

EDUCATION AND SKILLS DEVELOPMENT IN THE NORTH WEST: AN INTRODUCTION¹

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1. Overview

An overview of the economic performance of industry in the Republic of Ireland and Northern Ireland, focussing on trends in industrial output and employment, is encouraging for the Republic but less so for the North. However the overall national and regional performances hide significant problems for the north-western regions of both jurisdictions.

1.1 Republic of Ireland

In the Republic of Ireland, the FÁS Quarterly Labour Market Commentary showed employment growing at its fastest rate in 2005 since 1999. This growth was fuelled by two labour intensive sectors: services (+70,800) and construction (+25,800). Skills shortages have been averted by greatly increasing the number of immigrant workers.

However the manufacturing sector has shown a decrease of 4% over 2005. This is particularly relevant in the North West, where there have been a number of significant business closures. One concern is that the main drivers of recent rapid economic growth have been domestic, with disappointing export performance. There are also worries about the volatility of the housing market.

The short-term economic outlook is positive with strong employment growth expected for 2006. GNP is forecast to increase by 5.1% in 2006 and 5.3% in 2007. However some of this will be influenced by short-term factors such as the maturation of SSIA savings accounts and government expenditure in an election year.

¹ This is an 'issues' paper for discussion at the seminar. It is not meant to be a comprehensive or exhaustive survey of existing education and skills provision in the NW region.

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1.2 Northern Ireland

The economic performance of Northern Ireland is certainly less dramatic than the Republic of Ireland. Figures from the Department of Enterprise, Trade and Investment show that employment growth stalled in 2005 and the unemployment rate remains steady at 4.1%. The number of unfilled vacancies has actually fallen in 2005, adding to the picture of a flat labour market in Northern Ireland.

There was a 2.5% decline in manufacturing output in 2005 and employment in this sector fell by 1.5% over the same period. The outlook in this sector remains bleak for 2006 and 2007, reflecting the uncertainty in UK domestic demand.

The medium-term outlook for the North is for GDP to grow in line with overall UK levels but at a lower rate than the South. Forecasts for GDP growth are 2.6% in 2006 and 3.0% in 2007. Increased public sector expenditure over the next 18 months will provide a boost although domestic demand may tighten as water charges and increased rates are felt.

1.3 Regional Disparities

The economic performance of the sub-regional economies of the north-west within the Republic of Ireland and Northern Ireland do not always follow overall national and regional performance, with similar disparities emerging in both jurisdictions.

There are growing disparities, in particular, between the North West and the eastern seaboard of the island of Ireland incorporating the Belfast and Dublin metropolitan areas. Various SWOT analyses, benchmarking exercises and performance reviews of key sectors in the North West region have confirmed these regional disparities.

Higher concentrations of lower value added industry, the retreat of traditional industries, higher levels of social disadvantage and weaker infrastructure relative to the east of Northern Ireland and Ireland are all distinctive features. The following sections will detail the relatively higher unemployment levels, lower participation and educational attainment levels in the North West.

According to the 2003 Colin Stutt report, wages across the North West are 15% lower than elsewhere in the two jurisdictions, which confirms the picture of a low wage economy. The dependence on declining industries such as agriculture, clothing and textiles means that the region has been losing jobs in these areas as fast as it has gained public sector, retail or services jobs. Tourism has significant potential throughout the region.

2 Education and Employment: Northern Ireland

2.1 Educational qualifications in Derry-Strabane-Limavady

17% of 16-24 year olds and 31% of 25-49 year olds in Northern Ireland have no qualifications. Males are more likely than females to have no qualifications. As Table 1 shows, the Derry, Strabane and Limavady council areas in the north west region have a pattern which is worse than the Northern Ireland average. For both females and males the percentage without qualifications is above the Northern Ireland average.

Other statistics are equally illustrative of low educational attainment. The north western council areas have approximately the same levels of people employed in lower level occupations with no qualifications as Northern Ireland as a whole (52%), although in Strabane it is 59% and in Derry it is 48%. This falls far short of the requirements of a skilled workforce.

