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IOM International Organization for Migration

# Managing Migration in Ireland: A Social and Economic Analysis

September 2006

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## Abbreviations

### **CIREFI**

Centre for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration

### **CSO**

Central Statistics Office

### **DETE**

Department of Enterprise, Trade and Employment

### **DJELR**

Department of Justice, Equality and Law Reform

### **DFA**

Department of Family Affairs

### **DFSA**

Department of Family and Social Affairs

### **EEA**

European Economic Area

### **ESRI**

Economic and Social Research Institute

### **EU**

European Union

### **EURES**

European Employment Services

### **FÁS**

Foras Áiseanna Saothair (National Training and Employment Authority)

### **GNIB**

Garda National Immigration Bureau

### **GNI**

Gross National Income

### **GNP**

Gross National Product

### **IBEC**

Irish Business and Employers Confederation

### **ILO**

International Labour Organisation

### **IOM**

International Organisation for Migration

### **INIS**

Irish Naturalisation and Immigration Service

### **NESC**

National Economic and Social Council

### **NGO**

Non-Governmental Organisation

### **NSB**

National Statistics Board

### **OECD**

Organisation for Economic Co-operation and Development

### **PPS**

Personal Public Service (number)

### **QNHS**

Quarterly National Household Survey

### **RIA**

Regulatory Impact Analysis

### **TLMPS**

Temporary Labour Migration Programmes

### **UNHCR**

United Nations High Commission for Refugees

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## Aims of the Study

This report has been prepared on behalf of the National Economic and Social Council (NESC) of Ireland. The International Organization for Migration (IOM) was invited by NESC to examine the social and economic effects of recent immigration to Ireland and to suggest ways in which Ireland could manage migration more effectively to enhance the benefits of migration while minimizing its costs.

The bulk of the study was undertaken between 1 January and 30 June 2005. In preparing this study, IOM assembled a team of international experts and organized two policy workshops in Dublin in April 2005 to discuss the economic and social implications of migration to Ireland. The Irish government is in the process of elaborating a more comprehensive and managed approach to migration. This report is intended as a contribution to the current policy debate.

## Policy Context

The recent substantial increase in migration to Ireland poses a number of opportunities and challenges for the Irish economy and society. In less than a decade, Ireland has changed from being principally a country of emigration to a country of immigration. The growth in immigration to Ireland was very much influenced by Ireland's economic boom and subsequent policy responses that facilitated immigration and the return of Irish nationals living abroad. In the year up to April 2005, over 70,000 people moved to Ireland, resulting in net immigration of just over 53,000, nearly double the net level of 2000.

A distinctive feature of immigration to Ireland in recent years is the growing proportion of non-nationals. Already by 2000, the share of non-nationals in inward migration increased from about half in 2000 to nearly three-quarters in 2004. In addition, there has been an increase in the number of non-national migrants coming from outside the European Union and the English-speaking world. However, as a result of EU enlargement and the increase in migration from the new accession states, the majority of immigrants arriving in Ireland today are EU nationals. Recent research indicates that between April 2004 and April 2005, 70 per cent of non-Irish immigrants arriving in Ireland were from other EU countries.

The bulk of migrants arriving in Ireland during the 1990s were skilled workers. More recently, there has been an influx of migrants into less-skilled occupations. The non-Irish migrant workforce is still predominantly made up of young people without dependants, but the experience of other countries suggests that this pattern may change as more migrants choose to settle in Ireland and are joined by their family members.

Immigration is projected to continue at current levels of about 30,000 a year for the next five to ten years and then to decline, with migrants contributing 40 to 50 per cent of expected labour force growth in the decade to 2016.

Until April 2003, Ireland's labour migration policies were almost entirely "employer-led". Few restrictions were imposed on employers' recruitment of non-European Economic Area (EEA) foreign workers apart from a "labour market test", aimed at encouraging employers to make efforts to fill existing vacancies with EEA workers before looking to employ non-EEA workers. This policy changed in April 2003 when the Employment Permits Act made it easier for nationals of the EU-10 accession countries to work in Ireland. After 1 May 2004, EU-10 nationals could travel to Ireland and work without having to rely on Irish employers to obtain work permits for them.

Separate administrative measures introduced in 2003-2004 made it more difficult for Irish employers to obtain work permits for unskilled non-EEA workers, and declared jobs in some sectors off-limits to non-EEA workers. The government expects that in the future, unskilled job vacancies can be filled by EEA nationals and that future non-EEA migrants will be highly skilled.

In 2005, there was evidence of a shift in policy thinking in favour of a more managed approach to migration. These changes included the creation of the Irish Naturalisation and Immigration Service (INIS), a new "one-stop shop" for applications for entry to the country, the publication in April 2005 by the Department of Justice, Equality and Law Reform (DJELR) of a discussion paper which outlines policy proposals on a comprehensive Immigration and Residence Bill, and the announcement by the government on 29 June 2005 that it would introduce a new Employment Permits Bill offering migrant workers greater protection in the workplace.

Ireland's migration policies were designed during a period when the economy was growing rapidly and demand for migrant labour was high. During this period of rapid immigration, there was relatively little discussion of distributional issues relating to the impact of migration. More recently, although there has been a growing acceptance of the need for a more managed approach, there has been relatively little explicit recognition in policy documents that migration can bring both costs and benefits. There has been little discussion about the likely short-term and long-term social and economic effects of different migration policy measures on different groups in Ireland and beyond.

## Impact of Recent Immigration

Migration can have a complex set of economic, social, political and cultural consequences for the receiving country, for migrant workers and their countries of origin. The impact of migration will also be determined by the profile of those who migrate, their skills, age and language abilities.

The actual impact of immigration is much disputed and there are many fears about its potential negative effects. These include concerns that migrants take jobs away from local workers, depress wages and become a burden on the welfare system. However, researchers generally agree that negative effects are minimal and that migration often brings many gains. For example, a number of studies

have found that on average migrants tend to pay more in taxes than they receive in benefits over their lifetime. Generally speaking countries with high levels of immigration in Europe and North America (e.g., Germany, Switzerland and the United States) have been very successful economically. The most important economic impact of immigration is generally distributional. Those who may lose economically by the entry of international migrants are the workers with whom the new migrants compete for employment. Much of the effect depends on the extent to which immigrants are complements or substitutes for local workers. In a growing economy with low unemployment, there may be few negative effects because a rising economy may be strong enough to raise all incomes.

Most of the international research on the effects of migration has focused on the economic impact of migration, while the social and cultural benefits of migration tend to be overlooked. Migration can have a profound effect on a host society and can alter a country's sense of identity. Migrants undoubtedly make significant positive contributions to social and cultural life in the arts, literature, sports and science, but these benefits are more difficult to quantify. Migrants are also becoming an increasingly important source of labour for the social and healthcare sectors in many countries. At the same time, failure to integrate migrants into society and allow them access to public services can lead to their being socially and economically excluded.

## Benefits of Migration

Given the recent rapid growth in immigration to Ireland, especially non-Irish immigration, there are fewer studies than in some other countries regarding the economic and social effects of migration. Nonetheless current research and data sources in Ireland suggest a number of effects which are broadly summarized below.

As the bulk of immigration to Ireland over the 1990s involved skilled labour, with more than half being returning Irish emigrants, migration played a key role in expanding the productive economy, allowing rapid growth and helping to reduce long-term unemployment. These immigrants contributed to the easing of significant skills shortages. Research by the Economic and Social Research Institute (ESRI) demonstrates that Ireland has benefited from the fact that the labour market profile of immigrants has shown them to be a young and highly educated group.

Ireland's booming economy also attracted many former emigrants to return home, bringing back with them the experiences, skills and knowledge accumulated while overseas. Many found themselves earning wages on return that were higher than similarly educated natives who had not migrated. In addition, this return flow of migrants had a number of positive effects on the economy. For instance, some research shows that as migrants (including returnees) were relatively more skilled than the native population, this inflow (because of its skilled nature) actually contributed to a reduction in earnings inequality.

Overall, it is generally agreed that immigration to Ireland in recent years has increased economic growth, eased labour market shortages, improved output and reduced earnings inequalities. While economic studies show that immigration tends to contribute positively to Irish gross national product (GNP), these analyses are less definitive on its impact on GNP per capita, which is broadly used as a

measure of the standard of living. For this reason, the key effect is distributional since the major impetus to economic growth from adding migrant workers to the labour force derives from lower wages or at least a slower rate of increase in wages. Immigrants may also have other positive or negative economic and non-economic effects that are real but not easy to measure, from increasing productivity growth by filling skills gaps to reducing productivity growth by preserving inefficient industries that would otherwise shrink or be replaced by imports. The skills composition of the migrant population is also an important determinant of the economic impact of immigration on national income; the more highly skilled the migrants, the greater the likely positive impact on GNP.

Immigration has also brought other benefits to Ireland as it has fuelled population growth, increased the size of the domestic market and resulted in increased demand for a variety of goods and services. It is also reasonable to generalize that, in the majority of cases, employment in Ireland leads to a financial gain for the individual migrant that may not have materialized had that worker stayed home. Even when employment in Ireland is at or near the minimum wage, the wages earned by migrants are still likely to be significantly higher than the wages they would be earning in their countries of origin, regardless of their skill level.

It is possible that Ireland's openness to admitting migrant workers for employment, including for low-skilled jobs, has helped to avoid the large-scale irregular immigration and/or irregular working of migrants as seen in, for example, the United States. While there may be significant illegal employment of foreigners in Ireland, there has been little systematic research to confirm this.

Another distinctive feature of the rapid growth in immigration has been the large increase in the number of foreign students studying and living in Ireland. A total of 18,608 international students were pursuing higher education in Ireland in 2004, of which 15,000 were from non-EU countries. It has been estimated that international students generated revenue of EUR 275 million during the year 2003/2004.

