country were looking for.\(^ {15}\) Responsibility, flexibility, skills with customers, the ability to communicate (language abilities were valued even for room staff), etc., the roll call of soft skills is familiar. But, as a McKinsey report aptly put it, the soft skills in question require ‘hard work’ and can have a significant occupation-specific element that is best acquired through vocationally specific VET programmes. This leads straight to the important question

\(^{13}\) US Bureau of Labor Statistics, online employment projections.


\(^{15}\) Beblavy et al.(2014), ‘Future of Skills in Europe – Convergence or Polarisation?’ NEUJOBS Policy Brief No. D4.6
of the quality of these low-skilled jobs and of the extent to which FET should adopt a light approach and equip people with, for example, the safe pass, ECDL or other elementary requirement that meets the minimum regulatory or functioning requirements of a specific job, or go deeper and produce learners capable of changing the jobs which they enter. There is a high level of turnover in many low-skilled jobs in Ireland and a significant minority in the workforce appear to be trapped in a ‘low pay, no pay’ cycle.\(^{16}\) The FET sector has a major role to play here, in conjunction with the Department of Social Protection, Intreo and the Department of Jobs, Enterprise and Innovation, in helping to avoid a ‘bifurcation of the labour market in a way’ that would be ‘fundamentally unhealthy’ for our economy and society and result, if not addressed, ‘in a relatively low-skilled, relatively low-paid customer-facing leisure sector, disconnected from a relatively professionalised...high-skilled internationally trading economy.’\(^{17}\)

\textit{(iv) People already in jobs are FET’s single largest potential ‘market’}

In fourth place, the least explored and least quantified skills demand of all is the need to raise the skill levels of people at work so that they are able to remain in employment and improve their earnings power.

Individuals should ideally be in employment for at least 40 years of their lives and even those with a PhD (approximately 1% of the employed) cannot be expected to have an inventory of skills adequate for all eventualities. Up-skilling stretches from raising low levels of basic or foundation skills (e.g., numeracy, literacy, digital problem solving) to enabling STEM graduates keep abreast of applications and developments in what are fast changing disciplines. The link between educational attainment and actual levels of skills proficiency furthermore weakens in older cohorts - people can have lost skills that were not exercised, acquired skills along the way or simply bear the imprints of formal education at very different stages in the latter’s development. It is abundantly clear that diverse strategies and multiple types of education and training are needed ensure up-skilling at work is an option for whoever needs it with, in particular, the relative responsibilities of individuals themselves, employers and the state varying hugely depending on the situation.

As the Pie Chart (Figure 5) shows, 14% of all jobs are currently held by workers who have less than a completed secondary education and a further 24% by those who entered the labour market immediately after completing school. Among them are individuals, frequently adverted to in EGFSN reports covering Ireland’s traditional industries but present also in large domestic service sectors such as retail, transport and personal care, whose level of earnings and security in employment are adversely affected by low levels of proficiency in basic skills. They have a clear claim to priority attention from their ETBs in being able, with or independently of their employers’ support, to access FET with public support when necessary. But arrangements need also to be in place that incentivise and encourage those


\(^{17}\) The words of John Cridland, director general of the UK’s CBI, \textit{The Financial Times}, 25/11/14.
among the 47% of graduates in employment whose potential is not being used in their workplaces to acquire further vocational skills through FET (e.g., in IT) where they would make the difference.

**Figure 5: Composition of Employment by Level of Educational Attainment (2013, Q4)**

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<td>Tertiary</td>
<td>4%</td>
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</table>

SLMRU/SOLAS (2014)

**Conclusion: FET must become a more equal partner with higher education.**

The central thrust of this article is that there are significant labour market developments that support the ambition of the FET Strategy to give the sector a stronger role in routing more people directly to good employment. If it can do so, it will leave behind the Cinderella status which has dogged the sector and enter into a more real partnership with higher education. In several respects, the new National Skills Strategy being prepared must conceptualise and plan for the two sectors as a continuum because going into the future, much more than before, they will be serving the same people but at different stages and at different moments of need in their lives. Greater two-way flows should be anticipated and allowed for: the apprentice or PLC learner who comes looking for a degree ten or more years later, the graduate who comes looking for the FET course that ‘bolts on’ the can-do skill that can transform their employment prospects. The importance of regarding, and planning for, HE and FET as a continuum of tertiary provision has, in fact, been well articulated: ‘The HEA and SOLAS, together with the Department of Education and Skills, should without delay begin the process of putting in place the arrangements for integrated strategic planning between the Further Education and Higher Education sectors’ (HEA,
The preparation and implementation of the new National Skills Strategy is clearly a major opportunity to advance this strategic requirement.

As well as greater porosity, a greater degree of convergence should also be anticipated between the two sectors over the coming decade. Some intriguing international research has explored whether a more general and academic education serves people better over the course of their working lives than a vocationally focussed education. It does so by comparing the early and later careers of those who completed a general, academic education and a vocational education respectively (Figure 6). It finds that those with a quality vocational training typically manage the school-to-work transition better and enter good jobs more quickly than those with a general education but, in comparing individuals’ later careers, those with a general education adjust better and have the higher employment rates. The core questions that emerge, therefore, are whether the early career gains of the vocationally educated compensate for their later career losses, and vice versa for the academically trained. The answer provided is nuanced. In countries where vocational programmes have a strong academic component and the pace of technological change is slow (their economies are growing slowly), the vocationally trained have better lifetime employment than those with a general education (the strongest example was in Switzerland). However, where vocational training does not have a strong academic component and technological change is rapid (economies are growing strongly), those with a general education fare better (conditions that arguably describe Ireland well).

This is a good place to end, sketching distinct challenges which FET and HE must each address. The challenge to FET is to strengthen its academic content and increase the likelihood that learners will refresh their skills in later life so as to avoid later career falls in their employment rates (reducing area B in Figure 6). The challenge to HE is to better align the fields that graduates study with employment prospects in Ireland and increase internships and work placements so that graduates experience less difficulties early in their careers (reducing area A).

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18 Report to the Minister for Education and Skills on system reconfiguration, inter-institutional collaboration and system governance in Irish higher education. HEA, April 2013.
20 Switzerland has excellent apprenticeship and vocational training but a slow growing economy. For example, from 1960 to 2000, growth in GDP per capita averaged less than 1.5% p.a. in Switzerland but more than 4% cent p.a. in Ireland.
Figure 6: Employment rates by age and schooling type: Danish, German and Swiss workers in the mid-1990s.

Life-Cycle Employment Patterns by Type of Training