The latest statistics for those going on to further and higher education are more positive, although they raise questions about the numbers who stay in the North West to study or return after graduation. The figures for 2002 are 65% from Derry, 61% for Limavady and 55% for Strabane, compared to 61% for Northern Ireland as a whole.

Table 1 Highest Level of Qualification by gender and age

	Strabane			Derry			Limavady			Northern Ireland		
	None	Level 1	Level 2	None	Level 1	Level 2	None	Level 1	Level 2	None	Level 1	Level 2
	%	%	%	%	%	%	%	%	%	%	%	%
Males												
16-24	27	26	28	23	26	28	24	26	31	20	24	27
25-49	53	20	11	38	21	12	45	21	13	34	22	13
50+	84	3	4	72	5	6	84	5	6	71	5	8
Females												
16-24	20	21	32	17	20	32	15	23	34	15	18	31
25-49	41	22	17	34	22	16	36	23	18	27	24	19
50+	81	5	7	77	5	7	59	3	5	71	7	11
All												
16-24	24	24	30	20	23	30	20	25	33	17	21	29
25-49	47	21	14	36	21	14	37	22	18	31	23	16
50+	82	4	6	74	5	7	77	6	7	71	6	10

Source: Census of Population 2001

2.2 Employment and Economic Activity

As shown in Table 2, the working age employment rate has declined in Derry, Limavady and Strabane by 1.9, 4.9 and 2.9 percentage points respectively between 2002 and 2006, while it remained the same for Northern Ireland as a whole. There had been some convergence between the North West and Northern Ireland as a whole between 2000 and 2003 but this process has since reversed. The end result is that whilst Limavady is the closest of the three council areas to the Northern Ireland average, a significant problem remains in Derry and Strabane. Working age economic activity rates show similar patterns, with Derry and Strabane lagging at least 12 percentage points behind the rest of Northern Ireland.

Table 2: Working Age Employment Rate 2002-2006

	2002	2003	2006
Strabane	55.1	62.7	52.2
Derry	56.0	49.8	54.1
Limavady	67.5	68.1	62.6
N.Ireland	67.6	67.7	67.6

Source: DETI

Over the period 2001-2003 there has been a decline in manufacturing jobs throughout Northern Ireland, but this is more pronounced in the Derry, Strabane and Limavady council areas (see Table 3). The region's increasing dependence on public sector jobs – in education, health and social work and other areas of public administration – is as evident as in Northern Ireland as a whole. Limavady and Strabane have seen a rise in construction jobs.

Table 3: Change in Employment by Industrial Sector, September 2001 to September 2003

	STRABANE	DERRY	LIMAVADY	NORTHERN IRELAND
	%	%	%	%
Manufacturing	-14.0	-13.2	-9.1	-8.3
Construction	10.5	0.1	11.0	-0.2
Wholesale & Retail	4.9	6.7	6.2	3.7
Public Administration	-6.1	12.4	6.4	7.5
Education	3.0	7.7	7.1	8.6
Health & Social Work	-1.7	8.4	10.0	7.2
Services	3.9	8.4	7.1	6.1
All industries	-0.9	4.1	3.5	3.3

Source: DETI Census of Employment 2003

Statistics such as these appear to indicate that in terms of employment and economic activity the north west region of Northern Ireland is significantly more disadvantaged than other areas of the province despite increasing employment in some sectors.

These economic disadvantages are paralleled by higher unemployment rates than the average for Northern Ireland. The claimant count as a proportion of the working age population is higher in Derry (5.4%), Strabane (4.9%) and Limavady (3.0%) than for Northern Ireland (2.8%) as a whole. The claimant count is used in the North to show unemployment rates, but probably understates actual levels of unemployment.

2.3 Benefit Recipients

As shown above, there are more relatively more claimants in the Derry, Limavady and Strabane council areas than in Northern Ireland as a whole. On top of these figures, around 15% of the working age population in Derry (14.8%) and Strabane (15.3%) were claiming Incapacity Benefit in 2005 – considerably higher than the Northern Ireland figure of 10.8%. The figure for Limavady is 11.9%. 80% of those aged over 25 claiming Incapacity Benefit in the province have been claiming the benefit for more than one year.