In addition to the benefits to receiving countries, migration also results in benefits for the migrant's country of origin, which is especially important for the economies of developing countries. Migrants living in Ireland regularly send money back home. This study conservatively estimates, for the first time, the value of remittances sent from Ireland and suggests that, during the last two years, migrants sent home more than EUR 100 million through formal channels (see Chapter 10). The real level of remittances is likely to be much higher as this figure excludes the sums sent by migrants to European countries and North America. However, the cost of transferring money from Ireland is high and the development impact of these transfers in countries of origin could be enhanced if transaction costs were lower.

Migrants in Ireland come from more than 100 different countries. The resulting greater cultural diversity could boost Ireland's trade with other countries. Migrants' language skills and their knowledge of business practices in Ireland and their own countries may stimulate the development of new trading relations. Immigration and increasing diversity are likely to spur investment into Ireland, particularly in Dublin, where the majority of migrants are living and working.

To date, most migrants have been young and single and in the case of accession state nationals and some categories of work permit holders their access to welfare entitlements were restricted until changes were announced in early 2006. Generally speaking, it is likely therefore that migrants have contributed more in taxes and social insurance contributions than they have received in welfare payments in recent years. Unlike other countries in Europe few immigrants in Ireland are unemployed or claim social assistance benefits. Migrants have also helped to reduce skill and labour shortages in the health and social care sectors of employment. And Ireland's health sector has even actively sought to recruit health workers from countries like the Philippines, India and China, in recent years to meet shortages in skilled labour.

## The Costs of Migration

Overall, there is little evidence that the sharp increase in migration to Ireland has resulted in extensive negative economic or social effects, but there are some negative aspects. As in many other countries, most of the concern about the labour market status of immigrants in Ireland concerns those in low-paid and unskilled jobs. Irish employers argue that migrants are filling jobs shunned by local workers, sustaining local industries and earning far more than they could at home. However, unions and non-governmental organizations (NGOs) stress that some migrants are subject to low wages, poor treatment and inadequate housing, and there are sufficient allegations of such treatment to feed a steady diet of news stories.

Although, there is little research to suggest that migration is systematically lowering wages or raising unemployment among local workers, there have been some recent high-profile cases where native workers' wages and employment opportunities may have been negatively affected. Unrestricted international migration means that employers may choose among a larger number of prospective employees and offer lower wages than they might offer to attract workers in a tighter labour market. The result can be lower wages, longer working hours and fewer benefits. The actual effects of international migration will vary depending on broader economic trends in the country and policies chosen by the government to facilitate or restrict the hiring of non-EEA nationals. When an economy is growing, the capacity to absorb and benefit from new workers can be considerable.

Recent Irish research conducted after the bulk of this report was written suggests that there is little solid evidence to assess the extent to which displacement of Irish workers may be happening<sup>1</sup>. A study of non-nationals in the labour market based on an analysis of the third quarter 2005 Quarterly National Household Survey (QNHS) concluded that "the case regarding displacement remains unproven". The authors went on to comment:

"By the very nature of the intensity of international competition, it is very likely that some non-national workers have displaced Irish workers as companies seek

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1. AIB Global Treasury Economic Research, *Non-National Workers in the Irish Economy*, February 2006.

to remain competitive. However, actual statistics on this issue are not available so it is difficult to ascertain the scale on which this may be happening” (AIB, 2006, 1).

There is some research using economic models which suggests that low skilled immigration might create negative effects in the future, if economic conditions change in Ireland. Theoretical simulations conducted by ESRI, suggest that a substantial influx of less-skilled migrants into Ireland, while relieving unskilled wage pressures, if continued indefinitely could push unskilled wage rates down further and lead to an increase in unemployment among the unskilled. Although an immigrant inflow that is largely unskilled would still increase GNP, the impact on unskilled labour could be very negative. Low-skilled wages were estimated to fall by 3.7 per cent and low-skilled unemployment to rise by 4.1 percentage points. As GNP per head would fall, this suggests a possible decline in living standards. However, to date there is little evidence to suggest that the recent sharp rise in immigration to Ireland has increased unemployment among Irish workers. A recent study concludes: “despite the increase in non-national employment in Ireland, employment among indigenous Irish workers has continued to grow and the unemployment rate for this group has remained close to full employment”. In addition, “the scale of non-national employment, at about 160,000 or eight per cent of total employment is not particularly large by international standards.” (AIB, 2006)

There are some indications that Ireland is not making the best use of migrants’ skills and that this is resulting in “brain waste”. One study by ESRI estimates that if immigrants were in jobs that fully utilized their educational abilities, immigration would have increased Irish GNP by 3.3 per cent in the five years to 2003, rather than the actual 2.6 per cent.

Not all migrants find economic success and migrant workers may sometimes become victims of discrimination and/or exploitation, including trafficking. The currently available information is too limited to draw conclusions about the extent to which the extensive rights and protections offered to migrant workers under Ireland’s equality legislation are implemented and enforced in practice. In the absence of systematic evidence, the suggestion that the exploitation of migrant workers may be fairly widespread remains an open question. What can be said, based on the anecdotal evidence, is that at least some migrant workers employed in Ireland do experience limitations of their rights that exceed those provided for by Ireland’s labour immigration policies. There is also some evidence that the hours worked by migrants in some sectors (e.g., health and social care, hotels and restaurants) are much longer than the average.

The exploitation of migrant workers has not been fully documented because of the lack of inspections of workplaces. There were only 21 inspectors to monitor compliance with labour and immigration laws, and there were 300 cases of possible employer violations pending in March 2005. Since the introduction of employer sanctions, only three employers have been convicted of hiring unauthorized foreign workers.

## Managing the Costs and Benefits of Migration in Ireland: Some Key Issues for Policy Makers

Immigration is often characterized as “good” or “bad”. Such an approach is often misleading because immigration, like many other public policy choices, is more often a contest between competing goods. Immigration has benefits and costs, and thus the proper approach is to analyse and debate these benefits and costs and then discuss which benefit gets higher priority and what steps can be taken to minimize costs. As Ireland continues to be a net immigration country, discussions about the competing goods involved in migration are likely to become more common.

Some of the key questions and issues that we believe policy makers will have to address in the future are outlined below. These questions and recommendations are drawn from our discussions with stakeholders in Ireland, including four days of intensive debate during two workshops held in Dublin in 2005, and our analysis of the evidence relating to the likely short-term and longer-term effects of migration in Ireland as presented in this report.

### 1. A statement of strategic goals?

Similar to many other countries, the question facing Ireland is no longer whether to accept migration, but rather how to manage migration more effectively to enhance the positive while minimizing the negative. Left on its own, migration is unlikely to produce equitable benefits for all.

Immigration has consequences and those consequences can be shaped by policy interventions and by actions, purposive or otherwise, of stakeholders. It is this possibility of shaping the consequences of migration that makes it so important to adopt a strategic approach. Until recently, Ireland’s immigration strategies were quite rudimentary, although this is beginning to change. During the course of our discussions with government officials and other stakeholders in Ireland, the IOM team posed the question – what are Ireland’s main goals in regards to migration policy? Many different objectives were mentioned, but there was no clear answer or common consensus.

Given that immigration is likely to remain a structural feature of a growing Irish economy, the Irish government should, therefore, develop an explicit policy statement that provides guidance for employers, unions and civil society regarding Ireland’s overall approach to immigration. The government should lead a balanced and informed public debate about the reasons for migration, and explain how it will manage the costs and benefits of migration.

As discussed in Chapter 7 of this report, any policy recommendation on labour immigration has to be preceded by separate discussions about the impact of migration and the objectives of labour immigration policy. There has been little discussion about which of the multifaceted and inter-related impacts of migration should be assigned most importance in the design of Ireland’s labour immigration policies, and why. As a result, a number of important questions about the overall objectives of Ireland’s labour immigration policies remain unanswered. For example:

- ◆ To what extent, if at all, should Ireland's labour immigration policies prioritize the interests of Irish citizens over those of migrants and their countries of origin?
- ◆ To what extent, if at all, should concerns over the potentially adverse effects of immigration on local workers limit the level of labour immigration demanded by individual employers?
- ◆ What role should non-economic considerations, such as potential impacts of migration on national identity and social cohesion, play in shaping Ireland's labour immigration policy?

Migration brings both benefits and costs and these effects are often interrelated and potentially conflicting. Explicit discussion of these types of effects needs to be central to thinking about future directions for migration policy. If Ireland is to manage the costs and benefits of migration successfully, the government will need to ensure that policies are developed in the interests of both the host society and migrants, and in cooperation with countries of origin.

## 2. Who will manage migration?

Ireland today has large numbers of EEA nationals who have the freedom to live and work in Ireland, and the Irish government will have declining influence over their movements as barriers to travel and work fall in the European Union. This suggests that there will need to be an increased emphasis on the effective management of migration *within* Ireland, as policy makers may have less influence over the scale and composition of migratory flows in the future given the high level of immigration from other EU countries.

Ireland's overall policy framework for regulating immigration since the late 1990s has given employers relatively easy access to a large pool of non-Irish workers of all skill levels. However, if Ireland decides to become an immigration country, it may not want to have employers alone making decisions about who should immigrate to Ireland. If migration is to be managed successfully, strategies will have to be developed to manage the costs and benefits of migration in the interests of a broad range of interest groups.

Informal discussions with stakeholders during the course of this study suggest that there is currently no clearly defined lead agency to develop migration policy and coordinate efforts to manage migration within government. It was also suggested to us that given the recent fall in the number of asylum seekers, the government has an opportunity to shift resources to the migration sector, without necessarily increasing government expenditures.

Given that migration is an issue which cuts across many policy domains, even if a lead agency is identified in government, there will be a need to work closely with other agencies within and outside government to develop policy coherence.

In order to promote greater policy coherence, it is likely that mechanisms should be established to promote greater inter-departmental coordination. Consideration should be given to the establishment of an inter-departmental committee within the government. A mechanism aimed at fostering policy dialogue on migration between the government and other stakeholders, such as NGOs, employers and unions, is also needed.

In order to inform these policy discussions and contribute to evidence-based policy making, the government, in consultation with key stakeholders, should consider sponsoring a programme of policy-oriented research and analysis to promote a better understanding of the effects of migration and the likely impacts of different policy measures.

