THEMATIC NETWORK PROJECT IN THE AREA OF LANGUAGES III

SUB-PROJECT TWO:
LANGUAGES FOR ENHANCED OPPORTUNITIES ON THE EUROPEAN LABOUR MARKET

NATIONAL REPORT / Ireland

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1. Introduction

1.1 A brief overview of the national labour market

Ireland is a small, open, trade-dependent economy and is one of the fastest growing economies in the developed world. Its high level of external trade is signalled by a high share of combined exports and imports of goods to Gross Domestic Product (GDP) which was just under 100% in 2003.

Over the past six years, Ireland's population has grown faster than any of the 18 countries benchmarked although the rate of growth has decreased slightly over the past two years. The population of Ireland is projected to grow by 8% over the next decade. While Ireland, at present, has a very young population, this population is showing signs of ageing with the school-leavers age group as a proportion of population having declined by 1.2% over the past six years and projected to continue decreasing over the next decade. In addition, while the percentage of over 65s has remained relatively constant over the past decade, this is set to increase by 4% over the next 20 years. These trends will have implications for the future Irish labour force.
Over the last two decades, labour force participation rates in Ireland have increased considerably. In 2002, the participation rate was estimated by the CSO at 60%. Despite this increase, Ireland ranks 10th out of 15 countries benchmarked, and lies significantly below the EU 2010 target of 70%.
http://www.skillsireland.ie/publications_press/Reports_2003/benchmark/index.htm

The rate of unemployment has dropped to historically low levels in recent years, and now stands at just above 4%. The slowdown in the labour market which began in 2001, continued throughout 2002. The rate of employment growth slowed appreciably from 2.5% to 1%, reflecting the deceleration in GNP growth. Unemployment continued to rise, and would have risen by more were it not for the fact that labour force growth slowed due to a fall in participation. The growth in the labour force that did occur was due to demographic factors such as the increase in the population of working age, and immigration.
Employment fell in both agriculture (-4,600) and industry (-9,700) while rising substantially in services
(+32,000) in 2002. The growth in services employment was driven mainly by the increase in employment in sub-sectors dominated by the public service, with growth in health (+10,700), education (+5,300) and public administration and defence (+5,700) accounting for a combined increase of 21,700 jobs. Recruitment difficulties and labour shortages eased considerably in most areas of the labour market.
Labour supply growth also slowed during 2002, due to a fall in labour force participation rate among the 20-34 year age group. Earnings growth moderated in general in the latter half of 2002, from a high of 10.9% in Sept. 2001 to 6.2% in Dec. 2002, as wage expectations began to adjust to the deterioration in the economic environment.
The outlook for 2004 is mixed. It is likely that unemployment will rise by the end of 2003 and into 2004 as the expected delayed recovery in the EU will inevitably impact on Ireland. An optimistic view is that labour shortages per se will no longer be as significant a concern as previously. The new challenge will be to maintain competitiveness internationally by improving labour productivity in a cost-effective manner while minimizing unemployment.

1.1.1 The principal sectors of the labour market (e.g. manufactoring, high-tech, services [banking, tourism etc.], public administration etc., if possible broken down into percentages [number of workers / share of the GNP?]

In recent decades the Irish economy has been transformed from being agrarian and traditional manufacturing based to one increasingly based on the hi-tech and internationally traded services sectors. In 2003, the services sector accounted for 66% of employment, industry for 28% and agriculture for 6%.
The following table gives an indication of employment per sector for mid-2003:

June -August 2003	**Total**	**% of Total**
Agriculture	118.0	6.5
Other Production Industries	304.4	16.7
Construction	199.0	10.9
Wholesale and retail trade	259.9	14.3
Hotels & Restaurants	124.3	6.8
Transport, Storage and Communications	111.1	6.1
Financial and other business services	230.0	12.6
Public Administration & Defence	92.4	5.1
Education and Health	280.6	15.4
Other Services	101.0	5.6
Total	1,820.8	100

Source: Quarterly National Household, CSO. December 2003

The Expert Group on Future Skills Needs has identified a number of career sectors which are likely to experience skills shortages in the future. These are mainly in the areas of engineering, science and systems analysis. Note that NUI Science courses require three languages: English, Irish and another, modern or classical language. (Food science, microbiology, biology, chemistry)
http://www.skillsireland.ie/car_opt/index.htm

1.1.2 Types of companies in operation: international, SMEs etc; catering for local/regional/national or European/international markets

Not yet available

1.2 Recent changes in the labour market as a result of increasing European integration and globalisation

Over 1,050 overseas companies have chosen Ireland as their European base and are involved in a wide range of activities in sectors as diverse as e-Business, engineering, information communications technologies, pharmaceuticals, medical technologies, financial and international services.