3 Demographics, Education and Employment: Donegal

3.1 Demographics

Donegal is the most peripheral county in the Republic of Ireland, sharing 93% of its land border with Northern Ireland. The county has a weak urban structure with a large number of small towns, with 49 towns having a population of less than 1500 people. The population growth recorded in the 2002 census was particularly focussed on the urban centres of Letterkenny and Buncrana.

According to a 2004 Combat Poverty Agency publication, Donegal has the highest risk of poverty in the state, while 48% of the population were in receipt of GMS medical card entitlements. The county also has the highest age dependent population in the Republic of Ireland at 36%.

3.2 Education

It is an extraordinary fact that the 2002 census found that 34% of the county's population over 15 years old had no formal primary education. This is partly due

to the high proportion of elderly people in the population. At the same time 18% of the same age cohort had a third level qualification.

A recent IBEC survey of the North West (*Adapting to Global Reality*, 2004) concluded that the majority of workers being made redundant in the region are in the 20-40 age category, while 85% of redundant workers have no third level qualification.

Traditionally County Donegal has been represented as having a very poor educational record. Table 4 illustrates the regional retention rates at both Junior and Leaving Certificate levels for Donegal, Sligo and Leitrim compared with national averages.

Table 4: Retention rates for Junior and Leaving Certificate by North West County and the State

County	Junior Certificate retention rate	Leaving Certificate retention rate
Donegal	90.2%	74.6%
Leitrim	96.8%	86.5%
Sligo	95.6%	82.9%
State	94.3%	78.3

Source: Department of Education and Science, Retention of Pupils in Post-Primary Schools, May 2003

Donegal has the lowest retention level at Junior Certificate and third lowest level at Leaving Certificate of any county in the Republic of Ireland. In addition the participation rates of Donegal students at third level have been represented as very low over the years. However, it can be argued that the movement of Donegal students into higher education institutions in Northern Ireland has never been highlighted appropriately. The following table suggests that that Donegal's participation rate at third level increases significantly (by up to 14%) when Northern Ireland-bound students are included.

Table 5: County Donegal students' participation rate in higher education, including Northern Ireland

Year	New Entrants		Numbers attending HEIs in NI	% Participation. rate in NI	Total
	Cohort	% Participation. rate in ROI			
2005	1127*	n/a	n/a	n/a	n/a
2004	1132	46.3	341	14	56.3
1998	962	35.1	315	10.5	45.6

**CAO net acceptances (this figure may be greater than those who actually register)*

Between 1998 and 2004 the overall participation rate for students from Donegal – including those going to Northern Ireland higher education institutions – grew from 45.6% to 56.3%, which is now above the state average of 55%, and places Donegal at number 9 in the national ranking in the 26 counties.

3.3 Employment

The unemployment rate for the county is 15.6% compared to the national average of 4.4%. This reflects an economy in transition, where employment in agriculture /fishing and manufacturing has dropped by almost 30% while there has been a 35% increase in employment in services.

The Donegal Employment Initiative Taskforce, which reported in 1999 following the announcement of the closure of Fruit of the Loom, was given the objective “of establishing Donegal as a prime competitive and attractive location for job creation”. A seven year plan was initiated which targeted the creation of 9,950 jobs and the securing of 4% of total national investment under the National Development Plan (1999-2006), amounting to €2.06bn.

An interim review of this plan outlined the actual performance over the four year period 1999-2003. There were 4413 jobs created and 7213 jobs lost, resulting in net job losses of 2800. The actual expenditure in the county over the same period under the NDP was €785m. The number of job losses in traditional sectors has continued since 2003, with some limited success in attracting Foreign Direct Investment.

4. Current higher and further education and training provision

4.1 University Of Ulster At Magee

In the current academic year, 3,795 students are studying at the Magee campus, of whom 2,893 are studying full-time and 904 part-time. This represents an increase in total student numbers of almost 70% in the last ten years; Magee is the fastest growing campus of the four University of Ulster campuses. Since 1983 the University has invested nearly £48 million in capital projects at Magee, including a Learning Resource Centre and a Science Research Park.