### 3. Temporary or permanent migration?

Unlike European countries which declared their preference for guest workers during the economic boom of the 1960s, and traditional immigration countries which have a long-standing preference for settler immigrants, Ireland is still considering to what extent today's migrants are to be considered as temporary workers or immigrants who are expected to settle. Does Ireland want to become a "country of immigrants" with permanent residence status, a country of "guest workers" with temporary work and residence permits, or a mixture of both?

To date, migration has been viewed as a temporary phenomenon and not part of a long-term strategy to promote economic and social goals. It would be useful and desirable to develop an explicit policy statement to guide employers, unions and civil society on whether migrants are expected to return to their countries of origin or expected to remain and become integrated in Irish society.

The shape of Ireland's future integration strategy is contingent on whether Ireland embraces permanent or temporary migration, and in particular how it wishes to treat migrants arriving from non-EEA countries. If the former, a more comprehensive approach to integration will be needed.

If Ireland wishes to attract more migrants, particularly skilled migrants, to settle in Ireland, it may have to consider creating a permanent immigration channel. At present, Ireland does not have a permanent immigration programme providing permanent residence and employment rights to migrants immediately upon their arrival. Ireland could develop an immigrant status that entitles selected migrants to long-term working and residence rights in Ireland. Such a measure could help Ireland to become a more attractive destination for highly skilled workers. There is evidence to suggest that Ireland will benefit the most economically from policies which encourage inflows of highly skilled workers.

### 4. How to foster integration?

The current economic climate offers Ireland an excellent opportunity to reform its immigration programmes and to implement a robust integration strategy. As a result of Ireland's experience with emigration and its strong sense of community, there already exists a latent capacity to mobilize support for integration in the country. This capacity will need to be nurtured as the capacity of the NGO sector to provide services is still relatively weak. If Ireland's integration programmes are expanded, they should include all categories of immigrants. For integration to succeed, governments, union, employers, and NGOs will need to work together to develop an effective partnership. The capacity of local government agencies, unions and NGOs to plan, organize and deliver integration services will need to be enlarged.

Some migrants have restricted access to social welfare benefits due to their temporary status. It is likely that a growing number of migrants may choose to

reside in Ireland for a long period of time and they and their children may settle in the country. This is to some extent to be expected as a result of EU enlargement. Migrants arriving from the accession countries no longer need to apply for a temporary work permit and can now more easily settle in Ireland if they wish. Long-term migrants will need to be given wider access to social services and government departments dealing with social policy will need to be increasingly sensitive to the requirements of this group and the growing diversity of Irish society.

For integration to occur, support will need to be built on a widely shared vision of how integration might contribute to a dynamic, secure and socially cohesive Irish future. The creation of such a vision would provide a basis for stakeholder alliances and would permit the development of coherent plans. Ultimately for integration to succeed, migrants will have to be seen as potential assets and not as charitable works or temporary aids to facilitate labour adjustment. Integration of migrants into the host society is likely to be a key determinant of whether migration will be a success or failure in Ireland in the future. An active integration policy is a key requirement of a successful migration management strategy.

#### 5. How to manage the benefits of migration for all?

Although there is little evidence that immigration is significantly lowering wages or raising unemployment for local workers, the potential for immigration to generate adverse labour market impacts is likely to increase significantly during an economic downturn. Although currently no such economic downturn is expected in Ireland, rapid economic growth may not continue indefinitely. There are several different ways in which Ireland's labour immigration system could implement measures to ensure that migrants are recruited in sectors which have genuine labour shortages – for example by developing better assessments of which sectors are likely to suffer from labour shortages and more effective enforcement of labour market tests. Better enforcement of employment laws for all workers is likely to ensure that migrants do not undercut natives by accepting lower wages and worse working conditions. Such measures will benefit both migrants and local workers. Sanctions must be enforced more effectively against employers who illegally employ migrant workers or exploit workers with work permits or students in employment, to protect all migrant workers and prevent the growth of irregular migration.

To minimize conflicts and promote cooperation with non-EEA countries of origin, Ireland may wish to explore bilateral agreements that set out arrangements for the recruitment and employment of migrants. Closer cooperation with sending countries could also help to reduce the potential costs of migration to these countries.

## Concluding Remarks

Ireland has largely benefited from immigration in recent years. The extent to which Ireland will continue to benefit from immigration will depend on a broad range of factors, including economic conditions and the socio-economic profile of migrants. Much will also depend on policy and how migration is managed.

Immigration did not create the Irish economic miracle, but, properly managed, migration can sustain Ireland's economic growth and generate many other benefits. Immigration coupled with successful integration strategies is likely to make Irish society more tolerant and, ultimately, more resilient and adaptive.

As Ireland grapples with these issues, it should be remembered that it is good to have the "problem" of managing immigration, since immigration reflects the fact that foreigners want to come and work, or settle in a country.

1

# Introduction

In less than a decade, Ireland has been transformed from a country of emigration to a country of immigration. Unprecedented economic growth during the 1990s resulted in a significant increase in employment and the emergence of widespread labour and skill shortages. The government responded to the request from employers for additional workers by making it relatively easy to recruit and employ workers from outside the country. The economic boom also encouraged large numbers of Irish emigrants to return home.

From the mid-1990s, Ireland has experienced net inward migration. This is due both to emigration falling and immigration rising; by 2001, some 20,000 people were leaving the country each year but more than twice that number were arriving. There was substantial net inward migration during the 1970s also, with an average inflow of just over 14,000 during the years 1972 to 1979, but the scale of recent net inflows has been larger (see Chapter 2).

The composition of migration in recent years also differs from the 1970s. Most of the 1970s migration consisted of returning Irish nationals. While inflows of Irish people continue to be significant, a distinctive feature of migration in recent years is the growing proportion of non-nationals. In addition, there has been a substantial increase in the number of non-national migrants coming from outside the European Union and the English-speaking world. EU enlargement in May 2004 changed the status of many migrants from EU accession countries.

The substantial increase in net inward migration since the mid-1990s generates a number of opportunities and challenges for the Irish economy and society. Migration can alleviate various labour shortages in the private and public sectors. Some migration can play a particular role in facilitating the growth of key knowledge-based industries. It may be a significant source of entrepreneurship, and the diverse population created by migration can also enrich a country's social and cultural life. However, migration also poses a number of challenges. The inflow of migrants can increase the pressure on services and infrastructure, and raise issues in relation to social integration and the society's acceptance of cultural diversity. Migrants with few or no skills may be particularly vulnerable to becoming unemployed and dependent on welfare benefits during an economic downturn. To this must be added the fear that migrants may undercut wages and take jobs away from the local workforce, and that their concentration in particular areas will undermine neighbourhood ties and change local culture. Irregular migrants can be exploited by unscrupulous employers, landlords and recruitment agents. New challenges arise in relation to disease surveillance. There are also fears that anti-social elements may take advantage of migrant communities in Ireland, such as traffickers of human beings, and other organized criminal activities.

## 1.1 Managing the Costs and Benefits of Recent Immigration

The aim of this report is to identify and develop an understanding of the factors that have driven the recent sharp increase in immigration to Ireland and which may sustain it in the future. The report also aims to assess the social and economic impact of the recent marked change in the scale and composition of immigration flows, and discusses the policy challenges posed by this new trend, based on the evidence available in Ireland and the experience of other countries.

Similar to many other countries, the question facing Ireland is no longer whether to accept migration, but rather how to manage migration effectively to enhance the positive while minimizing its negative effects. To that end, policy makers need to identify the essential components of a viable migration policy that are consistent with national objectives and other elements of public policy, and to balance these elements against each other and integrate them into a cohesive strategy. Indeed, no simple task.

A better understanding of the relative costs and benefits of recent immigration for the Irish economy and society can be a valuable element in the development of a viable migration management strategy.<sup>2</sup> Yet, no straightforward methodology for quantifying the effects of migration is available to assist in this task. It is clear that migration cannot be evaluated in economic terms only, but that the linkages to such complex issues as international security, human rights, public health and national identity have to be taken into account and a multifaceted and balanced approach, sensitive to the human, economic, social and cultural aspects of migration, adopted.

A number of barriers exist even for the potentially calculable effects, such as the impact of migration on wages, unemployment, tax revenues and welfare payments<sup>3</sup>. First and foremost is the lack of accurate and comparable data. Though countries with a long tradition of immigration have developed data collection mechanisms, the majority of European countries have little appropriate information to enable them to fully assess the impacts of migration. Even where data are available, variations in the underlying models and methodologies mean that the same dataset can produce contradictory results, depending on the approach adopted. The complex patterns of cause and effect associated with migration can make it difficult to distinguish and isolate particular outcomes that are related solely to migration. Just as a strong economic environment draws migrants to a particular destination, those migrants then contribute to the continuation of economic growth. Though migrants are often studied as an external factor in the national labour market for the purpose of data analysis, they can be as equally affected by fluctuations in wages and unemployment as native workers. Other effects, such as those on culture and society, are almost impossible to calculate in any scientific manner. How is one to measure the social capital of a community, or put a value on cultural diversity? Given that the rapid growth in non-Irish immigration to Ireland has occurred since the mid-1990s, data needed to fully evaluate its impact on various sectors of economic and social life are limited. This report, therefore, draws also on relevant research findings from other countries.

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2. For a comprehensive discussion of the costs and benefits of migration, see IOM's *World Migration Report 2005*.

3. For an excellent recent discussion of the challenges involved in measuring such effects, see World Bank (2005).

Demanding though the development of policies capable of accounting for all of these impacts may be, the costs of not managing migration can be much higher. High profile cases concerning the abuse of the migration system can be extremely damaging to its integrity and undermine public support for migration. A comprehensive approach of planned and direct policy interventions can ensure that the benefits of migration outweigh the costs for individual migrants, the country of origin and the host society.