The net effect of globalisation is that international competition will be much stronger and more pervasive in the future. Business operations which can be traded and have low value-added (whether absolutely or relative to international norms) will not be viable in Ireland, and this will result in company closures and/or layoffs at an

increased pace. The positive side of globalisation, however, is the improved prospects for competitive, high value-added, Irish businesses to succeed world-wide.

Natural resources, capital and manual skills will be of less value in creating wealth, and that ideas and information (brain-power) will be the key driver of value-added. In Ireland's case, only businesses based on knowledge and skills will be able to succeed in the global economy (while paying satisfactory wages). Specifically, this will mean businesses such as ICT, biotechnology, culture, education and health*(23)*. Irish Government policy in recent times has involved a major expansion in investment in R & D. IDA-Ireland has also increasingly focussed on R & D and higher value-added parts of the production process. These policies aim to move Ireland up the 'value chain'.

Over the next decade the ESRI estimates that three human capital-intensive sectors (high-tech manufacturing, other market services and health / education) will account for some 75% of total employment growth. It is interesting to note that there are not expected to be any net job gains in manufacturing over the 2000-2015 period. Job losses in the traditional manufacturing areas will offset gains in high technology areas*(24)*. Thus, by 2015 71% of employment will be in services (compared to 63% in 2000 and 57% in 1990).

The most recent FÁS / ESRI forecasts to 2015*(25)* projected the fastest increases in employment for professionals (graduates) and associate professionals (certificates / diplomas), and decreases in labourers and unskilled workers. Two out of the four forecast highest growth occupations require engineering / science qualifications, while business / financial and health professionals are also expected to show rapid growth. It is important to recognise, however, that not all the growth occupations will require high skills - because of the rapid rise in demand for some services (due to increased incomes), and the difficulty in trading them internationally, there is expected to be rapid growth in catering, retail sales and domestic / child care workers. But while there will be job opportunities at both high and low skill levels, the wages available at low levels will be relatively poor. Overall, the FÁS / ESRI report suggests that by 2015 45% of all jobs will be for thirdlevel graduates, compared with less than 30% in 1997. Over three in four net new jobs over the period will be for graduates.

The Expert Group on Future Skill Needs has also addressed, or is in the process of addressing, the skills demand and supply picture in more detail. The Group has researched over the last few years the position for ICT professionals and technologists, both in software and hardware areas. The third report of the Group identified a continued large projected shortfall, despite the considerable increase in supply forthcoming from the higher education system*(26)*. Strong on-going demand across the whole range of ICT skills is projected. The third report also identified the need for more researchers, especially in S & T areas in the future. To develop Ireland's capability in biotechnology and related life science industries,an increased supply of biologists and chemists will be needed. In respect of the construction industry, a wide range of skill needs has been identified including professional, craft and semi-skilled workers. Other studies on areas such as logistics, engineering crafts, food and multi-media will also point the way to future skill needs in those areas. To help support the work of the Expert Skills Group, FÁS has established a

new Skills and Labour Market Research Unit which will set up an extensive skills data-base and advise on skills needs for the future.

It is a common finding that wage / income inequality has risen in most Western countries, including Ireland, during the last two decades. Economists disagree on the causes of these rises in inequality; the most common explanations are increased globalisation and rapid technological (ICT-based) change. In both cases, these are seen as increasing the premium for higher skills and reducing the demand for lower skills. The appropriate policy solution is the same: up-skilling the workforce.

In summary, therefore, Ireland's long-term future will depend upon internationally-competitive businesses, whether producing goods or services. Given that Ireland is not, and does not want to be, a low wage country, our competitiveness will depend upon high value-added production. This, in turn, will involve within sector shifts from lower value-added to higher value-added operations (such as R & D), and between sector shifts from traditional manufacturing to high-tech manufacturing and services. The qualification and skills mix of the Irish workforce must match these changes, and the policy requirement is to establish institutions, systems and policies to enable this to happen. http://www.fas.ie/FAS_Review/long_term.html

1.3 International takeovers: How many companies have recently been taken over by foreign companies and vice versa?

Not yet available

2. New linguistic demands in the private and public sectors resulting from European integration and globalisation: languages and skills / competences

2.1 Communications from international organisations

2.2 Communications from employers, employers' organisations and other organisations

The HEA-funded project of the Careers Services of Dublin City University, Trinity College Dublin and Waterford Institute of Technology, in collaboration with the Modern Language Departments in each institution will provide useful information for the TNP project. The project commenced in January 2003 and it is anticipated that it will be completed by January 2006. Modern language departments have been chosen to pilot this project as the experience of Careers Services has shown that graduates from Arts programmes tend to be less confident about how they fit into the world of work compared with their colleagues from more vocationally-oriented programmes.

The aim of the project is to increase the awareness and acquisition of transferable skills by undergraduate modern language students.

