

**Draft Minutes of Meeting No. 87
of the Expert Group on Future Skills Needs
17 May 2021 - Zoom**

Present	Tony Donohoe	Chair
	Jonathan McMillan	EI
	Breda O'Toole	IDA
	Vivienne Patterson	HEA
	Joan McNaboe	SOLAS
	Shauna Dunlop	SOLAS
	David Hegarty	DETE
	William Beausang	DFHERIS
	Laura Bambrick	ICTU
Apologies:	Stephanie O'Brien	DFHERIS
Presenters:	Olivia Robinson	McKinsey
	Larry O'Connell	NESC
	Aisling Soden	IDA
	Emma Kinsella	DFHERIS
Secretariat:	Kevin Daly	DETE
	Don O'Connor	DETE
	Niamh Martin	DETE
	Ruth Morrissy	DETE
	Rhodri Lloyd	DETE
	Alan Power	DETE

1 Introductions, Minutes

The Chair welcomed the members.

The Minutes of the last meeting were approved.

2. National Apprenticeship Action Plan

The Chair introduced this item by saying that apprenticeships are frequently a key part of EGFSN recommendations, so the newly published action plan is very welcome - the action plan is a significant milestone. He welcomed Phil O'Flaherty from DFHERIS who provided an update on what the plan proposes, and how the actions are going to be achieved. Some of the information shared included:

- There are 20,000 registered apprentices compared to approx. 8,000 in 2015, an almost doubling of apprenticeship programmes and a much broader range of economic sectors and employers involved.

- There has been growth in female apprentices, but from a low base; and there is a pipeline of new programmes coming through and expressions of interest for new programmes- underpinned by increased investment from employers and the NTF.
- There was an extensive stakeholder engagement process.
- The plan seeks to increase the numbers of apprenticeships - in 2020 there were more than 5,000 new registrations - a slight drop due to covid.
- There will be a consistent employer grant based on the number of apprenticeships employed
- There is also a focus on diversity, including - gender, but also disability, disadvantage, etc., - the grants system has ways of deploying criteria in these areas.
- There is a need for institutional underpinnings - a joint venture between HEA and Solas plus more formal supports for consortia- which will monitor and report on progress.

Responding to a question on the age profiles of apprentices, it was explained that apprenticeships have expanded beyond the late teens- a lot of the new apprenticeships are about moving people from one career to another - and there's a much more diverse and accessible set of delivery mechanisms.

It was confirmed that there is a set of actions around communication that will begin later this year and continue into 2022. If a new apprenticeship is developed and if it is well advertised there is a strong response – the critical path concerns the volume of recruitment rather than about selling the concept to individuals.

The Chair thanked the DFHERIS presenter for sharing the information with members.

3. A long-term horizon scan of the impacts of megatrends on the Irish high-level skills landscape

The Chair introduced this item by outlining how factors such as digital transformation, the low carbon economy and corporate tax changes could have an impact on industrial policy and, therefore, skills. He cited a recent OECD presentation at the National Skills Council. He welcomed the speakers from McKinsey, NESCC, IDA and DFHERIS.

3.a Presentation by McKinsey Global International

The Chair introduced Olivia Robinson. - McKinsey Global Institute has recently published a report on the future of work after Covid out to 2030.

The report looked at the long-term impact of Covid on labour demand and some of the key findings are:

- Covid has increased the scale and challenge of workforce transitions required.
- Jobs with greatest levels of physical proximity, such as front-line workers will be most affected long term. Covid has highlighted the impact of physical proximity at work.
- Remote work, e-commerce and digital and automation will be the biggest areas affected with up to 25% of jobs in advanced economies having the potential to work.
- Effects on labour demand by sector / occupational groups - biggest projected increases in health, creatives, management, STEM; biggest projected losses in office support, food services, customer service.
- Labour demand changes over the next decade - greatest growth in demand to be in high wage jobs and lowest growth in low wage jobs.
- Up to 25% more workers may need to switch occupations over the next decade than previously thought, before Covid.
- Implications for Policy-Makers - 1 Expand digital infrastructure; 2 Support workers during transitions; 3 Expand benefits and protections for independent workers; 4 Support lifelong learning; 5 Lower barriers to physical mobility; 6 Collaborate with stakeholders.

The Chair thanked the presenter and invited some initial feedback.

A question was raised concerning technological unemployment and the fact that it has been a fear for decades. In the past, new jobs have appeared - but is it now a real prospect due to AI that jobs will be replaced? McKinsey's assumption has been that there will be a net balance of lost and new jobs, but there will be a change in the mix of jobs.