## 1.2 Current Policy

Despite the large annual inflows of migrants to Ireland, necessary legislation and policy concerning immigration have been constructed in a piecemeal fashion only. The government itself has acknowledged that, “in recent years, Ireland has had the most open economic migration system in Europe” (DJELR, 2005: 60). Much of the focus during the 1990s was on how to respond to the increasing number of asylum seekers arriving in Ireland, and immigration policy was left relatively under-developed. Over the past decade, a series of statutes<sup>4</sup> have been passed in response to the rapid changes in immigration flows and emerging problems.

Access to the labour market was principally controlled through the work permit system, regulated by the Employment Permits Act 2003. Initially devised in the expectation of a small inflow of temporary workers, this system is now dealing with thousands of applications each month: in 2004, a total of 34,067 permits were issued. A significant proportion of these are in fact renewals, leading to a situation of de facto, though not de jure, permanence in Ireland for many work permit holders.

It is becoming clear that, as labour migrants have flowed into Ireland, new policy challenges have occurred outside of the work permit system. The number of foreign students in Ireland has doubled since 2002, though, until recently, there was little regulation of educational institutions, or of the student population, despite evidence that students are working in the informal labour market. Finally, the enlargement of the European Union has brought with it new sources of migrant labour, necessitating a number of changes in Irish policy.

As regards organization, various administrative functions are dispersed throughout the government apparatus. The DJELR retains general responsibility for immigration policy and regulates admission and residence in Ireland, while the Department of Enterprise, Trade and Employment (DETE) is responsible for economic migration policy, processes all applications for work permits and assesses future foreign labour needs. However, there are many other government departments and agencies involved in the immigration system, such as the Department of Foreign Affairs (DFA), which processes entry visas, the Garda National Immigration Bureau (GNIB), which controls Ireland’s borders, and the Department of Social and Family Affairs (DSFA), responsible for social assistance for

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4. Immigration Acts 1999, 2003 and 2004, the Illegal Immigrants (Trafficking) Act 2000, and the Irish Citizenship and Nationality Act 2000 and 2004.

migrants. Migration also affects other policy areas, such as health, education and housing. The administration of a system involving so many policy actors is a complex process and requires a great deal of coordination, consultation and sharing of information.

### 1.3 Policy Reform

The government has accepted that the “pragmatic approach” to immigration currently adopted in Ireland needs to give way to more comprehensive, transparent and managed courses of action,<sup>5</sup> and is taking appropriate steps in that direction. A number of policy consultations have been undertaken with a view to reforming the immigration system in Ireland. During the first phase, in 2001-2002, the DJELR conducted a public consultation, inviting stakeholders’ views and recommendations for reform. As part of this, IOM was commissioned to produce an overview and analysis of international experience in the field of immigration legislation and practice, which was published in 2002 (IOM, 2002). This study set out the various policy models in use around the world, and offered an assessment of the respective advantages and disadvantages of the instruments employed in migration management.

In 2005, the process of policy reform gained new momentum. The DJELR intended to draft a new Immigration and Residence Bill by the end of 2005 to “review, amend, consolidate and enhance the current body of legislation” (DJELR, 2005). To assist in the preparation of this legislation, the department issued a discussion document outlining possible future policy approaches, and inviting public input. Meanwhile, the DETE is drafting a new bill to formalize the current work permit system. These legislative changes are accompanied by an administrative reorganization, with a new “one-stop shop” (INIS), integrating the immigration services previously dispersed across various government departments to offer migrants a single access point for services.

The current report seeks to contribute to the renewed policy debate about the future of immigration to Ireland. It reviews the evidence regarding the social and economic implications of recent immigration to Ireland, and suggests a number of policy implications arising from this analysis. The bulk of this study was conducted during a period of six months (1 January to 30 June 2005). IOM was invited by the NESC to consider several questions relating to recent immigration to Ireland including:

- ◆ What are the factors driving migration to Ireland?
- ◆ What is the likely future demand for migration?
- ◆ How are non-nationals performing in the labour market?
- ◆ How are migrant workers being treated in the workplace?
- ◆ What are the effects of migration on the economy, wages, unemployment and public finances?

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5. See the introduction to the DJELR’s discussion document *Immigration and Residence in Ireland: Outline Policy Proposals for an Immigration and Residence Bill*, published in April 2005.

- ◆ What are the implications of non-labour migration (e.g. students, dependants, refugees, etc.)?
- ◆ What are the strengths and weaknesses of the current arrangements for regulating labour market migration in Ireland?
- ◆ How does migration impact on social services, public health, educational provision, housing, poverty and social exclusion?
- ◆ What role do factors such as language, education, migrant networks etc., play in the successful social integration of migrants in Ireland?
- ◆ What is the role of stakeholders in securing integration?
- ◆ What are the contributions made by migrants to the development in their home countries?

In order to offer the broadest range of expertise, IOM appointed four experts in the fields of migration, social and economic policy to provide their analysis of the impact of migration in Ireland, and to suggest possible policy responses:

- ◆ Professor Philip L. Martin – Professor of Agricultural and Resource Economics, University of California-Davis and Chair of the University of California’s Comparative Immigration and Integration Programme;
- ◆ Dr. Martin Ruhs – Senior Labour Market Economist, Centre on Migration, Policy and Society (COMPAS), University of Oxford;
- ◆ Mr. Meyer Burstein – Co-founder of Metropolis and former Director-General in the Canadian Department of Citizenship and Immigration, responsible for strategic planning, research and intelligence; and
- ◆ Dr. Pauline Conroy – independent researcher on social policy in Ireland for Ralaheen Ltd., conducted previous research for the Irish government, the European Union and several international organizations.

Migration management requires the investment of human as well as financial resources in the development of effective policy frameworks, and the recognition that policy formulation is an ongoing process. With this in mind, IOM brought together relevant stakeholders in Ireland – government officials, employers, trade unions, migrant associations, public and private non-governmental organizations – to discuss the costs and benefits of migration to Ireland, and explore potential policies for managing the process. Two workshops, the first on economic implications, and the second on social effects, were facilitated by the expert consultants to benefit from the insights of those most profoundly interested in, and affected by, immigration.<sup>6</sup> Summaries of these discussions can be found in the annex to this report. The consultants have drawn on this dialogue, individual meetings with a wide range of relevant actors, and their own extensive expertise to provide a comprehensive assessment of policy needs and priorities in Ireland, as detailed in this report.

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6. These were held on 7-8 April and 26-27 April 2005.

## 1.4 Structure of the Report

Immigration has been an important element in the economic and social development of Ireland. Some impacts are easily identified. That migrant labour helped fuel and support the Celtic Tiger is indisputable. Other consequences, such as the impact of migration on the labour market, public services, health, housing, poverty and individual communities, are harder to determine.

Though it is clear that these effects overlap, for the sake of clarity this report has separated the various impacts into thematic areas. In Chapter 2, migration to Ireland is put in context. This is done in three ways. First, the actual facts and figures of migration to Ireland are set out and the availability of data is discussed. Second, the role of migration in Ireland's social and economic development is discussed. Third, Ireland's immigration experience is placed within the international context. Chapter 3 sets out the policy framework for immigration into Ireland, and Chapter 4 examines the factors driving modern migration, and the expected future need for migrants in Ireland.

The latter sections of the report focus on the economic and social impact of migration to Ireland. First, non-nationals in the labour force are profiled and their performance in the labour market, as well as their experiences in the workplace, assessed. Chapter 6 reviews the international evidence regarding the economic effects of migration, including wages, income, public finances and services, housing and spatial implications. Though the focus is on the formal labour market, irregular migration is also discussed, as is the increase in the foreign student population and their linkages to the labour market. Finally, this section of the report turns to labour-market policy. How sustainable or desirable is the current system, and what scope is there for reform? This chapter discusses possible policy approaches in the light of recent flows to Ireland, and suggests new approaches regarding the formulation and implementation of a policy capable of meeting Ireland's future needs.

Chapter 8 assesses the implications for health and social welfare for both migrants and the host society. What are the likely effects of migration on public health, health services, social security, housing, educational provision, poverty and social exclusion? Chapter 9 examines the international arguments and evidence of beneficial or harmful social and cultural effects of migration on the host society, and looks at the development of migrants and their families over time relative to the native population. This includes a discussion of the role public policies can play in fostering integration and in identifying some of the factors involved in securing that integration, such as language competency, welfare support, and migrant networks.

Chapter 10 puts Ireland once again within the international context, this time concerning sending countries, especially developing countries. To what extent are migrants and migrant networks contributing to the development of their home countries? Can migration policy play a role in this development through cooperation with sending countries?

The report concludes with a number of policy recommendations based on the findings of the study. Chapter 11 recommends and discusses Ireland's overall approach to migration and how the country could best reap the benefits of migration in the future.



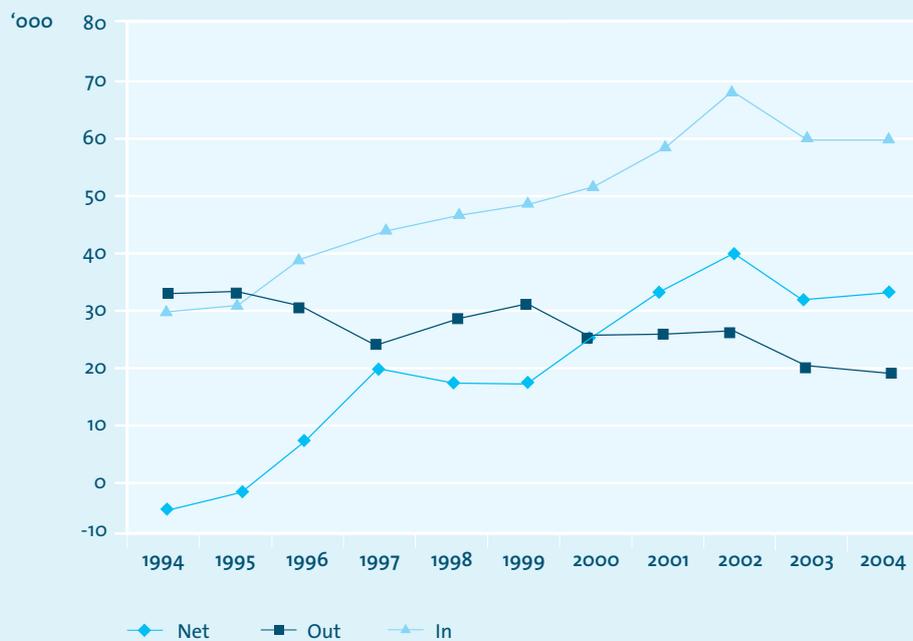
# 2

## Recent Trends in Immigration to Ireland

This chapter aims to provide an overview of recent trends in immigration to Ireland, and a brief assessment of the availability and quality of migration data in the country. In order to be able to assess the economic and social impact of these migration trends, an accurate picture of the changing nature of migration to Ireland, the stocks and flows of foreign nationals and the characteristics (age, gender, nationality) of those entering the country is needed.

