

ISME is grateful for the opportunity to make a submission to the Joint Committee on the Future Funding of Higher Education.

While we are in favour of continued Government support for higher education, we do not believe that free tertiary education for all would represent an effective allocation of state resources.

We also do not believe it should be at the expense of employers, who already fund the NTF via PRSI.

Regarding the Future Expansion of the Technological Universities, we do not see the logic behind creating more universities in the country, while our technical and vocational education continues to falter. Ireland's tertiary educational attainment performance level is already above the EU target level for 2030.¹

Ireland also demonstrates the highest level of overeducation in the EU & UK,² with over 30% of fulltime employees defined as overeducated for their occupational mode.

Our education system is now under-performing (and declining) relative to peer countries. The OECD Economic Survey Ireland 2020³ notes that the skills of Irish adults are below the OECD average, literacy skills are close to the OECD average, and numeracy and problem-solving skills were significantly lower for all ages.

Re the Expansion Apprenticeships, our membership remains concerned at the slow pace of development in craft and new generation apprenticeships. We believe that Ireland has over-promoted academic learning at the expense of technological and skills learning.

The disparity between pre and post 2016 apprenticeship is unacceptable, and analysis by DPER⁴ confirms low levels of take up in post-2016 apprenticeships. The €2,000 grant per apprentices per year is inadequate.

Re Access, Diversity, Inclusion, Digital Learning and Student Grant Support, the eligibility entry levels to get support are very low so many middle-income families struggle to pay to college cost. With child benefit ending at 18 for those still in full time education, it doesn't give many parents the opportunity to save for college fees.

Re Life-Long Learning, Progression Pathways and CPD; ISME has long acknowledged the skills shortfalls among the owners and managers in the indigenous businesses.

The NCPC notes that productivity of foreign MNCs is increasing in Ireland, while that of domestic firms is declining.⁵

¹ https://ec.europa.eu/eurostat/statistics-explained/images/f/fa/Educational_attainment_2020_-_visual.jpg

² <https://docs.iza.org/dp10678.pdf>

³ <https://www.oecd-ilibrary.org/sites/dec600f3-en/1/2/1/index.html?itemId=/content/publication/dec600f3-en&csp=c90310f563164ee3f32d20b66f386306>

⁴ <https://igees.gov.ie/wp-content/uploads/2019/10/Review-of-Participation-and-Costs-of-Apprenticeships.pdf>

⁵ <http://www.competitiveness.ie/Publications/2019/Productivity-Statement-2019.pdf>

ISME has lobbied for the establishment of a QQI Level 6 program THE BLUE CERT⁶ to close the main knowledge gaps among SMEs. We believe PAYE and CGT tax incentives should be used to encourage uptake.

Training in lean six sigma (which would form a core part of our Blue Cert) should be deemed essential for most manufacturing, production and services businesses.

We need a national holding “bank” or “wallet” to maintain a register of CPD points. At the moment this is an unregulated and opaque area.

Re Research, Innovation and Engagement; use of the R&D Tax Credit and the Knowledge Development Box among SMEs is effectively zero. These schemes are written with rules appropriate to quoted multinationals, not domestic SMEs. R&D expenditure in Ireland is grossly over-concentrated (66%)⁷ in large companies which make up only 0.3% of businesses.⁸

Clusters are a great way of building engagement and harnessing innovation. ISME and similar organisations are willing to help, but need assistance in meeting the administrative burden of doing so.

We would like the TUs prioritised for expenditure on biogenics, renewables, recycling systems, rainwater recovery, energy generation etc., and providing technical training for businesses in the mechanical, electrical, and internet of things spaces.

Fraunhofer-Gesellschaft provides a useable model for this⁹ and already has a footprint in Dublin.

Re Mental Health and Wellbeing Supports; we are concerned about the decline in mental health among SME owners. For those businesses which cannot provide wellbeing supports internally, we encourage them use external professional providers.

⁶ <https://www.isme.ie/blue-cert-proposed-for-irish-sme-sector-2/>

⁷ <https://www.cso.ie/en/releasesandpublications/er/berd/businessexpenditureonresearchdevelopment2019-2020/>

⁸ <https://www.cso.ie/en/statistics/multisectoral/businessdemography/>

⁹ <https://www.fraunhofer.de/en/institutes/institutes-and-research-establishments-in-germany/fraunhofer-groups.html>