

Direct work access for partners of intra-company transferees (ICTs) in Ireland

Permits Foundation is an independent not for profit corporate initiative <u>supported by over 40 major international companies and organisations</u>. We advocate at government level world-wide to help bring about direct employment access for dependants of highly-skilled mobile employees. **Over half of our sponsors operate in Ireland.**

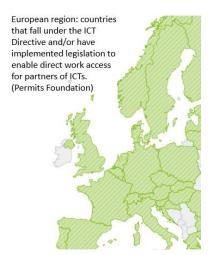
What we propose:

Permits Foundation welcomes the <u>2019 decision</u> by the Irish government to allow spouses and partners of Critical Skills Employment Permit holders or of Researchers in the State on a Hosting Agreement to directly access the Irish labour market via Stamp 1G.

We recommend that direct work authorisation also be extended to the small number of spouses and partners of Intra-Company Transfer Permit holders. This could help to make Ireland a more attractive business destination, boosting skills, inclusion and innovation and without negatively impacting the local labour market.

The global perspective:

Permits Foundation, surveys and speaks regularly with senior global mobility professionals in major international companies and organisations. We are frequently asked why in Ireland, unlike in other countries in the European region, partners of ICTs can not access employment upon recognition of their dependant status. This makes it harder for companies to retain and/or transfer talent.



Indeed, over 30 countries worldwide have adopted the practice of allowing direct work access for spouses or partners of international employees. In most of these countries, intra-company transferees are included in the category of highly-skilled mobile employees where spouses and partners are granted work authorisation upon recognition of their dependant status.

Under the EU wide intra-corporate transferee Directive, family members of ICTs are authorised to work directly.¹ Other countries in the region not covered by the Directive (Denmark, Norway, Switzerland the UK) also enable direct employment access for ICT partners. And globally, economic competitors have also legislated this way, including in Argentina, Australia, Canada, Brazil, New Zealand, and the United States.

When <u>announcing</u> that spouses and partners of Critical Skills Employment Permit (CSEP) holders could directly access the Irish labour market, Minister Humphries said "we need to offer an attractive range of benefits to both the highly-skilled job applicants and their families. We are talking about a small group of people here but this small change will make a big difference in terms of Ireland's offering to both investors, and international talent." The Foundation wholeheartedly agrees with this rationale for

¹ Article 19.6 of <u>Directive 2014/66/EU</u> states that: the family members of the intra-corporate transferee who have been granted family reunification shall be entitled to have access to employment and self-employed activity in the territory of the Member State which issued the family member residence permit.

change. We propose that the same logic can be applied to extending work access to spouses and de facto partners of ICTs.

The importance of attracting of ICTs to Ireland:

As highlighted in the Economic Review, Ireland aims to address skills needs so that economic migration policy can keep pace with rapid labour market changes, "identifying and addressing shortages as they arise" and recognising that "standing still is costly as both foreign multi-nationals and indigenous enterprises experience skills and labour constraints."²

With the emphasis in the coming period on advancing technology and in particular AI, an agile labour market will need to enable key sectors to source highly-skilled talent as well as upskill employees in Ireland.³ Although duration of an intra-corporate transfer is temporary (up to five years), the positive impact of this type of assignment can be long lasting. HR managers place great value on the transfer of knowledge and skills from ICT permit holders which provides regular refreshment and upgrading of human capital in the host country employment market.

This factor has been recognised by the Department of Enterprise Trade and Employment (DETE): "Intra-Company Transfer Employment Permits can be invaluable in the initial establishment of a foreign direct investment company. Therefore, they have a role in contributing to Ireland's achievement of its job growth ambitions." The Department also notes that the ICT can be preferable to alternative permit types because "it facilitates the temporary injection of corporate or HQ personnel and also provides for such employees to stay on the foreign payroll. This can be desirable for the employee as it can ensure they retain certain benefits (for example, foreign pension contributions)."

The evidence base:

The duration of an intra-company transfer in Ireland is typically between 2-5 years. Understandably, where the accompanying partner finds that they can not work during this time, it has a negative impact on the success of the assignment. It can also act as a deterrent to potential ICT families determining where they might chose to relocate. Research data from Permits Foundation and other organisations demonstrates the clear link between partner employment access and talent acquisition.

- In our 2022 International Dual Careers Survey, 66% of partners of highly-skilled international employees said that they would probably not or definitely not relocate to a country where it is difficult to get a work permit upon recognition of dependant status.⁵
- In more than half or participating organisations, employees had turned down an international assignment due to partner employment concerns and 44% reported that assignees had returned home early for the same reasons.⁶
- In the 2018 NetExpat and EY Relocating Partner Survey Report, the number one reason for employees not accepting an international assignment was the potential disruption to the career of their relocating partner.⁷

² Review of Economic Migration Policy: Report of the Inter-departmental Group (2018). p4.