For most of the past two centuries, Ireland was an island of emigration. But, within the past decade it has become a country of net immigration. Immigration is at an all-time high and emigration at an all-time low. Total immigration in the year to April 2005 is estimated at 70,000 according to the Central Statistical Office. Between April 2004 and April 2005, Ireland recorded its highest level of immigration – 70,000 persons and lowest level of emigration, 16,600 since current records began. This gives a net migration rate of over 50,000 persons. Between April 2003 and April 2004, over 50,000 people moved to Ireland from over 100 countries, resulting in net immigration of just over 30,000, a 55 per cent increase over the past five years (CSO, 2004).<sup>7</sup>

Figure 2.1 Immigration and Emigration Trends 1994–2004



Source: CSO

<sup>7</sup> Emigrant flows dropped by 59 per cent over the same period.

## 2.1 Data Sources

A number of current and potential data sources relevant to migration can be identified:

### 2.1.1 Central Statistics Office (CSO)

The CSO collects information from a number of different agencies and acts as the central depository for data in Ireland. The main method for migration data collection used by the CSO is the Quarterly National Household Survey, (QNHS), which provides the basis for the classification of annual migration flows by sex, age group, origin/destination and nationality. Population and migration estimates are published each year in April, using the results of the QNHS and other migration indicators, such as the continuous country of residence inquiry conducted at ports of entry, the register of electors, the child benefit scheme, grants of visas, work permits, and asylum applications.

The CSO is also responsible for the national census, the most recent having been conducted in 2002 (and published in 2003). This offers a far more accurate picture of the stocks of foreign nationals by age, gender and nationality. However, it does not include data on labour force participation by nationality, or qualitative information on the socio-economic status of migrants.

### 2.1.2 Department of Enterprise, Trade and Employment (DETE)

A major source of data on economic migration of non-EEA nationals is the work permits database compiled by DETE, which contains figures on temporary work permits issuance and renewals by nationality, employment sector and the location in Ireland of employer's business. As the majority of labour migration is facilitated through the issuance of one-year permits, such data can be used to examine the evolution of labour migration of non-EEA workers to the country. However, there is potential for much more analysis. Applications for work permits contain information on age, gender, qualifications, experience, wages and method of recruitment, yet this information is not accessible. Ruhs has noted that much of the data have not been aggregated in any usable and comparative form (Ruhs, 2003).

### 2.1.3 Department of Justice, Equality and Law Reform (DJELR)

With lead responsibility for immigration and asylum policy, the DJELR receives and collects data from a variety of agencies.

GNIB is where all non-EEA nationals are required to register within three months of their arrival. Since September 2001, the GNIB has kept accurate numbers of those who have come to Ireland to live and work, or who have been granted refugee status. Though asylum seekers with temporary residence permits do not have to register, the system regularly includes information from other government departments on work permits, visas and asylum seekers (CSO, 2003). The database contains information on sex, date of birth, marital status, country of birth and country of nationality, and thus is relevant for the accurate compilation of stock and flow figures for the migrant population it covers. However, currently this information is not publicly available.

In addition, GNIB is responsible for border control. However, data on border apprehensions have not been made available either publicly or to the closed exchange of information system that occurs within the EU Centre for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration (CIREFI). It is unclear whether this is due to security concerns, or the lack of a systematic collection system for such data. The most recent cross-border organized crime assessment released by the GNIB contained no figures for apprehended facilitated entry (smuggling).

DJELR does not collect the information required to produce data on annual visa issuance (data generated originally by the DFA), which would allow them to capture entries for work, study and family reunification (dependants). Other data are unavailable due to problems with the computer processing systems operated by the department (Ruhs, 2003).

Finally, the department gathers data on asylum flows, applications and outcomes from the Office of the Refugee Applications Commissioner, the Refugee Appeals Tribunal and the Reception and Integration Agency. However, the CSO Steering Group on Social and Equality Statistics has noted problems with data retrieval (CSO, 2003). These figures are also available from the statistical arm of the UN High Commissioner for Refugees (UNHCR).

#### 2.1.4 Department of Social and Family Affairs (DSFA)

DSFA is responsible for policy and administration related to social welfare benefits. In order to access social welfare services, as well as a wide range of other government services, migrants must register for a Personal Public Service Number (PPS number) to identify them. The widest selection of socio-economic data is collected here through four main systems through which the various data flow back and forth, and the DSFA believes it has almost full coverage of persons normally resident in the country. Clearly, the statistical potential for this with respect to the socio-economic characteristics of the non-national population, their social welfare needs and their use of government services is enormous. In addition, the PPS number offers a second source of employment data that can be compared with the work permit data and CSO data, and the social contributions made by each migrant.

The recent assessment by the CSO noted that data transfer from paper to computer was often incomplete, and the information flow between data systems unsatisfactory. However, a number of reforms are being introduced, not least the development of a database containing key data from the PPS number, and allowing other agencies to cross-reference their own data with the central PPS key. In terms of migration data analysis, this could be a vital source for the future, though a number of privacy laws prevent the dissemination of much of the PPS information.

#### 2.1.5 Foras Áiseanna Saothair (FÁS)

The national training and employment authority, FÁS, holds detailed data on the labour market, including vacancies notified for overseas recruitment, and it publishes regular updates in the form of the Quarterly Labour Market

Commentary and an annual Labour Market Review. Most importantly, the FÁS reviews data on applications for PPS numbers from new EU citizens, which is invaluable for assessing new flows from central and eastern Europe following the recent EU enlargement.

#### 2.1.6 IOM Dublin

The IOM office in Dublin implements a number of voluntary assisted return and reintegration programmes. Statistical information, which aims to demonstrate key trends in those applying for and availing themselves of the services, can be made available on request.

## 2.2 National and International Comparability

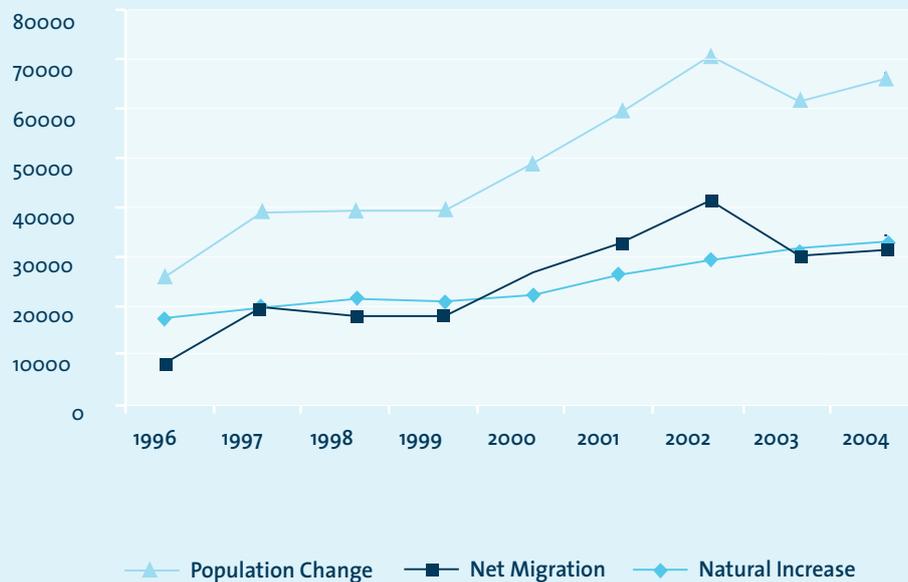
One of the main conclusions of the CSO assessment of the statistical potential of administrative data is, that despite the wealth of information being collected, it is often not comparable even inside departments, as most data are stored in stand-alone information systems designed for administrative purposes rather than to serve policy-making needs. Efforts to improve comparability have been recommended, including the use of standard classifications and coding systems, and coordination with the CSO itself.

The government is taking steps to improve data collection in Ireland. In its Strategy for 2003-2008, the National Statistics Board (NSB) recommended that a networked approach be taken across government departments and agencies to ensure a fully integrated system of official statistics, with the CSO taking the lead (NSB, 2003a). As a result, a scoping study on Irish social and equality statistics (NSB, 2003b) and an assessment of the statistical potential of administrative data being collected in six governmental departments (CSO, 2003) were undertaken. The latter assessment concluded that, while there was a vast amount of information being collected, “in most cases, they are contained in stand-alone information systems primarily designed to meet administrative requirements rather than the needs of policy makers”. It recommended that greater efforts be made to integrate data systems and standardize terminology.

## 2.3 Facts and Figures

The population in the Republic of Ireland is at its highest level since 1871, standing at 4.04 million. The population growth over the past few years owes as much to migration as to natural increase (births minus deaths). Annual inflows of migrants have more than tripled in less than two decades from 17,200 in 1987 to 66,000 in 2002. The most recent estimates of the total stock of foreign-born in Ireland put the number at around 400,000, or 10.4 per cent of the total population (OECD, 2005). However, in terms of nationality, the number of non-citizens in Ireland is much lower, around 225,000, or 5.9 per cent of the total population.