All the University of Ulster’s five faculties are now represented on the campus: Arts, Business and Management, Engineering, Life and Health Sciences, and Social Sciences.

Of particular interest to business in the region are the Business and Management and Engineering Faculties. The former offers accounting; human resource management; international business; marketing, and operations management.

The latter offers computer science; electronics; intelligent systems; and multi-media design.

Current research strengths at the Magee campus include: IT and electronics; creative multi-media; law (with the Institute for Transitional Justice getting a 5 rating in the UK's last Research Assessment Exercise); international business (including e-business); psychology; areas of arts and social sciences. Recent research investments include a new £1.5 million fully-equipped laboratory in Electronics/Embedded Systems.

Ten companies are now trading from the Technology and Software Incubator Centre and Science Research Park building, employing over 150 staff. Examples include Northbrook Technologies (110+ staff, with plans to increase by end of 2006); 8over8 (12+ staff, developed from Teaching Company Scheme with Informatics); InVision (12+ staff; German inward investment company); GEM (16+ staff); Censys Ltd (9+ staff).

The focus of the campus to date has been on the establishment of strong undergraduate schools. Many of the students graduating from the undergraduate programmes will be seeking opportunities to study at postgraduate and research level. Postgraduate programmes, offered on a full-time and part-time basis, have the potential to increase numbers significantly over the next 5 – 10 years.

Further expansion of full-time undergraduate provision will rely on the allocation of additional student places to the university, which will require the lifting of the MASN 'cap' by the Department for Employment and Learning.

4.2 Letterkenny Institute of Technology

Letterkenny Institute of Technology has been providing higher education in County Donegal since 1971. In 1998 it was designated as an Institute of Technology and currently has over 2,000 full-time students enrolled on higher certificate, degree and postgraduate programmes. The college offers courses in a number of core disciplines, including business, engineering, science, nursing, computing and design.

The past few years have seen the reunification of Letterkenny IT as one campus, and the opening of a suite of graphic design studios as well as state of the art facilities for nursing courses. Since 1997 Letterkenny IT has received exchequer funding of some €50 million.

The Institute's Business Development Centre caters for a number of new incubation businesses and has resulted in several successful spin-out companies in the recent past. Two examples are SITA which employs over 100 computer programmers in Letterkenny, and IVT Technologies which was bought by Boston Scientific and now employs 200 people.

Given the decline in students coming from second level, the increasing unemployment in traditional manufacturing sectors and the relatively poor

educational attainment record of the population, there is considerable potential for the return to education of mature students. This concept of lifelong learning has been embraced by Letterkenny IT and by the County Development Board under An Straitéis, a ten year development plan for County Donegal

The Institute has increased its mature student population to 22% of its overall enrolment, a total of more than 400 students. This drive has been facilitated by the establishment of a Foundation Certificate on an outreach basis in a number of locations within County Donegal. Many of these students are workers who have been made redundant and have availed of the Back to Education Allowance to pursue their studies. FÁS has supported the modification of this programme for workers at Hospira (in Donegal town), a company due to close down in the near future, and it is hoped to extend the programme to former workers of Fruit of the Loom in Bunrana and Magee in Donegal Town. The Institute believes this has the potential to be an area for cross-border collaboration.

Given the relatively large number of Donegal students who cross the border to study in Northern Ireland and the reintroduction of fees in the UK, Letterkenny IT has invested in a public relations campaign to persuade students from the county to consider the Institute as an alternative to Northern colleges this year. It would be a huge hurdle to persuade Northern Ireland students to come in the other direction to study in institutes of technology: currently only 0.03% of Northern students studying at Southern higher education institutions go to ITs (including Dublin Institute of Technology).

4.3 North West Institute of Further and Higher Education

North West Institute of Further and Higher Education, with its main campus in Derry and eight other sites across the north west of Northern Ireland, has approximately 20,000 students – 3,500 full-time and over 16,500 part-time – who undertake study on over 700 education and training programmes for school leavers, mature students, professionals and the unemployed. Apart from academic provision, it offers professional and technical education in administration, art and design, business, care and health, computing/IT, construction, drama, early years education, engineering, hairdressing and beauty therapy, hospitality and catering, media and journalism, music, science, sport and leisure, and travel and tourism.