³ "Companies are responding to the AI skills shortage by focussing on upskilling and reskilling of employees and there has been a string growth in AI work permit applications. <u>IDA Ireland Labour Market Pulse edition 8 (April 2023)</u>

⁴ https://enterprise.gov.ie/en/what-we-do/workplace-and-skills/employment-permits/permit-types/intra-company-transfer-employment-permit/

⁵ Permits Foundation International Dual Careers Survey 2022 – Part 2, p20

⁶ Permits Foundation International Dual Careers Survey – Part 1, p4

⁷ Net Expat/EY Relocating Partner Survey 2018

Diversity, equity and Inclusion

International dual careers couples are usually highly qualified and looking for assurance that they can move as a family unit and both can continue to work, particularly where global mobility destinations have a higher cost of living. In our 2022 survey⁸, **90%** of partners were working before the assignment and **67%** said that a dual income was important or very important. **80%** of partner respondents were educated to degree level or higher, **56%** said that not working had negatively impacted their mental health. More than **75%** of accompanying partners are female, meaning that women are disproportionately affected by restrictions on dependant work access.

In Ireland, spouses/partners/dependants of Intra-Company Transfer Employment Permit holders are not eligible for a Dependant/Partner/Spouse Employment Permit nor do they have access State resources. If they wish to work, ICT partners must apply for a separate Employment Permit in their own right. The Foundation's experience is that despite being highly-qualified, where accompanying partners work access is not incident to their dependants status, the risk of prolonged unemployment increases. Without existing work permission, a job application is far less likely to pass first screening stage.

Authorising direct employment access simply allows dependants to have the opportunity to look for work. It does not guarantee a job and they face multiple challenges relating to language, culture and recognition of qualifications. If employed, they can make a fiscal contribution to the economy and integration and well-being is improved.

What we hear from companies:

International employers tell us that in Ireland, their global mobility processes are slowed or complicated because spouses/partners of intra-company transferees have no assurance that they can work. In one company, concerns relating to partner work authorisation had been raised in approximately 90% of their dual career ICT assignments in Ireland. Switching international employees to another visa type is not always an option. For some, the ICT visa is seen as the preferred means to temporarily bring in i.e. senior executives or specialist knowledge for a short period. Employees may have accrued certain benefits. Moreover, it is difficult for employers to tell highly-qualified dual-career couples that while in Ireland, only the assignee can be sure that they can continue to work, especially when in other branch offices this is not an issue.

These quotes provided by some of the Foundation's sponsors also highlight the link between partner work access and the success of MNC global mobility programmes:

"The ability to move talent around the world is vitally important— both to ensure we can resource our business operations, as well as to build leadership capability with a global exposure and mindset. As we have more and more employees who are in a dual career family, employment access for spouses and partners is often a critical component in the success of these talent moves. We would therefore welcome policy that would extend employment authorisation to ICT spouses and partners in Ireland."

"We believe that everyone wins when partners and spouses of our employees who transfer to Ireland have direct access to the labour market. We would welcome a change in ICT policy that would enable us to respond to business needs, while advancing equality and the interests of our employees and their families, who are keen to contribute to the Irish economy."

"We offer international assignments as a differentiated development opportunity to talented employees and intra-company transferees are an important part of our workforce. For an assignment

⁸ Permits Foundation International Dual Careers Survey 2022

to be successful the needs of the whole family must be met. Key to this is the opportunity for partners to continue to follow their chosen career or find other meaningful employment."

"Our clients would value direct work access for ICTs, this would significantly impact their global mobility programmes by supporting DE&I, and furthermore make Ireland a more attractive business destination."

Other issues that would be welcomed by international employers include work authorisation for dependant children, and allowing direct access to self-employment.

Impact on the local labour market:

Should the government extend direct employment access to partners and spouses of ICT permit holders, the evidence suggests that the likely impact on the local labour market would be negligible. For example, the UK Migration Advisory Committee's <u>review</u> of measures to help bring down immigration levels while still attracting the brightest and best foreign talent to the UK found that "the total number of dependant workers is too small to significantly impact the UK labour market".

In Ireland, in 2017 the numbers of intra-company transferees were fewer than 900 per year⁹, we have requested and await the most recent data but can predict that the figures will be small. Not all ICTs will be accompanied by a spouse or partner. We do not foresee a disproportionate increase in the take up of ICT employment permits as a result of policy change. Looking at the 2019 figures from EU Member States post implementation of the Intra-corporate Transferee Directive (which included clause 19.6 enabling family work access), of the 13 Member States who submitted data, the average number of ICTs issued per country was only 624. ¹⁰

Moreover, the visa/permit processing system becomes more efficient and streamlined where work access for dependants is granted incident to dependant status. With extra hurdles and work permit steps removed there is less administration and increased certainty.

Permits Foundation's activity in Ireland and recommendation:

Since 2018, Permits Foundation has responded to government consultations, written to relevant government departments, committees of the Oireachtas and we have co-hosted two Dublin round tables with business and government representatives to raise the issue of partner work access. Previous letters and submissions are available on the Ireland page of our website.

We hope that the collated evidence provided here is a useful source of reference to the Department of Enterprise Trade and Employment, Department of Justice and to IDA Ireland. Given the concerns raised by international companies operating in Ireland and the potential benefits that a change in policy would bring, we ask that open and direct work authorisation be granted to spouses and partners of intracompany transferees in Ireland, upon recognition of their dependant status.

Permits Foundation, 09 June 2023

⁹ From the figures cited in the Economic Review, in 2017, Ireland issued just 881 ICT permits

¹⁰ https://ec.europa.eu/eurostat/data/database. Intra-corporate transferee permits issued, renewed and withdrawn by type of permit, length of validity and citizenship. Bulgaria, Spain, France, Italy, Cyprus, Latvia, Lithuania, Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia submitted data. The population average of all of these countries is 20 million.