

# Re-thinking approaches to labour migration

## Potential and Gaps in EU Member States' Migration Infrastructures

### Case Study Summary — Ireland



#### KEY MESSAGES

- Ireland's legal labour migration system is demand-driven, with employment permits being issued according to vacancies in the labour market.
- The two main employment permits are the Critical Skills Employment Permit, which is relevant for the most in-demand jobs, and the General Employment Permit, relevant for jobs that are deemed slightly less critical but still helpful for the Irish labour market.
- Ireland could develop a national migration strategy to connect different policy areas and improve interdepartmental coordination. It could also improve the recognition of skills and qualifications.
- Ireland could recognise the equal contribution and value of workers of all skill levels, by offering permits for occupations at all skill levels, as well as offering equal rights to all permit holders.
- Measures to address labour exploitation include increased resources for labour inspectorates and a greater ability for migrants to change employers.

## BACKGROUND AND CONTEXT

Irish politics has traditionally been dominated by two centre-right parties - Fine Gael and Fianna Fáil - albeit with some power also held by the Labour Party. Since 2011 however, coalition governments have been more common. The current coalition government, formed of Fianna Fáil, Fine Gael and the Green Party, is led by Leo Varadkar, and places a priority on economic recovery, job creation, housing, cost-of-living issues, green energy, regional development, education, and healthcare improvements.

Ireland has been a country of immigration since the early 1990s. Prior to the 1990s, emigration was higher than immigration, with large outflows occurring during the 1950s and 1980s, particularly to Britain. This changed in the 1990s when Ireland's strong economic growth, labour shortages, and lenient regulations on non-EU workers led to a large increase in labour migrants and students coming to Ireland. Immigration peaked in 2007 but declined following the financial crisis, with net migration turning negative until Ireland's economic recovery post-2014. By 2016, the number of foreign-born residents in Ireland significantly increased, and immigration levels reached an all-time high in 2023.

Prior to the enlargement of the EU in 2004, Ireland had lenient policies towards non-EU workers, leading to a significant volume, especially in low-income jobs. Post-EU enlargement, the focus shifted towards EU migrants and a more selective work permit system for non-EU nationals. Recent years have seen a surge in labour immigration, driven by low unemployment, demographic changes, and demand in sectors like healthcare, with non-Irish workers now comprising 20% of the employment sector. This trend is shown by the sharp rise of employment permits issued in recent years, from 13,398 in 2018 to 39,955 in 2022, and 30,981 in 2023 (EMN N.d.).

Despite traditionally welcoming attitudes towards immigrants, a rise in negative sentiments towards refugees and asylum seekers has been noted in Ireland, influenced by far-right groups exploiting public service pressures and housing shortages. Labour immigration, however, remains relatively uncontested.

## CURRENT AND FUTURE LABOUR SHORTAGES

Ireland is facing significant labour shortages across various sectors, impacting both high- and low-income jobs. The COVID-19 pandemic exacerbated these shortages, particularly in lower-income sectors like food processing. Key areas with notable vacancies include ICT, engineering, construction, healthcare, transport and finance. Specific professions in demand range from software developers, engineers, and data scientists in the ICT sector to nurses and healthcare assistants in healthcare. The construction sector seeks skilled individuals such as project managers, quantity surveyors, and electricians. Transport and logistics need drivers and logistics managers, while financial services need accountants and financial administrators. Additionally, there's a demand for roles in hospitality, sales, marketing, and customer care, indicating a widespread need for skilled labour across the Irish economy.

## LABOUR MIGRATION POLICY IN IRELAND

At the time of writing migration is not a central focus for the current Irish government, with migration policy issues only being briefly mentioned in the 2020 Programme for Government. The war in Ukraine and the arrival of over 93,000 Ukrainians as of September 2023 has changed this somewhat, with the government struggling to find the balance between upholding its responsibilities as participants in the EU relocation and resettlement scheme, and managing highly strained public services.

Regarding labour migration, the government does acknowledge the necessity of recruiting non-EU labour to address skills shortages, but views it as a temporary measure, to be taken alongside more sustainable solutions, such as reskilling and adopting new technologies. Labour migration to Ireland is managed through a structured employment permit system overseen by the Department of Enterprise, Trade and Employment. This system aims to support the Irish labour market by facilitating the entry of skilled non-EEA workers into sectors facing skills shortages, while at the same time prioritising the employment of Irish nationals.

The key piece of legislation governing non-EEA nationals' employment is the Employment Permit Acts 2003-2014. The government proposed a new Employment Permits Bill in October 2022, aiming to

streamline and update the permit system, including introducing a seasonal employment permit and revising the labour market needs test. Additionally, Ireland is reviewing its stance on EU Directives related to labour migration, such as the Single Permit for residence and employment, although Ireland has not transposed any EU legislation. There is however, no national migration strategy that coordinates different areas of migration policy, or with other policy areas and government ministries.