The following extract shows what Irish employers expect from graduates:

Summary findings of Employer Survey

1) During recruitment two very important factors are the applicants' enthusiasm for the position and their personality.

2) A range of transferable skills are also very important during recruitment. Work experience and academic record may be considered important to the extent that they contribute to the development of transferable skills.

3) Oral communication, team work, customer service, time management, written communication and the ability to cope with multiple tasks are particularly valued transferable skills.

4) Employers are very satisfied with the IT and numeracy skills of recent graduates. They are also satisfied with the highly valued skills of customer service, team work and oral communication.

5) Of the skills employers are less satisfied with, the most important are time management, written communication and the ability to cope with multiple tasks and, to a lesser extent, planning and presentation skills.

6) Fluency in a second language was not generally considered an important transferable skill. However, in so far as respondents had an opportunity to observe this skill, it was rated as relatively satisfactory.

7) The principal methods, in order of priority use, of assessing transferable skills during recruitment are: interview, CV, reference checks and psychometric testing.

8) Employers' suggestions for improving the transferable skills of students include supervised work placements and the use of industry specific workshops / case studies. Dedicated transferable skills courses were also suggested and the value of group work and presentations in academic courses was affirmed.

2.3 Results of language audits
2.4 Results of local / regional / national surveys
2.5 Outcomes of academic studies and research
2.6 Results and outcomes of TNP3 survey

3. In regard to non-language graduates, what formal or informal linguistic and intercultural qualifications – languages / skills and competences – are sought after on the national labour market?

3.1 Communications from heads of personnel departments
3.2 Communications from public and private labour offices
3.3 Outcomes of academic studies and research

Extract from the skillsproject.tcd survey show that graduates….

4) Consider networking, fluency in a second language and numeracy as the least important transferable skills in their careers to date.

5) Rate fluency in a second language and research as the skills which were most highly developed on their undergraduate programmes, followed closely by written communication.

3.4 Employment of "foreign" workers for linguistic reasons
3.5 Results and outcomes of TNP3 survey

4. In regard to language graduates (bachelor and master) outside language-related industries and professions, what formal or informal linguistic and intercultural qualifications – languages / skills and competences - are known to enhance career prospects?

4.1 Communications from heads of personnel departments
4.2 Communications from public and private labour offices
4.3 Outcomes of academic studies and research

transferable skills project (as above)

4.4 Results and outcomes of TNP3 survey

5. Validation of learning, assessment, certification – what does the labour market recognise and value?

5.1 Higher education intermediate and/or degree exams
5.2 ECTS and diploma supplements / language diploma supplements
5.3 Special university or inter-university language certificates
5.4 Study abroad
5.5 Internships abroad
5.6 Recognised international certificates
5.7 European Language Portfolio
5.8 Individual portfolios compiled by graduates
5.9 Results of in-house language tests

6. Communication and co-operation between higher education institutions / public authorities and the world of work (private and public employers, the social partners, professional associations etc) – aims and structures

6.1 Consultation about current and future needs and qualifications
6.1.1 at local / regional level
6.1.2 at Member State level

With regard to innovation, Forfas said that investment in public and private R&D and moves designed to support research and Ph.D. numbers in Irish universities will pay off in the long term by helping to build a "National System of Innovation." Groups like Science Foundation Ireland and the Programme for Research in Third Level Institutes (PRTLI) are critical to the creation of this environment, which will spawn more innovative new firms and will attract investment.

Supporting the education system in Ireland, especially students studying science, engineering and languages, will also help to secure Ireland's economic future. (forfas)

6.1.3 at European level
6.2 Consultation and co-operation regarding higher education provision of continuing education
6.2.1 at local / regional level
6.2.2 at Member State level
6.3 Consultation about division of labour

7. Institutional, regional and national career services

7.1 Types of surveys conducted among higher education graduates
7.2 Survey responses relevant to TNP3
7.2.1 subjects/disciplines
7.2.2 linguistic and intercultural skills and competences, incl. issues raised under section 5

4) Most commonly mention the additional skills of intercultural awareness and flexibility as skills which are both important for students and gained from the study of languages. Extract from academic survey skillsproject.tcd

7.2.3 types of work
7.2.4 destinations
7.3 Career advice relevant to TNP3
7.3.1 subjects / disciplines
7.3.2 linguistic and intercultural skills and competences, incl. issues raised under section 5
7.3.3 types of work
7.3.4 destinations

8. Process recommendations: measures to be taken to bring about improved consultation and co-operation between higher education and the world of work

8.1 Measures to be taken at local/regional level
8.2 Measures to be taken at Member State level
8.3 Measures to be taken at European level

9. Process recommendations: measures to be taken to survey higher education graduates and to provide careers advice in regard to linguistic and intercultural requirements

9.1 at institutional level
9.2 at Member State level