

PRESS RELEASE

Speech by Liam Connellan, Director General, Confederation of Irish Industry, at Meeting of CII Western Region, Ardilaun Hotel, Galway, Monday, 26th January 1987 at 1.00p.m.

"NEED TO INCREASE INVESTMENT IN BRAINPOWER"

Industry and the Exchequer could gain substantial benefits from a joint approach to the post graduate training of a large number of export marketing, science, and technology graduates who could make a significant contribution to a strategy for expanding the output of the economy and increasing job opportunities.

EXPORT ✓
MARKETING
TRAINEES

It is frequently asserted that one of our great national assets is the large number of highly qualified young people in Ireland. This concept is promoted through advertising campaigns, with a recommendation to "employ them before they employ you". Almost 30% of the relevant age group is now in third level education. The quality of our young engineers, scientists, and business studies graduates is very high. They have little difficulty in obtaining employment in major companies from Stockholm to Munich from Boston to Los Angeles where they are obtaining

GRADUATE ✓
QUALITY

valuable experience. The unemployment rate among well-qualified young people throughout the industrialised world is minimal.

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~~COMPANY~~
COMPANY
EMPLOYMENT
STRUCTURE

A recent study of the employment structure in a major German company employing 165,000 people showed that over the last 20 years the proportion of qualified technical, financial, and commercial and skilled employees increased from 56% to 71% of total employees. This trend is universal, and shows clearly the emphasis on personnel with technical and commercial qualifications in company development.

COMPANY
EMPLOYMENT
STRUCTURE

There is ample evidence that a similar structural change is also taking place in industry in Ireland. For example, a survey published last week by MSL shows that in 1986 when total employment in industry was falling advertised vacancies for data processing staff increased by over 30%, vacancies for professional engineering and production staff increased by 12%; and vacancies for marketing and sales executives increased by over 4%.

GRADUATE
RECRUITMENT

In addition, the recruitment by manufacturing industry of newly qualified third level award holders having degrees, diplomas, and certificates, broke through the 1,000 barrier last year for the first time.

Two-thirds of these recruits had engineering and science

qualifications, and a further quarter had qualifications in business studies.

Despite this significant increase in third level recruitment the process of up-grading the technical and marketing professionalism throughout our economy must be accelerated further. Ireland has proportionately less than half the number of technologists compared to the more advanced industrial countries. The limited jointly funded post graduate training schemes currently in operation need to be expanded radically.'

~~GRAT~~
TECHNOLOGIST
PROPORTION

The OECD Report on "Innovation in Ireland"

recommended a doubling of investment by industry in "brainpower" in the medium-term. It pointed out that in modern high-technology industries over 50% of the workforce have technician or higher grade skills, and that if Ireland was to build its hopes on such industries the potential demand for skilled staff would increase significantly. In addition it recommended that the output of engineers and other highly qualified graduates from third level institutions should be rapidly accelerated, and that the college intake of engineering and technology students alone should be increased by 25% per annum over the next five years.

~~INNOVATION~~
BRAIN POWER
INVESTMENT

Furthermore, over the last decade there has been a

remarkable diversification of Irish export markets. In 1973 55% of Irish exports were sold to the United Kingdom and 21% to Continental EEC countries. In 1986 we sold 38% of our exports to Continental EEC countries and only 33% to Britain. Comparison of the purchasing power available in different European countries leads inevitably to the conclusion that the greatest opportunity for expanding Irish exports lies in the densely populated and affluent markets of the Continent, particularly in Germany, France, and the Benelux countries. However, one of the main inhibiting factors to developing these markets is lack of a deep familiarity with Continental languages. It is simply not good enough that almost 15 years after Ireland joined the European Community only 4% of students sitting for the Leaving Certificate examination take German as an examination subject.

EXPORT
DIVERSIFICATION

I would recommend a major training programme funded jointly by industrial firms and the State for the training of 1,000 export marketing graduates in Continental markets. The trainees should be recruited by industry and already have reached a minimum standard in French or German. I am convinced that after a one year training period in Continental EEC countries they could make an enormous contribution to the development of industry in Ireland. The State's contribution should be obtained by reallocating £5m from the existing Employment Levy. It is

✓
EXPORT
MARKETING
TRAINING

essential that these trainees should be taken on by industry and placed for relevant training in Continental EEC countries after which they would be in a position to make a significant contribution to our economy. I believe that the Exchequer would quickly recover this modest expenditure in the jobs created through higher exports.

There have been many reports and recommendations stressing that the development of our economy requires a greater emphasis on "brainpower". There is little point in proclaiming that our highly qualified young people whether engineers, scientists or commercial graduates are a major national asset if we are not prepared to back this view with development policies which will put them to work for the expansion of our economy.

BRAINPOWER

END