

# Executive summary

## OECD-Ireland collaboration on the OECD Skills Strategy project

This OECD Skills Strategy Assessment and Recommendations project reviews how Ireland's existing skills strategy – the National Skills Strategy (NSS) 2025 – might need to be adapted to ensure that it is still fit for purpose. Through desk research and active engagement with government and stakeholder representatives in multiple workshops, group discussions and bilateral meetings, the project identifies priority areas for action and provides tailored recommendations for improving Ireland's skills outcomes. This report is not positioned as an implementation plan. Further work is required by Irish stakeholders to sequence and prioritise investments in order to move forward on the areas for action identified.

## Key findings and opportunities for improving Ireland's skills system

People's skills have made an important contribution to Ireland's well-being and strong economic performance and will continue to be an important driver of continued improvement in the future. However, Ireland faces some critical challenges today, and others are visible on the horizon. Significant labour shortages are apparent in Ireland; regional inequalities have been rising; rising housing prices create affordability concerns; and several sectors have not experienced growth in labour productivity in recent years. In addition, the Russian Federation's war of aggression against Ukraine has resulted in a large inflow of Ukrainian refugees, and the conflict contributed to a surge in energy and food prices that will cut households' real incomes, dampen consumption growth and fuel uncertainty. The coronavirus (COVID-19) crisis has accelerated the digitalisation of learning and work, making digital skills increasingly a prerequisite to actively participate in a more complex, interconnected world. At the same time, new skills are needed to adapt to climate change and to limit global warming, loss of biodiversity and pollution.

The scale and pace of change globally is such that Ireland's skills ecosystem is now required to take a leap forward. People will need to leave education with the skills needed not only to meet the needs of the labour market and society of today but for those of tomorrow as well. Adults will need opportunities to upskill and reskill to perform new tasks in their existing jobs, assume the duties of new jobs and adapt to new modes of work, behaviour, consumption and participation in society. Firms will have to adopt more creative and productive ways of using their employees' skills, and robust governance structures will be needed to ensure that reforms are sustainable.

It is timely that Ireland now considers how to build ambitiously on its strengths to put skills at the centre of a broad policy response and significant investment to tackle the challenges facing the country and seize the opportunities of the future. This OECD Skills Strategy project is the foundation for Ireland to achieve this objective. Four overarching priority areas and key findings are summarised below.

### ***Priority 1: Securing a balance in skills through a responsive and diversified supply of skills***

In the context of rapidly changing skills needs, it will be essential for Ireland to develop a skills system that helps to secure a balance between skills demand and supply. Ireland needs to ensure that its skills system is flexible and responsive to address skills shortages and mismatches as they emerge and plan for future skills needs. A diversified supply of skills is also needed to build adaptability and resilience in the face of societal and economic change. To better secure a balance in skills, Ireland should:

- improve information and guidance for individuals on learning and career pathways
- strengthen learning and career pathways over the life course
- make education and training provision more responsive to changing skills needs.

### ***Priority 2: Fostering greater participation in lifelong learning in and outside the workplace***

Encouraging a culture of lifelong learning is crucial to ensuring that individuals actively engage in adult learning after leaving the compulsory education system. In turn, participation in different forms of adult learning results in a wide range of benefits, including higher wages for individuals, higher productivity for firms and higher levels of social trust. Across countries, there is a growing need to upskill and reskill regularly over the life course to adapt to labour market and societal developments. To foster greater participation in lifelong learning in and outside the workplace, Ireland should:

- strengthen incentives to participate in lifelong learning for individuals
- strengthen incentives to participate in lifelong learning for employers
- make lifelong learning more flexible and accessible.

### ***Priority 3: Leveraging skills to drive innovation and strengthen firm performance***

Optimally using people's skills is associated with higher wages and job satisfaction for employees, high rates of productivity and innovation within firms, and stronger growth of the economy. Better leveraging skills will therefore be central to supporting economic growth, promoting resilience to global megatrends, and ensuring Ireland can achieve its aims of digital leadership and a just transition. To better leverage skills to drive innovation and strengthen firm performance, Ireland should:

- better utilise Ireland's research talent and public research and innovation system to drive innovation within firms
- promote the continuous improvement of leadership and management skills within enterprises
- incentivise and enable enterprises to make better use of the skills of their workers through innovative workplace solutions.

### ***Priority 4: Strengthening skills governance to build a joined-up skills ecosystem***

Well-functioning skills governance arrangements are the bedrock of a "joined-up" skills ecosystem, where skills policy design, implementation, monitoring and evaluation are impactful, mutually reinforcing and rooted in an extensive and robust evidence base. The complexity associated with skills policies, compounded by the uncertain and rapidly changing environment in which skills policy decisions are made, makes strong skills governance essential. To strengthen skills governance for a more joined-up skills ecosystem, Ireland should:

- promote a whole-of-government and strategic approach to skills policy
- support effective engagement with stakeholders throughout the skills policy cycle
- strengthen the collection, exchange and use of skills information.



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