Figure 2.2 Population Change in Ireland 1996–2004



Source: CSO

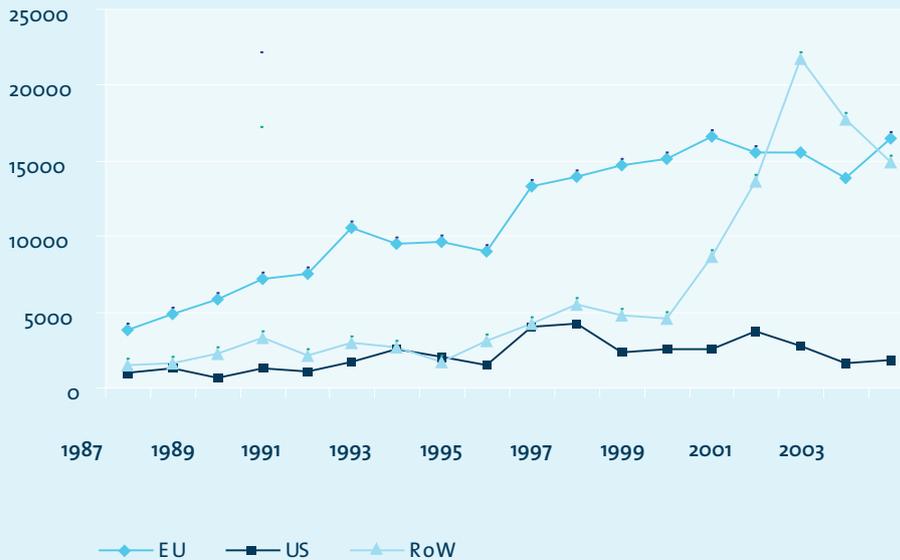
The increase in immigration has been accompanied by a steady fall in emigration; while in 1989 as many as 70,000 left Ireland, fewer than 19,000 did so in 2004. Though initially many entrants were in fact returning Irish nationals (56% of the total in 1994), their numbers have gradually declined. Irish nationals accounted for only a quarter of those entering Ireland in 2004, (see section below on return migrants).

Though migration has been driven by the economy (see later in this chapter and report), the inflow of migrant workers has been supplemented by the dependants of migrant workers. In addition, the numbers of students coming to Ireland has increased significantly. Work permit issuance is on a temporary basis (permits are for one year, renewable; see Chapter 3 for a more detailed description of the labour migration system). However, the actual scale of return migration of foreign nationals is unknown. It can be assumed that a significant proportion of foreign nationals return home after the expiry of their work permits, but no data are available on the length of stay of permit holders.

## 2.4 Inflows by Country of Origin

The trends in the flows of non-Irish nationals can be broken down by region (Figure 2.3).

Figure 2.3 Inflows by Region 1987–2004



Source: CSO

**European Union** – As might be expected given the free movement within the region, EU citizens have made up between one-quarter and one-third of the annual inflow of immigrants over the past 15 years. Their share of the inflow has increased gradually. This is likely to change in the future as a result of the accession in May 2004 of ten new states, which has already triggered a sharp increase; over 85,000 nationals from the EU accession countries were issued with PPS numbers between May 2004 and April 2005. In the late 1980s and early 1990s, UK nationals accounted for approximately three-quarters of the EU inflow. However, since then, other EU entrants have reduced the UK proportion of total entrants to about 50 per cent. In 2004, that proportion fell further with the new EU accessions.

**United States** – Outside of the European Union, the United States had been the largest contributor to migrant inflows, accounting for between one-third and one-half of the non-EU total. However, this proportion has declined over the past decade, not only owing to fewer Americans coming to Ireland, but also because of the increasing arrivals of other non-EEA nationals.

**Rest of the World** – This has been the most dynamic increase of recent years. Between 1999 and 2002, the inflows increased nearly fivefold, from 4,500 in 1999 to 21,700 in 2002. A great deal of this inflow came from Central and Eastern Europe, and several of the new EU member states, in particular Poland, Latvia and Lithuania. The year 2004 saw a drop in entrants from outside the European Union,

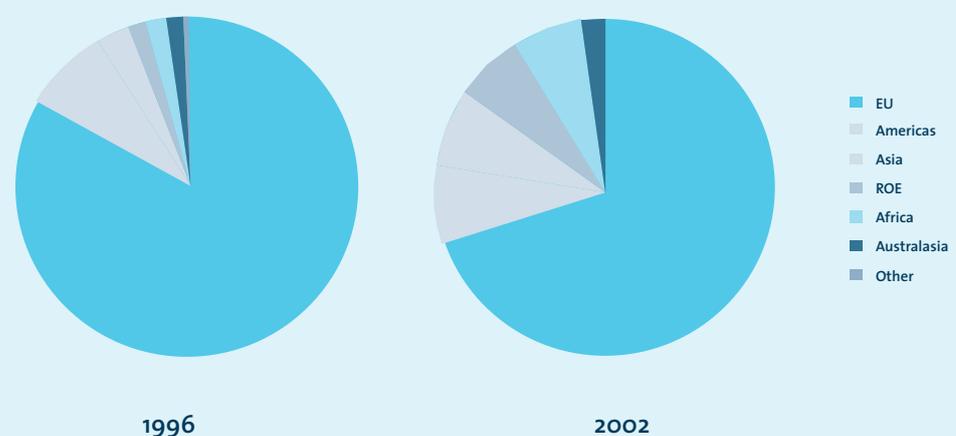
largely attributable to the incorporation of much of central Europe into the EU totals. As to asylum, Africa, the Balkans and Eastern Europe are the main source areas of refugees and asylum seekers. Regarding asylum applications in 2004, by far the largest number came from one country, Nigeria, while applicants from Romania, Somalia, China and Sudan made up a significant proportion of the rest.

From the available data it is impossible to accurately assess how many migrants come from developing countries; however, some breakdown can be made. Using the World Bank's income country classification, it can be concluded that 13.7 per cent of the total number of work permits (new and renewed) in 2004 went to nationals of low-income countries (defined as those with < US\$ 765 annual per capita gross national income (GNI)), while the majority of permits (54.3 per cent) were given to nationals of lower middle-income countries (US\$ 766-3,035). In addition, four of the top five sending countries of asylum seekers (as above) are in the low-income bracket, while Romania is rated a lower middle-income country. Finally, nationals from India and Pakistan (low-income countries) made up 5.9 per cent of the 2003-2004 international student population, while nationals of China and Iran (lower middle-income countries) form 15.7 per cent of the student body (Education Ireland, 2004). Clearly, developing countries are significant sources of non-EEA migrants to Ireland, though their numbers may decline following EU enlargement.

## 2.5 Stocks by Nationality

As the changes in flows suggest, the stock of foreign-born in Ireland has changed considerably over the past decade. Figure 2.4 shows that overall, the foreign population in Ireland has become more diverse and a greater proportion originated from outside the EU-15 and the Americas in 2002. In particular, the stocks of migrants from Asia, Africa and Central and Eastern Europe have increased substantially.

Figure 2.4 Stock of Foreign-Born by Region of Origin



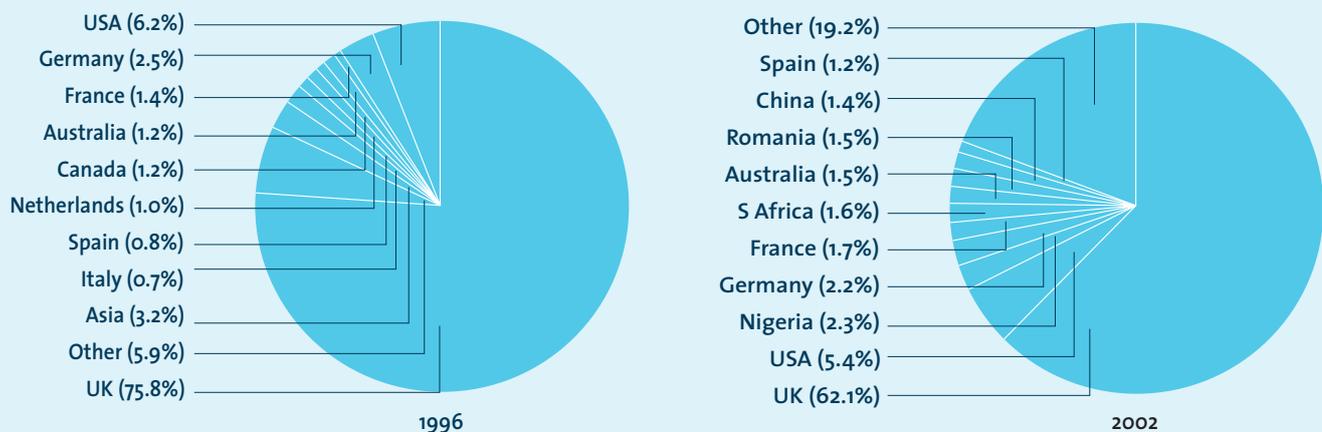
*European Union* – UK nationals remain the largest foreign population in Ireland (Figure 2.5), although their proportion declined from three-quarters to less than a half of the total in 2002. Other EU countries with large populations in Ireland include France, Germany and Spain. It is worth noting at this point that, although their relative size has declined, the actual number of EU nationals living in Ireland has increased by about 65,000.

*United States* – The same is true of US nationals whose numbers rose from 15,619 to 20,977 over the six-year period, though it remained stable as a percentage of the total foreign-born population.

*Rest of the World* – The 1996 census does not give a breakdown of birthplace outside of the EU and Organisation for Economic Co-operation and Development (OECD) countries, making it difficult to directly compare the 2002 population statistics, which do report these details, with the 1996 data. Significant numbers of migrants from developing countries, including China, Nigeria, Romania and the Philippines, would seem to have arrived, but their respective numbers in 1996 are not known. What can be said is that the number of immigrants from developing countries has changed dramatically, with the stock of Asian nationals increasing threefold (from 8,150 to 27,500), the stock of African nationals fivefold (from 4,867 to 25,743) and the stock of non-EU European nationals rising by seven (from 3,605 to 25,799). In 2003, the top five nationalities among the refugee population were from Bosnia and Herzegovina, Nigeria, Congo Democratic Republic, Republic of Serbia, and Zimbabwe.

These changes are increasingly reflected in commentary on the Irish economy. They do imply significant qualification to some long-standing perspectives.