## LEGAL LABOUR MIGRATION PATHWAYS

### National legal provisions

Two principles underpin the Irish legal labour migration system: first, that it is demand-driven, with permits being issued according to vacancies in the labour market. Second, that preference in the labour market is given to Irish and EEA nationals. To enact the first principle, there are several lists of occupations which determine which occupations are a priority (the Critical Skills Occupations List) and which occupations are ineligible for permits (the Ineligible Occupations List). To enact the second principle, labour market tests are carried out to give preference to Irish and EEA nationals.

The two main employment permits in Ireland are the Critical Skills Employment Permit and the General Employment Permit, constituting 57% and 37% of all permits issued in 2022 respectively. Intra-company transfers constituted 4%. The number of Critical Skills permits issued has increased significantly in recent years, rising from 909 in 2011 to 8.195 in 2020.

The Critical Skills Employment Permit aims to attract highly skilled individuals to the labour market. It targets professions crucial for economic growth, where there is a significant demand and shortage in the Irish labour market, such as ICT professionals, engineers, and technologists. The permit is relevant for jobs that are included in the Critical Skills Occupations List, and which require a qualification or university degree and have an annual remuneration of above 38.000 EUR. No labour market test is required. Compared to the General Employment Permit there are a number of rights and privileges that Critical Skills permit-holders have, such as the immediate right to family reunification and the automatic access to the labour market for the permit-holder's spouse.

The General Employment Permit is available for individuals applying for all jobs, apart from jobs that fall under the Ineligible Occupations Lists. The minimum annual salary is 34.000 EUR, although there are exemptions for certain occupations. The permit can be offered for a minimum period of 12 months in principle, although normally it is granted for two years, after which point it can be renewed - after 5 years holders can apply for long-term residency. Spouses or partners of a General Employment Permit are not immediately eligible to enter the labour market and need to apply for a separate permit to do so.

Several other employment permits exist, although they are less important than the Critical Skills and General Employment Permits. Other permits include: the Intra-Company Transfer Employment Permit; the Exchange Agreement Employment Permit; the Dependent Employment Permit; the Contract for Services Employment Permit; the Sport and Cultural Employment Permit; the Reactivation Employment Permit; and the Internship Employment Permit. Finally, there are also some types of visas - called stamps in Ireland - that allow work without a separate permit.

Overall, the Irish legal labour migration system has the potential to flexibly respond to labour market needs. It can do this by removing certain in-demand occupations from the Ineligible Occupations List, thereby allowing permits to be issued for these occupations. However, the system has also been criticised for focusing mainly on highly-skilled occupations despite the fact that foreign labour is also needed in other (medium- and low-skilled) occupations.

The permit system has also been criticised by employers as being rigid, excessively bureaucratic and expensive. On the side of migrants (and organisations voicing their interests), there have been arguments stating that migrant workers do not have sufficient freedom to change employers. Also, some stakeholders pointed out the obsolete way of conducting the labour market test (such as by announcement in newspapers). Finally, an argument raised more recently concerned the lack of a short-term scheme that would enable employers to cater for seasonal peaks in the labour market. This last issue is partially tackled by the legislation being currently debated in the Irish parliament.

## European legal provisions

Ireland has opted-out of many EU legal provisions on labour migration, including the Seasonal workers Directive, the EU Blue Card Directive, the Intra-corporate transfers Directive, and importantly, the Schengen Agreement.<sup>1</sup> However, Ireland does have many labour mobility schemes that resemble EU approaches, such as the Hosting agreements (which resemble the Third Country Researchers Directive) and the International Graduate Medical Training Initiative (which resembles a Talent Partnership approach). In addition, labour shortages in seasonal occupations, such as agriculture, horticulture and food processing, have prompted the government to propose employment permits which in many aspects resemble authorisations based on the Seasonal workers Directive.

## Other initiatives and provisions

As mentioned, since Ireland has opted out from the Seasonal workers Directive, no scheme exists that would allow temporary labour migration of individuals who typically perform jobs requiring a lower-skillset. In general, in Ireland, preference is given to highly-skilled occupations, which are covered by the Critical Skills Employment Permit.

Ireland does not have any bilateral labour mobility agreements with specific countries. Although one innovative scheme, the Irish Medical Graduate Training Initiative, trains postgraduate doctors in several Asian and African countries. There are also channels for youth work and travel, including working holiday schemes such as the Working Holiday Authorisation which allows young people from a small number of countries to work during their travels (up to one year) in Ireland.

