

13 February 2019

Mrs. Fiona Ward, Principal Officer, Economic Migration Policy, Department of Business, Enterprise and Innovation

Dear Mrs. Ward,

Feedback on the Review of Economic Migration Policy (Report of the Inter-Departmental Group)

Thank you for the opportunity to comment further on the <u>Review of Economic Migration Policy</u>, adding to our earlier <u>response</u> to the recent economic migration consultation.

Permits Foundation advocates work permit regulations that allow partners of highly-skilled staff to access employment during an international assignment. Evidence from international surveys shows that this results in a triple-win for the host country, employers and employee families. Over thirty countries worldwide have adopted the best practice of allowing *direct* work access for spouses or partners of highly-skilled employees. More than forty international companies and organisations support our work.

Permits Foundation welcomes the aim of the Review, namely to address skills needs so that Ireland's 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."*

We are concerned that the recommendations relating to spouse/partner employment focus largely on clarifying and communicating existing policy instead of addressing the current work permit barriers that discourage spouses from working and thereby also exacerbate skills shortages. Several responses (e.g. from Deloitte, PwC, EY and the American Chamber of Commerce in Ireland) highlighted this key issue.

Many of Ireland's closest neighbours, namely the UK, including of course Northern Ireland, and most EU Member States, allow dependants of highly skilled employees and intra-company transferees (Intra-CT) to have direct access to the employment market. By contrast, in Ireland, issues such as lengthy four-month processing times, requirement for a job offer, a letter of consent, and the exclusion of Intra-CTs detract from the country's image as a place to move talent and invest. We urge you to address these problems in the follow up action plan and are encouraged that the DBEI will work with INIS to "*streamline the process*" for spouses and partners.

In our submission to the economic migration consultation, we proposed the "best practice" model adopted by some 30 other countries. This involves granting *direct* work access for dependants/partners/spouses of critical skills holders, researchers and Intra-CTs. It could be done, for example, by creating a new subcategory of passport stamp that allows direct employment authorisation, including self-employment, for this group of family members. This approach would meet the seven guiding principles set out in the review, as the impact on the EEA/Irish labour market would be minimal.

In Appendices 1 and 2, we comment on the specific clauses that refer to spouses in the Review and add further supporting evidence for our proposals. We would be happy to provide any further information you may require and we remain at your disposal should a face-to-face meeting be helpful in this regard.

Yours sincerely,

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Feedback on specific Recommendations regarding spouses/dependants

Recommendations 5.15 & 5.16 to clarify existing employment rights of family members of CSEPs

We welcome measures already taken to update the DBEI website with clearer information for non-EEA nationals and potential employers.¹ However, the **main issue regarding Stamp 3 spouse employment is not lack of awareness amongst employers, but rather their need to recruit effectively**. Even where all parties are fully aware of their employment rights and obligations, the system is negatively affecting the job market for both family members who want to work and their prospective employers.

The problem remains that the permission process is not direct. Employment is attached to an offer from a named employer and requires a letter of consent. In practice, the process takes over four months, which is an unrealistic timeframe for employers and employees to wait between job offer and start date. It is an issue for our sponsors and we note that this was also highlighted by several employer organisations in reply to the consultation. In January 2019 a petition was submitted to the Petitions Committee by 6,700 Stamp 3 spouses and supporters, frustrated that the current system is not working. We therefore hope that the Review recommendation to *streamline* the process takes this key problem into consideration. Direct employment access will limit the administrative burden as there is no need for a separate application procedure.

In line with best international practice, we also propose that self-employment is explicitly allowed as it is not mentioned in the description of the dependants' pass.

Recommendation 5.17 – Intra corporate transferee family members

Regarding the extension of the Dependant/Partner/Spouse Employment Permit to include Intra-CT partners and spouses, the Review suggests that the current system remain for the time being as it was designed to *"retain talent on a permanent basis"*.