Figure 2.5 Top Ten Countries of Origin of Migrants in Ireland



Source CSO

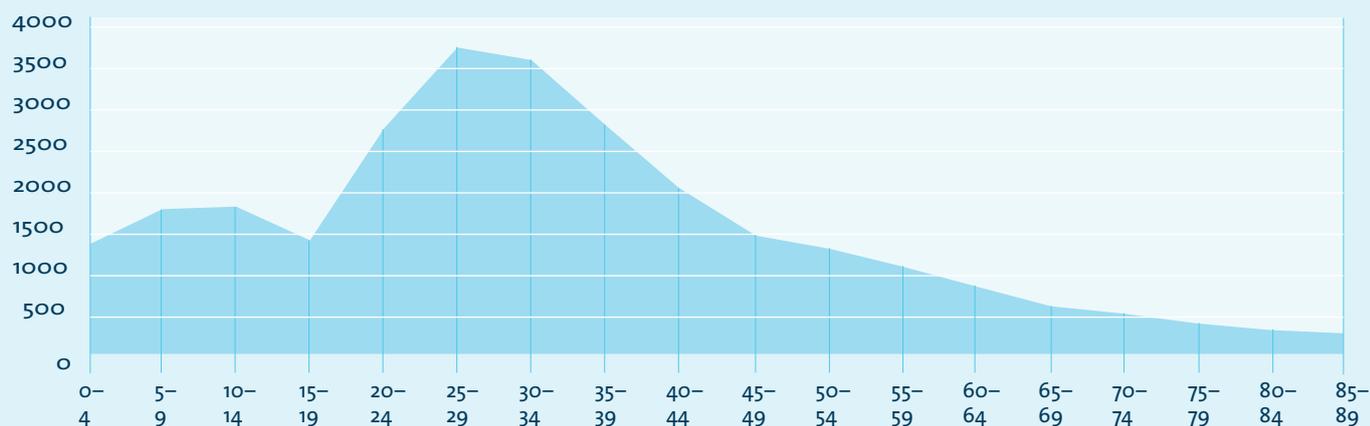
## 2.6 Characteristics of the Immigrant Population

The size and composition of the foreign population was most comprehensively assessed during the 2002 census. Over 220,000 people of foreign nationality were resident in the country, and information was collected on their location, age, gender, nationality and county of residence.<sup>8</sup> In addition, data collected from work permit applications, including additional data analysed by Martin Ruhs in 2003, provide a more detailed picture of the non-EEA workforce in Ireland (Ruhs, 2003).

### 2.6.1 Age

According to the 2002 census, nearly three-quarters of foreign nationals are of working age (aged between 15 and 64), and nearly half are between 20 and 40 years old (Figure 2.6). In addition, the average age of first-time work permit holders is 30 years (Ruhs, 2003).

Figure 2.6 Total Non-Irish Population by Age Group, 2002



Source CSO

### 2.6.2 Gender

In 2002, the gender split among foreign nationals in Ireland was roughly equal, with women only slightly outnumbered by men. However, more men than women hold work permits: between 1999 and 2002 nearly two-thirds of work permits holders were male. But, during that same period, the workforce became increasingly feminized and the share of women among new work permit holders increased from 28.4 per cent in 1999 to 34.3 per cent in 2003.

8. See the CSO for detailed tabulations of census data: <http://www.eirestat.cso.ie/census/>.

### 2.6.3 Geographical Distribution

As might be expected, roughly one-third of the foreign-born population lives in Dublin, with the cities of Cork and Galway also hosting large numbers. In terms of the working population, 45.6 per cent of work permits issued in 2004 were for the Dublin area, with a further 6.5 per cent each going to Cork City and County Kildare.

### 2.6.4 Educational Level

As is noted later in Chapter 3, a great deal of work permits are granted for semi-skilled or unskilled work predominantly in agriculture and the services sector. Indeed, about 75 per cent of work permit holders in 2003 were in unskilled jobs. However, this does not necessarily mean that migrants filling those jobs have a low educational background, as other issues such as language and available opportunities may be instrumental in preventing those with appropriate qualifications from taking up skilled employment. In fact, research based on the 2002 census determined that the immigrant workforce was highly qualified, with over half (54.2%) holding third-level qualifications, and 30.8 per cent having completed upper secondary education (Barrett et al., 2005: 6). This compares with 27.3 per cent of the native-born population with a third-level qualification. In a recent report entitled the “Skills Needs in the Irish Economy: the Role of Migration”, prepared by the Expert Group on Future Skills Needs and Forfás to the Minister for Enterprise, Trade and Employment, it is also suggested that “Ireland generally attracts highly skilled immigrants relative to the foreign-born residents of other European countries”. But the pattern of immigration has changed in recent years. FitzGerald (2004) notes that although the bulk of immigration into Ireland, over the 1990s was skilled labour, since 2000 there has been a substantial influx of migrants with work permits for low skilled jobs. This change is important to bear in mind because according to economics literature and as discussed in Chapter 6, skilled migration has quite different effects on the economy and labour market compared with unskilled migration.

## 2.7 Categories of Migrants

As noted above, the 2002 census showed a stock of over 220,000 foreign-born who were usually resident in Ireland. However, lack of detail makes it impossible to break these figures down further (see Chapter 3 for a detailed overview of the channels of regular immigration into Ireland). There are alternate sources for the number of work permits or work visas/authorizations, asylum seekers, refugees and students.

The largest known migrant populations are those entering Ireland for work, either under the freedom of movement enjoyed by EU nationals, or the work permit scheme. In 2004, over 34,000 work permits were issued by DETE to non-EEA nationals. As these permits are issued for one year at a time, over two-thirds of these permits were actually renewals for migrants already employed in Ireland. This is in contrast to the year 2000, when new permits accounted for close to 90 per cent of all permits issued. In addition, unlike labour migration to other EU countries, the majority of recent migrant workers to Ireland are entering sectors that are relatively unskilled. Over 42 per cent of work permits were issued for work

in the service industry, and a further 24 per cent for employment in catering, followed by agriculture and fisheries (11 per cent). A total of 1,317 work visas/authorizations were issued in 2004.

UNHCR estimated that over 7,200 refugees were living in Ireland in 2004, and nearly 3,700 asylum seekers were awaiting determination of their status (UNHCR, 2005). As noted above, the number of people arriving to claim asylum in Ireland increased substantially over the past decade, peaked in 2002 and has fallen since to 4,766 in 2004. Yet more than half fail to attend their first interview with the Refugee Applications Commissioner (DJELR, 2003). It is thought that many go on, or back, to the United Kingdom.

Education Ireland has estimated that there are at least 18,608 international students currently registered at recognized higher education institutions, the vast majority from non-EU countries (Education Ireland, 2004). The European Union accounts for 33 per cent of international students, and the United States for 16 per cent. Other significant sending countries are China (15%) and Malaysia (7%). However, these figures are not thought to be exhaustive, as the government agency relies upon survey responses for institutions, and has noted that foundation colleges, colleges offering awards from other jurisdictions, colleges offering e-learning programmes and colleges offering awards that were neither recognized in Ireland nor internationally, were not included in the estimate. The number of persons arriving in Ireland to study has increased dramatically over the past few years, increasing by 19 per cent between 2003 and 2004 alone (Education Ireland, 2004).

## 2.8 Return Migrants

A considerable proportion of migrants in Ireland are in fact returning Irish nationals. Between 1994 and 1997, there was a net inflow of 16,400 into Ireland, made up of returning migrants and non-Irish immigrants in roughly equal proportions (Barrett, 2002). The figure for returning Irish migrants peaked in 1999 and has been falling in recent years, (OECD, 2004). In addition, some of those migrants classified as foreign-born are the children of returning Irish migrants, (CSO population and migration estimates). It is likely that the proportion of returning Irish migrants will continue to fall as the available “pool” of returning Irish migrants is shrinking (since emigration has fallen), although the size of the Irish diaspora remains large. During the 1980s, highly educated people were more likely to emigrate and therefore it is not surprising that returnees have significantly higher levels of educational attainment and tend to be aged 25-44 rather than 15-25 (Barrett, 2002). Irish research suggests that returning migrants even had higher levels of education on average than the emigrants of the 1980s as a whole (ibid).

Return migration had a number of positive effects on the Irish economy in the 1990s. First, the inflow led to an increased level of GNP, and second, it reduced the wages of skilled workers relative to what they would have been in the absence of immigration. This is due to the fact that many returnees were skilled workers (Barrett, 2002). Third, the earnings of returnees exceeded those of comparable non-migrants, at least for men, suggesting increased human capital and a positive contribution to the Irish economy (Barrett et al., 2002).

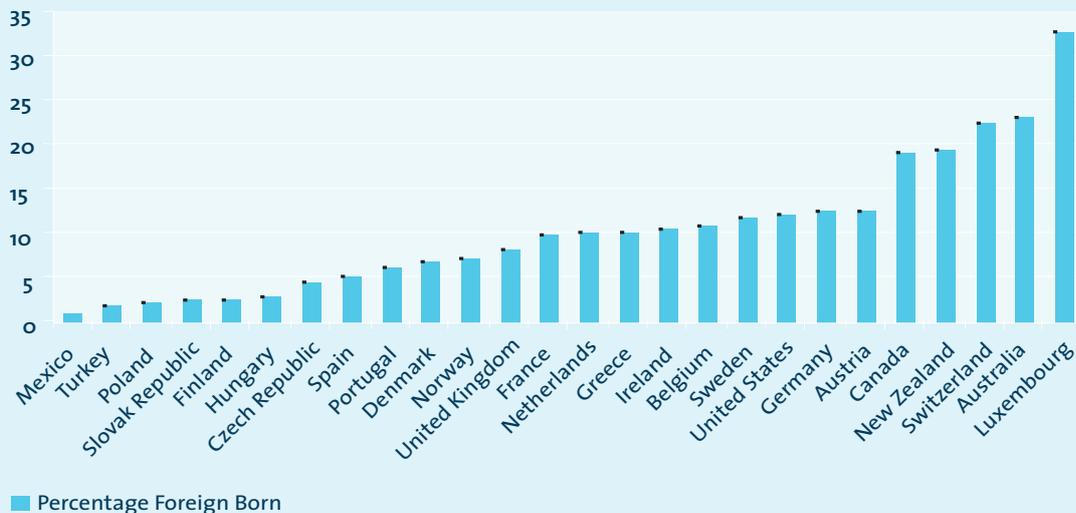
## 2.9 Irregular Migration

From the perspective of destination countries, irregular migration is illegal entry, stay or work in a country, meaning that the migrant does not have the necessary authorization or documents required under immigration regulations to enter, reside or work in a given country (IOM, 2004).<sup>9</sup> Official estimates of the number of irregular migrants in Ireland are lacking, and there is little data on which to base estimates of those irregularly working and residing in Ireland. The Immigrant Council of Ireland has suggested that there are around 15,000 irregular migrants, while an official in DETE suggested that up to 50,000 migrants could be working irregularly in Ireland (NCCRI, 2004). Thus, there is a wide margin of error.