## SUGGESTIONS FOR POSSIBLE FUTURE ADAPTATIONS TO LABOUR MIGRATION POLICY AND THE USE OF EXISTING PROVISIONS

### *Improve the coordination and coherence between policy areas and government departments*

Government departments in Ireland can sometimes fail to work together effectively on labour migration, particularly the Department of Justice and the

<sup>1</sup> Ireland is able to opt-out of certain pieces of EU legislation, mainly due to the Common Travel Area (CTA) between Ireland and the UK.

Department of Enterprise, Trade and Employment. Our research showed that these government departments can be quite siloed, despite overall having a good working relationship. In addition, there is poor coherence between policy areas, with labour migration policy not being well-linked to other relevant policy areas, such as development policy.

To address these two downsides, Ireland could develop a national strategy on migration, as this would fortify working relationships between departments and establish concrete links between policy areas. Another measure could be to implement the Single Permit as this could simplify the procedure for issuing an employment permit. Currently, the procedure requires the Department of Justice to issue a residence permit and the Department of Enterprise, Trade and Employment to issue an employment permit, which takes time.

### *Expand opportunities for workers of all skill levels to come to Ireland*

Ireland has a tiered employment permit system, meaning that there are more opportunities for foreign workers with a higher income, qualification or skill level to come to Ireland. This is in spite of the fact that there are labour shortages in a range of different sectors and occupations, not solely those considered highly-skilled. To address these shortages more effectively, Ireland could provide opportunities for foreign workers with a broader range of income levels, specifically, by taking certain professions off of the Ineligible Occupations List. Not only would this help employers, but it would also allow a more equal access to employment opportunities to foreigners in Ireland.

### *Provide equal rights to migrants on different types of permit*

Foreign workers with the General Employment Permit do not have access to the same rights as those with the Critical Skills Permit. A Critical Skills employment permit-holder can gain full access to the labour market after two years, has the immediate right to family reunion, as well as the right of family members to work. Whereas a General Employment permit-holder must wait five years to gain full access to the labour market, a minimum of 12 months to apply for family reunion, and their family members do not have the right to work (PICUM 2022). Providing equal rights and privileges to both types of permit-holder would allow Ireland to better uphold its

commitments to equality and human rights, recognise the equally valuable and necessary contribution of workers of all skill levels in Ireland, as well as create a more attractive environment for all types of workers to come to Ireland.

***Speed up the procedure, lower the eligibility requirements and improve access to rights for beneficiaries of family reunification***

Applying for family reunification can be a lengthy administrative process, even for Critical Skills Permit holders. Lengthy application times not only cause dissatisfaction among applicants but also discourage people from taking up work and create further difficulties for employers in finding labour. Non-Critical Skills Permit holders face strict income thresholds to qualify for family reunification, which contributes to social isolation and related issues. Additionally, sponsors' partners arriving under reunification schemes do not have immediate access to the labour market and often depend financially on the sponsor, which raises the risks of domestic abuse. Similarly, for children who have come under family reunification, obtaining citizenship is only possible once the parents have also gone through the naturalisation process, meaning that children may be unable to access all social services until they are 18 and can apply for citizenship themselves. This can lead to poor integration outcomes for the dependent children.

***Improve anti-exploitation measures***

Ireland can implement several measures to combat labour exploitation, such as to modify the General Employment Permit system to not tie permits strictly to one job, thus providing a buffer period for workers to find new employment without becoming undocumented.

***Improve the recognition of skills and qualifications***

Many migrant workers in Ireland are employed below their qualification level due to inadequacies in the skills and qualifications recognition system. This underemployment is particularly prevalent among those working for small and medium-sized enterprises, which often lack the resources to effectively assess foreign qualifications. Additionally, the state's support system, including the Irish National Framework of Qualifications (QQI), is under-resourced and unable to meet the demand for skills recognition. Increasing resources for the recognition of foreign qualifications could help migrants work at appropriate skill levels and address skills shortages across Ireland, benefiting both workers and employers.

***Recommendations at the EU level***

None of the current priority countries of the EU Talent Partnerships are key trading or development cooperation partners, however, Ireland does have well established diplomatic relations with several of these countries. Beyond skills and labour mobility partnerships, an area of EU policy that Ireland could draw benefit from would be on the recognition of foreign qualifications and to learn from some of the innovative approaches being tested with Talent Partnership countries.



**Funded by  
the European Union**

This summary is based on findings from MPF (2024). Re-thinking approaches to labour migration. Potentials and gaps in EU member states' migration infrastructures. Case Study: Austria, Brussels: ICMPD. Research took place between July 2023 and February 2024 and the content described applies to this period. Any changes made to the labour migration system thereafter are not systematically included. This publication was funded by the European Union and commissioned through the Migration Partnership Facility. Its contents are the sole responsibility of the author and do not necessarily reflect the views of the European Union nor ICMPD.

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