HR managers place great value on the transfer of knowledge, skills and technology from Intra-CTs which provides regular refreshment and upgrading of human capital in the host country employment market, boosting the economy and providing additional tax revenues. This also has a long-term value, even if individuals change. Partners of Intra-CTs are predominantly educated to degree stage or higher. At present, they are not encouraged to work in Ireland and yet they are also not allowed access to State resources. If they would be allowed to work, they would benefit the economy through their fiscal contribution and improved family spending pattern. We urge you to give priority to the inclusion of Intra-CT spouses in work authorisation so that the fundamental problems in the current system are addressed at the same time, in order to deliver the objective of an agile labour market policy.

Conclusion

We welcome the recognition of this important issue of spouse and partner employment in the Review and the commitment to clarify rights to employers and employees. However, Ireland is falling behind many other globally competitive countries that allow spouses and partners of highly skilled employees and Intra-CTs *direct* access to the labour market. The existing process is a barrier to mobility and employment. The Review proposal to streamline the process is an opportunity to implement a system of direct employment access for spouses and partners of highly skilled workers while meeting the seven guiding principles. Permits Foundation would welcome the opportunity to work with the Department of Business and Enterprise and the Inter Departmental Group in their development of the action plan.

¹ https://dbei.gov.ie/en/What-We-Do/Workplace-and-Skills/Employment-Permits/Latest-updates/?fbclid=IwAR0gGb85s6izknVnj-B093w0P_5mO7WEaydK-k6MJqbTFt04iIneTl8hMzE

Further evidence

International surveys

In our consultation response, we provided data from our <u>surveys</u> of thousands of staff, family members and HR managers to underpin the positive impact that a change in policy would bring to Ireland's economy.² Since then, our report on our survey of employers in the UK (in light of Brexit) gives further weight to the importance of dual careers in meeting skills shortages. Over, 95% of HR managers said that there was a negative or very negative impact on the country's ability to attract talent, on competitiveness, and on business reputation if dependants were not authorised to work.³

Countries that have adopted best practice of direct work access

<u>Thirty globally competitive countries</u> adopt best practice including the vast majority of Ireland's neighbouring countries in Europe (including the UK) as well as countries further afield such as Canada, Brazil, Australia and the US. At EU level, both the Intra Corporate Transferee Directive and the Blue Card Directive include provisions for direct access and under plans to improve the Blue Card scheme, the European Commission makes specific reference to the link between partner employment and talent acquisition stressing that *"unhindered access to work for spouses should be a fundamental element of this Directive in order to facilitate the attraction of highly skilled workers"*.⁴

Impact on the Irish economy

If the policy of direct work authorisation were adopted, we foresee no impact on the 50:50 rule and EEA preference as EU citizens are already free to work. From the figures cited in the Review, we estimate the number of partners/spouses of highly skilled workers seeking employment to be in the hundreds. Only 676 DPS EPs were granted to spouses of critical skills permit holders in 2017. In the same year, Ireland issued 881 Intra-CT permits. From our experience around 65% of transferees bring family members of whom around 55%, say 315, might be looking for employment or self-employment.

This policy does not put the partner/spouse in a more favourable position to the transferee. Whereas the employee has a job offer and can move straight to a job, accompanying partners face many challenges. They have often had to leave their previous job at a time they themselves had not chosen. Authorising direct employment access simply allows them 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. The current system puts them at a disadvantage. For both dependants and employers it is acting as a barrier to employment access. Enabling direct access would meet the seven guiding principles cited in the review, thereby addressing skills shortages and boosting net contribution, innovation and legislative efficiency.

² 51% of employers reported that employees turned down international assignments due to partner career or employment concerns. Over 85% of spouses/partners of highly-skilled employers are degree educated or higher and so the expectation is that both partners can (continue to) access work.

³ https://www.permitsfoundation.com/wp-content/uploads/Permits-Foundation-Brexit-Report-0618.pdf 4 European Commission Proposal for a Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of highly skilled employment COM/2016/0378 final - 2016/0176 (COD), Recital 36