



Confederation of Irish Industry

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PRESS RELEASE

Speech by Liam Connellan, Director General, Confederation of Irish Industry, at NUI Convocation Public Symposium, University College Cork, on Saturday, 23rd November 1985 at 2.30 p.m.

MORE TECHNICAL AND BUSINESS STUDIES GRADUATES NECESSARY TO

SPEED UP ECONOMIC DEVELOPMENT

Industry is the main engine for economic development in the economy. This is reflected in its recruitment of newly qualified third level award holders. Last year, industry increased its recruitment of newly qualified third level award holders by 30%, while their recruitment in other sectors of the economy increased by only 3%.

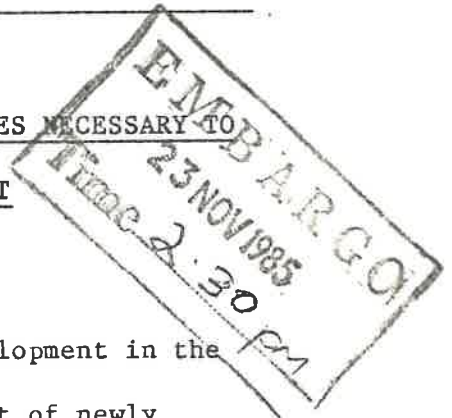
Industry recruited 34% of new male graduates in 1984 compared with 28% in 1983; and 17% of female graduates compared with 11% in 1983.

About two thirds of new third level recruitment by industry was accounted for by those having engineering and science qualifications, and one quarter by those having commerce/business studies qualifications.

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These figures demonstrate the rapid pace of change now taking place within the manufacturing sector. Industry must perform at the "cutting edge" of international competition. An open trading economy has no choice but to match the performance of the best in the world in initiative, innovative capacity, knowledge, skill and professional business competence. The increased recruitment by industry of young, well-trained graduates is a vote of confidence in their ability to contribute to economic development.

Ireland has only one third the number of engineers and technicians compared to the more advanced industrialised countries. Despite this, about half the newly qualified third level award holders in engineering and science had to emigrate last year. Many firms would like to recruit more young graduates but cannot, because their financial resources have been severely depleted, following years of recession and low profitability which have left no funds available for essential investment of this nature. The incentive programme announced by the Youth Employment Agency last week to provide incentives towards the first year cost of an additional one hundred young scientists and technologists in small and medium sized firms is a welcome step in the right direction. It makes sense because the incentives will be more than self-financing as these young people contribute to a more rapid development of industry.

In view of the low proportion of technical and business graduates in the population, and the relatively low proportion of the 18 to 22 age group in third level education in Ireland compared with countries such as the United, States, Japan, France or Denmark, it is clear that a rapid expansion of third level intake is necessary to speed up the rate of economic development. The recent OECD Examiners' Report on Innovation in Ireland recommended an increase in the college intake of engineering and technology students by 25% per annum over the next five years.

Implementation of this proposal need not cost the State more money. The average non-capital annual cost of a third level place is £3,000 and is somewhat lower than the average cost of unemployment payments. By providing more places for young people in third level education, there would be more jobs available for the unemployed. However, in order to make sure that there would be no additional cost to the Exchequer it will be necessary to increase the utilisation of existing buildings and laboratories so that there can be a significant increase in student throughput without incurring capital costs.

I would like to see an immediate investigation carried out as to how student intake could be increased by, say, one third or 4,000 in the autumn of 1986. The aim should be to achieve this

target by rearrangement of schedules in third level institutions so that the fixed assets could be used throughout the full year. Additional staff could be recruited without increasing unit costs.

By 1989 Ireland would, then, have an annual supply of new science, technology and business studies graduates more in line with the requirements of an advanced industrial economy. Such an investment in the energy and brain power of our young people, would be a vote of confidence in their capacity to generate more rapid economic development.

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