The majority of students come from the city of Derry and neighbouring areas such as Strabane, Limavady and Donegal. The Institute offers degree programmes in social work, and Foundation Degrees in software development, construction, hospitality, travel and tourism management and construction. It has developed higher level qualifications in the area of interactive computer entertainment and a business incubation facility for students progressing from this course. It offers Higher National Diplomas and Certificate (HND/HNC) courses in areas such as art and design, business, construction, caring, drama, engineering, leisure, media, music, travel and tourism. Most of its courses are at levels 2, 3 and 4.

The Institute is a lead partner in the local Workforce Development Forum where it works with representatives of higher education, industry and commerce and the local council to ensure the availability of a comprehensive range of retraining programmes to suit the needs of local employers.

The Institute has been pro-active in its involvement in externally funded projects. In addition to those managed in collaboration with the University of Ulster and Letterkenny Institute of Technology (*see 6. below*), the Institute is currently involved in managing ten knowledge transfer projects, including eight cross-border projects under InterTradeIreland's FUSION programme.

Other cross-border programmes the Institute is involved in are: one-day INTERREG-funded courses on waste management, targeting SMEs in the border regions of Derry, Donegal and Tyrone; and support in using the latest technologies to SMEs in the independent retail and service sectors, in partnership with the Strabane and Lifford Development Commission.

4.4 Limavady College of Further and Higher Education

Limavady College has approximately 7500 students on 30 full time and over 150 part time programmes. It has recently completed a £10million investment in new facilities. Courses are developed in consultation with local businesses and industry, so that regional economic development is at the core of the college's objectives, and it has developed a reputation for devising and delivering bespoke programmes for employers.

Its emphasis on providing skills for a changing workforce is particularly particularly evident in the area of art, craft and design, where Limavady College has been recognised as a leading provider of quality education and training, achieving Grade 1 status in a 2005 inspection by the Education and Training Inspectorate. The College has also established Heritage World Gallery, an innovative project profiling and supporting modern craft development.

5. Student and Graduate Mobility Issues

The 2004 IBEC report on the North West, *Adapting to Global Reality*, concluded that a large percentage of the graduates from both Letterkenny and Sligo Institutes of Technology find work outside the region.

The HEA First Destination survey (2003) provides the most recent useful data on distribution of graduates' employment on a regional basis throughout Ireland. The figures show that 4% of primary and higher degree holders and 5.8% of certificate and diploma holders in the Republic as a whole took up their first employment in Donegal, Sligo or Leitrim. This compares poorly to graduate recruitment around the main urban centres of Galway, Limerick, Cork and Dublin.

Letterkenny IT's own statistics show that the proportion of graduates from the Institute working in Donegal has grown from 41.5% in 1998 to 55% in 2005 (peaking at 61% in 2003). This can be partly explained by the arrival since 2000 of major employers such as Pramerica, Pacificare, SITA and AssetCo, creating a critical mass of graduate employment in the county.

Derry, the fourth biggest population centre on the island of Ireland, does not appear to draw graduates from Donegal. The HEA's First Destination survey showed that only 76 graduates of Southern higher education institutions (1.9%) found their first jobs in Northern Ireland as a whole.

There are no north west regional figures for destinations of N. Ireland graduates, but 4% of Northern Ireland graduates as a whole in 2003-2004 went South of the border. Nearly half of these 225 people went on to further study which would suggest a concentration in the Greater Dublin area.

6. Cross-Border Initiatives

6.1 FÁS and Department for Employment and Learning co-operation

In October 2005, FÁS launched its strategy statement 'Building on our Vision' for the period 2006-2009. Central to this strategy is the task of upskilling the Irish workforce so as to transform Ireland into a leading knowledge based economy. As the majority of the workforce will be in jobs not requiring a third level qualification, it is vital that the knowledge, skills and competencies of these workers are continuously upgraded. The Enterprise Strategy Group (ESG) has highlighted the importance of upskilling low skilled, low paid and older workers, especially those in vulnerable industries. The ESG recommended that FÁS take a leading role in achieving this objective through the 'One Step Up' initiative facilitated by the National Framework of Qualifications, which pays particular attention to people with low or no qualifications. Over €1 million has been allocated to Donegal under this initiative in 2006.