A question concerning the 14% of those who will be required to transition from their occupations was raised - how many of these are casual, part time, etc. It was confirmed that the types of occupations that might be most impacted will be front-line service sector jobs - in terms of casual work, self-employed, etc., McKinsey didn't explicitly look at this - here the trend is very divergent depending on the types of jobs.

3.b Presentation by NESC

The presenter said that there's a possibility that share of employment in low wage jobs will decrease by 2030, and this would be welcomed by NESC, but the challenge is that employees will need to be skilled up to take up high wage jobs. Recruiting and training will be based on skills and experience rather than education so people will face more transitions - and the social and emotional skills will be increasingly important for these career progressions.

Key issues/challenges/opportunities:

- Landscape- 1 post covid; 2 economic model and tax; 3 automation; 4 climate change; 5 inequality and 'weak' labour market
- Corporation tax- any change could have an impact on our relative advantage.
- Sectoral Impacts - decline in manufacturing and growth in services - what makes us attractive in services? Supply of skills and 'place-making' –making Ireland an attractive place to live.
- In terms of skills forecasting, it was suggested that Ireland needs to rebalance the emphasis towards metaskills such as critical thinking.
- A key question to emerge was how institutional capacity can be increased in a way that links top-down approaches to 'bottom-up' initiatives. E.g., how can the policy system best support the need for rapid skills development - what is needed to support these meta skills - what does the Irish SME, and micro business, need to participate - and why would someone want to work in Ireland when a lot of jobs can be done remotely?

The McKinsey representative commented that there needs to be a good link with what is happening on the ground - there's a important role for business, re mapping workforce transitions and collaborating with government on this. Business may have to find new approaches to collaborating with educational institutions or focusing on in-house training- e.g., the Chinese technology multinational, Alibaba, collaborates with universities to ensure that there are more digital courses available, the EU has a Pact for Skills, e.g. in the automotive sector, looking at where the jobs were needed.

3.c Presentation by IDA

The Chair introduced Aisling Soden, to present research done by the Talent, Transformation, Innovation Department in IDA on emerging sectoral megatrends.

Some of the key findings of the research are:

- 5 megatrends were identified, with some sectoral overlap between them:
 - Advanced Manufacturing
 - A Digitalised Industry
 - Digitally Mediated Working
 - Health Care Transformation
 - Sustainable Industries and Technologies
- Transversal skills are common across all 5 areas and will be in high demand- may be viewed as baseline skills for the next decade.
- Digital skills will also be in high demand, but the skillsets implied by this will vary greatly across sectors and roles.
- Some commonality of digital skills exists and should be identified and prioritised in education and training.

- Demand will grow continually in these areas- focus on core skills that will help people across sectors.

3.d Discussion

It was noted that ICTU have concerns at how successful we will be at allowing workers to transition and reskill and this will depend on the flexibility of our social welfare system can be. While this is outside the scope of EGFSN, it is an important contextual consideration.

Comments made by DFHERIS regarding skills development being led by sectors were noted and it was suggested EGFSN should consider vertical and horizontal analysis (e.g. AI and Design) Regarding the tax issue, it is probably a significant factor - if there are minimum rates internationally, then Ireland's relative competitiveness is likely to be challenged, and a greater emphasis on skills and innovation will be required. There also needs to be a strong link between enterprise and skills strategies.

It was noted that there is a shift emerging between trends (data and analysis and forecasting) and how the data is used. It is timely to look at outcomes: no matter what forecasting is done, there needs to be clarity about gaps and how the system responds cohesively.

Finally, it was noted that the NTF Advisory Group looked at how there is a changing perception of low-skilled jobs: they can be very demanding and often involve working alongside technology. However, it is important to keep people in work, not just help them to move between jobs - it is important not to conflate the concepts of low-wage and low-skills -.

4. Annual Activity Statement

The Annual Activity Statement was approved

5. Implementation Updates

Due to time limitations, the Secretariat agreed to follow up by email with members.

6. Implementation – Standard Operating Procedures (SOP)

Proposals were presented at previous meeting. The procedure is not a one-size-fits-all solution, but there is a certain amount of overlap and good practice with partners signing up to deliver on the recommendations before EGFSN reports are presented to the National Skills Council. The SOP was agreed

7. AOB

None.

The Secretariat will contact members with details of the next meeting in September 2021.

EGFSN Secretariat

June 2021