

PRESS RELEASE

**FUTURE TAX REDUCTIONS SHOULD CONTINUE TO BE AIMED AT THOSE
ON AVERAGE INDUSTRIAL WAGE TO ADDRESS IRELAND'S GROWING
SKILLS NEEDS - NATIONAL COMPETITIVENESS COUNCIL**

**FAS and Local Employment Service operations should be integrated and
investment in primary education substantially increased.**

Business-led approach needed to upgrade skills levels.

The Government should build on this year's budget by continuing to focus future tax reductions on those earning average industrial pay or less, the FAS and local Employment Service operations should be integrated and there should be a substantial increase in investment in primary education if Ireland is to create the right environment to meet its future skills needs, the National Competitiveness Council (NCC) said today (14 December 1998).

In its "Statement on Skills", the Council says that success in addressing the country's growing skills needs will go a long way towards underpinning Ireland's economic growth and competitiveness. The Council also wants to

see a business-led approach, supported by the social partners, to upgrade skills levels in Irish companies.

In the context of slower growth in the labour force and accelerating growth in the demand for skills, the Council considers that the supply of people with the skills necessary to sustain economic growth and competitiveness can be provided by adopting the following five strategies:

- Increasing the number of people available to work;
- Strengthening the links between education and the world of work;
- Increasing the numbers qualifying each year with high-technology skills;
- Increasing the number of people with the required low-medium level skills;
- Raising enterprise investment in training for those already at work.

Supporting this strategy, the NCC puts forward 20 key action points which it believes are necessary if Ireland's vital skills base is to be replenished and put on a sound footing for the future.

The key action points are as follows:

- Future tax reductions should be focused on those at or below the average industrial wage building on the initiative taken in this year's budget.
- The functions of employment services should be strengthened by integrating the FAS and Local Employment Service operations.

- Skills levels need to be increased in Irish companies through the adoption of a business-led approach supported by the social partners.
- A comprehensive migration policy should be developed.
- As part of the National Employment Action Plan, a target should be kept of keeping the share of long-term unemployment below 50% of total unemployment.
- Increase investment in primary education substantially by prioritising science and technology, languages and literacy.
- The present voluntary system of adult literacy should be reinforced with increased research and planning and more professional support staff.
- The 2001 target of one personal computer for every five students in second level should be adopted.
- Links between education and enterprise should be strengthened to promote a more flexible and adaptable response by education to the needs of the broad business community.
- The proposals of the Expert Group on Future Skills Needs should be implemented as quickly as possible and the Skills Awareness Programme, initiated by Forfas to encourage more Leaving Certificate students to enrol in science and technology courses should be expanded.
- The disabled should be given a high priority in training and employment service programmes.
- Urgent action should be taken to ensure adequate off-the-job training places for apprenticeships.

The Chairman of the National Competitiveness Council, Mr Brian Patterson said that Ireland's investment in education and skills had played a central role in the economic growth experienced by the country over the past decades. However, Ireland had now reached a stage of growth whereby the country's future skills needs had to be urgently addressed.

"Skills are as critical to increasing competitiveness and maintaining jobs in industries such as clothing, furniture and food as in electronics and software. Both overseas and indigenous companies and both larger and smaller firms have a fundamental need for a highly motivated, skilled workforce. Addressing Ireland's growing skills needs is of immense importance to our competitiveness on world markets. The overall strategy outlined by the National Competitiveness Council, and the specific actions recommended, should be progressed as soon as is feasible", Mr Patterson said.

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Note to Editors

The establishment of a Competitiveness Council was recommended in the Forfas strategy document “Shaping Our Future”, a Strategy for Enterprise in Ireland in the 21st Century, published in 1996. The Council, which was established by the Government in May 1997 is part of the Partnership 2000 Agreement, is required to report to the Taoiseach on key competitiveness issues, with recommendations on policy actions required to improve Ireland’s competitiveness position. Forfas is providing the research and support and secretariat for the work of the Council.