FÁS are also involved in a cross-border Workforce Development Project in partnership with the Department of Employment and Learning (DEL). The primary objective of this initiative is to develop and pilot training interventions for those in employment who are most at risk of becoming marginalised through lack of relevant skills.

The project aims include:

- Developing a workforce capable of meeting the future skills needs of the North West region and addressing the current imbalance between existing and new/emerging skills, thus increasing the availability of a skilled labour force that is consistent with emerging labour market needs.

- Assisting Invest Northern Ireland and the Industrial Development Agency Ireland to promote the North West region as a real alternative to potential investors through the provision of a flexible and upskilled workforce.
- Using the outcomes of the project to inform future planning of training within the region.
- Assist in developing the region as a 'one entity' in line with the National Spatial Strategy (ROI) and Regional Development Strategy (NI).
- Introducing the concept of Lifelong Learning to project participants.

6.2 Higher Diploma in Financial Services Technologies

This one year add-on programme at Level 8 has been developed by Letterkenny IT in consultation with two multi-national companies: Pramerica in Letterkenny and Northbrook in Derry. Both companies identified a skill shortage in both jurisdictions in COBOL and Lotus Notes. This programme has potential for expansion as other companies have identified this shortage as an issue. Funding has been provided through the Department of Education and Science. The first graduates have just begun working with the companies and both companies support a targeted recruitment strategy for the next cohort.

6.3 Céim Project

A cross-border version of this project, started in 2004 by Letterkenny and Sligo Institutes of Technology in collaboration with ADM-CPA, Enterprise Ireland and Údarás na Gaeltachta, has been proposed recently by Enterprise Ireland, and funding approval is awaited. The Céim project is targeted at third level graduates and other people with innovative business ideas with commercial and export potential who live in or want to relocate to the North West region.

6.4 EpiCentre

The EpiCentre (Electronics, Production & Innovation Centre) is a collaborative venture between the third level colleges of the North West: the University of Ulster at Magee, the North West Institute of Further and Higher Education in Derry, and Letterkenny Institute of Technology. The project is funded by the EU INTERREG Programme and is administered by the North West Region Cross Border Group. The EpiCentre assists local technology companies with product innovation, technology upskilling, training and development. Each location has a specific technology profile or core competence, but all work in partnership with a common management and budget.

The EpiCentre works with clients ranging from early stage entrepreneurial start-ups to large multinational businesses. The centre operates an open door policy and encourages clients to use its facilities and expertise as an extension to their own R&D capability. This works particularly well with start-ups and SMEs, where the

EpiCentre provides specialist equipment and expertise that would not normally be available to companies at this stage of development.

6.5 Other Collaborative Projects

The University of Ulster, the North West Institute of Further and Higher Education and Letterkenny Institute of Technology are involved in the **North West Fashion and Textiles Cluster** partnership (along with the all-island Irish Fashion Industry Federation) funded under INTERREG. The main aims of the project are to:

- Form an active cluster of fashion and textile companies in the North West;
- Collaboratively develop new opportunities for the sector;
- Establish co-operative relationships between local, national and international clusters;
- Provide a range of activities sharing and transferring knowledge and technology among companies on a regional basis;
- Encourage fashion and textile enterprises to adopt a more pro-active approach and internationally focused outlook to their business processes from the design through to the distribution stage.

The University of Ulster at Magee and Letterkenny Institute of Technology have also jointly developed and are delivering the **Master's of Science in Innovation Management in the Public Sector**. This programme is unprecedented among higher education qualifications on the island of Ireland in that it is jointly accredited by the Higher Education and Training Awards Council (HETAC) in the South and the University of Ulster in the North. It was developed in collaboration with the the Taoiseach's Office in Dublin and the Office of the First and Deputy First Minister in Belfast and was designed in response to the challenges of providing better public services focussed on the needs of the citizen. It represents a unique cross-border approach to mainstreaming innovation in the public sector.

7. Government regional initiatives

In the Northern Ireland context the Regional Development Strategy (RDS) highlights the importance of strengthening the role of Derry/Londonderry as the regional city and transport hub of the North West region, offering key infrastructure and services in administration, education, health, energy, industry, commerce, shopping, cultural and tourism amenities. The RDS also highlights the unique international position of the area as potentially a major tourist destination, a characteristic it shares with Donegal.

Ireland's National Spatial Strategy (NSS) complements the RDS by identifying Derry linked to Letterkenny as a regional 'gateway'. This designation reflects the

potential role of the region as a major opportunity for economic and population growth. This is underpinned by the existence within the area of a major seaport, regional airports, major hospitals and health facilities and the university/institutes cluster.

The area has attracted national policy commitments on both sides of the border to support measures for long-term economic development. Critical to realising the potential for the area is the need for all sectors to agree upon an integrated plan for the area and to implement the agreed plan in a concerted and co-ordinated manner.

An interdepartmental group has been sitting in the Republic of Ireland since the end of 2005 looking specifically at initiatives for County Donegal. The publication of the this group's report is imminent, and it is expected that it will include a significant cross-border dimension.

A joint communiqué from the British- Irish Intergovernmental Conference on 2 May 2006 contained a commitment that the two Governments would work together to explore ways to maximise the potential of the North West region. The Conference approved a new **Cross Border North West Gateway** initiative to include: a non-statutory integrated spatial planning and development framework focussing on the Derry-Letterkenny 'gateway' and the local council areas of Derry, Strabane, Limavady and Donegal; an examination of the potential for joint analysis and actions by agencies in areas such as trade and investment promotion, tourism, skills/training, further and higher education, innovation and business development, and the better co-ordination of public services, notably in health, education and information. In drawing up programmes under the new round of EU Structural Funds the two governments will give due consideration to the particular needs of the North West.

8. What More Can Be Done?

The details outlined above suggest that many of the linkages necessary in terms of skills and workforce development are in place but need further significant development and, possibly, a review of inaccurate perceptions held by both the education and business sectors. Many of these perceptions can be dealt with by closer collaboration between the two sectors. The following may start as the basis for discussion and development of a plan for the North West region's skills and workplace development needs.

There is a need for:

- The role of the further and higher education sector to be more clearly defined, in terms of strategic aims and objectives, in the area of business support;

- An integrated Workforce Development Forum to plan for the future workforce needs of the North West region, which would include all the regional stakeholders North and South;
- Educational providers to focus on the provision of qualifications and skills which are central to economic development, such as addressing shortages of technicians and associated professionals;
- Tackling the problem of the relatively high proportion of the region's adult population (20%) who have weaknesses in literacy and numeracy;
- A curriculum and qualifications framework which can meet economic requirements and which can offer students clear progression routes to higher skills levels and higher qualifications;
- An enhancement of the employability and inter-personal skills of all further and higher education leavers;
- Educational establishments to work closely with other agencies and local employers, especially SMEs, to offer technical support, business management support, assistance with product development, incubation facilities and bespoke training;
- An expanded R&D facility for the region;
- Greater involvement of industry in developing bespoke business support programmes;
- A removal of the reliance on external project funding to support new developments;
- A more pro-active methodology, and a reduction in bureaucracy, in the developing links between education and business;
- A range of measures to expand the employment base by addressing issues of social disadvantage;
- A drive to raise skills and qualification levels, especially at Levels 2 and 3;
- The embedding of the culture of lifelong learning and training within the workplace;
- Funding barriers to be removed to allow new programmes to be delivered.
- The issues raised by the mobility of students north and south of the border to be addressed.
- The national qualifications frameworks north and south to be harmonised for the benefit of students.

This paper has attempted to outline the unique challenges posed by the North West region for education and training providers. The proposed new Cross Border North West Gateway seems like the most suitable vehicle to progress regional and cross-border co-operative activity, and all partners are committed to this level of cooperation.