Data on border apprehensions are not publicly available in Ireland, though information is being collected by the GNIB on its border activities. It is difficult, therefore, to estimate the number of migrants entering the country irregularly, and whether they arrive independently or through smugglers and traffickers. Police activities have focused on the known sections of the clandestine population, i.e. whose asylum applications have been rejected, as they are registered with several government agencies and are thus more easily tracked.

As regards human trafficking, in its most recent assessment of organized crime, GNIB referred to the absence of any known trafficking activity in Ireland. Yet, it is believed that Ireland is both a transit and destination country for trafficking, though no research or statistics to support this are available. A 2003 study into the trafficking of unaccompanied minors estimated that approximately 10 per cent of minors coming into Ireland have been the subject of criminal investigation in relation to trafficking or smuggling by adults (Conroy, 2003).

Figure 2.7 Percentage of Foreign-born in Selected OECD Countries



Source OECD 2005

9. It should be noted that there is no clear or universally accepted definition of irregular migration.

## 2.10 Migration to Ireland in an International Context

In terms of absolute numbers, the Republic of Ireland is host to just a small fraction of the estimated 191 million international migrants in the world today (UN, 2006). However, as a proportion the ratio of foreign-born to the local population in Ireland is high compared with other industrialized countries, especially considering that immigration to Ireland began only recently. Though, as noted above, many of these are descendants of earlier emigrants and hold Irish citizenship, Ireland's proportion of 10.4 per cent of foreign-born exceeds that of its neighbour, the United Kingdom (8.3%) and is similar to countries with a longer history of immigration (OECD, 2005). Indeed, the percentage of foreign-born residents in the United States stands at 12.3 per cent, while in Germany it has reached 12.5 per cent.

### 2.10.1 Europe

Europe as a whole, including the European part of the former USSR, is host to over 56 million international migrants, of whom at least 33 million reside in the pre-enlargement EU-15 countries (IOM, 2005). Ireland was the last member of the EU-15 to become a country of net immigration. Despite this, the country has caught up quickly and now has one of the highest immigration rates in the European Union: in 2003, the increase stood at 7.1 migrants per 1,000 of the population, against an EU-15 average of 4.1 (IOM, 2005).

Europe as a whole is facing a demographic challenge characterized by declining fertility rates and a rapidly ageing population, and though migration is not a generally accepted means to offset this trend, it does have implications for the labour force and welfare state in Europe. With the highest fertility rate in the EU-25,<sup>10</sup> Ireland's demographic projections are positive compared with the rest of the region, and the country has less need of migration as a means of replacing the dwindling working-age population. However, as the European Union moves towards agreement on common minimum standards in immigration and asylum, and more EU citizens take advantage of the freedom of movement, the demographic changes across Europe are of increasing relevance to Ireland.

## 2.11 Sharp Increase in Immigration Since EU Enlargement

The number of persons arriving in Ireland following EU enlargement on 1 May 2004 has increased substantially. After 1 May 2004, EU-10 nationals no longer needed a work permit to work in Ireland. While it is not possible to discern exactly how many of these workers were already in Ireland before this date, it is known that 85,114 workers from the new EU-10 were issued with PPS numbers between 1 May 2004 and 30 April 2005. About half of these workers are Polish, 21 per cent are Lithuanian and 11 per cent are Latvian. Most are young – 60 per cent between 18 and 30 – and many are employed in construction, and farming or farm-related industries such as meat processing. This trend is discussed in more detail in the first section of Chapter 3.

10. Ireland has 1.98 children per woman, against a European Union average of 1.48 (Eurostat, 2004). Ireland's fertility rate has dropped from 3.25 in 1980.

## 2.12 Concluding Remarks

Ireland has been a net immigration country since the mid-1990s. A distinctive feature of recent flows has been the rapid growth in the immigration of non-Irish nationals. Immigration also seems to have become more diversified, with migrants originating from a wider range of countries of origin. Nonetheless most of the migrants who have arrived in Ireland during the past decade have come from EU/EEA countries.

Another important trend is that while the bulk of immigration into Ireland over the 1990s was skilled labour, since 2000 there has been a substantial influx in the number of migrants working in less skilled jobs. These trends are important to bear in mind in our later discussion as the social and economic impact of migration is likely to vary according to the scale and composition of the migrant population.

From a policy perspective it is important to bear in mind that there are at least three different categories of migrants, and the policy instruments available to influence these different flows vary. First, there are return migrants who have Irish citizenship and although their arrival has had an important impact on the Irish economy, they are unlikely to have the same needs as non-Irish immigrants, in regards to integration etc. Second, there is a significant number of persons from Central and Eastern Europe, who following EU enlargement, have similar rights to Irish citizens. Since the enlargement of the European Union in 2004, citizens from 25 member states and from the three EEA countries currently have the right to live and work in Ireland. Third, there is a substantial number of non-EU migrants, including migrants from both developed and developing countries. These different groups of immigrants have different socio-economic profiles and work in different sectors of the Irish economy. It is important to bear in mind these differences when discussing the policy implications of recent immigration to Ireland.



# 3

## Current Policy Framework

This chapter outlines Ireland’s current policies for regulating the immigration and employment of non-Irish nationals, with a focus on workers from outside the recently enlarged European Economic Area (EEA<sup>11</sup>). This includes discussions of Ireland’s policies toward EEA nationals, including workers from the new EU member countries; the current channels of immigration and access to the Irish labour market for non-EEA nationals; migrants’ rights and possibilities for securing permanent residence, and current policy developments.

### 3.1 EEA Nationals

As a member of the European Union, Ireland’s labour immigration policies operate an important distinction between persons from within and outside the EEA. EEA nationals enjoy the unrestricted right to migrate and take up employment in Ireland. This means that their numbers, selection – by skill level and nationality, for example – and sector of employment in Ireland cannot be directly influenced by Ireland’s immigration policies. During 2000-2004, EEA nationals constituted almost half of all non-Irish inflows (CSO, Population and Migration Estimates) and almost two-thirds of all non-nationals living in Ireland (CSO, 2002). As a result of EU enlargement and the subsequent sharp increase in migrants arriving in Ireland from the EU-10 accession countries, the bulk of immigrants in Ireland today originate from the European Union.

On 1 May 2004, ten new countries acceded to the European Union.<sup>12</sup> Long before accession day, the EU-15 and the ten accession countries agreed on a “transitional system” allowing previous member states to maintain restrictions on the employment of accession state workers for a maximum of seven years.

The Irish government made one of its most significant labour immigration policy decisions in the context of this EU enlargement in April 2003. Together with the United Kingdom and Sweden, Ireland granted accession state nationals unrestricted access to its labour market immediately upon EU enlargement. This change in legal status and access to the labour market applied to both newcomers (i.e. arrivals after 1 May 2004), and to accession state nationals who had already been resident/working in Ireland before this EU enlargement, either regularly or irregularly. For the latter, 1 May 2004 was, effectively, an amnesty.

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11. The EEA comprises the EU-25 member states plus Norway, Iceland, and Liechtenstein.

12. The ten accession countries are Poland, Lithuania, Latvia, Slovakia, Czech Republic, Hungary, Estonia, Malta, Slovenia and Cyprus.

Data provided by the DSFA indicate that 85,114 nationals from accession countries were issued with PPS numbers between May 2004 and April 2005. This is more than ten times the number of new work permits issued to accession state nationals during the period May 2003 – April 2004. As previously mentioned, about half of the PPS numbers issued to accession state nationals since May 2004 were issued to Polish nationals (48%), followed by Lithuanians (21%), Latvians (11%) and Slovaks (8%).

The available PPS data do not distinguish between newcomers and those accession state nationals who had already been working irregularly in Ireland before 1 May (those working legally simply kept their PPS numbers and are not included in the new figures released by DSFA). However, one may reasonably speculate that a significant number of accession state nationals acquiring PPS numbers since 1 May would have already been irregularly employed in Ireland before that date and used the EU enlargement to regularize their status. This happened in the United Kingdom, where 175,410 accession state nationals registered for work during May 2004 – March 2005, up to one-third of whom may have already been there before 1 May 2004.<sup>13</sup>

The more than 85,000 workers from the new EU member countries who took up legal employment in Ireland during May 2004 – April 2005, either as newcomers or by regularizing their status, constitute over four per cent of Ireland's labour force. This is a significant share, both in absolute terms and relative to the United Kingdom, where the 175,000 workers registering for work between May and December 2004 made up about 0.5 per cent of the labour force.

Based on the evidence available at this point, it could be argued that the number of workers from the new EU member states migrating to take up employment in Ireland and the United Kingdom has been larger than expected.<sup>14</sup> At the same time, however, the widespread fears about the potential abuse by accession state nationals of the Irish and UK social welfare systems have not materialized.

It is difficult to predict the duration of the inflow of accession state nationals into Ireland. So far, there is no indication of a decline in the number of PPS numbers issued to accession state nationals. In April 2005, 9,802 PPS numbers were issued to accession state nationals, the highest monthly number since May 2004. One may, however, speculate with a reasonable degree of confidence, that most of those receiving PPS numbers since January 2005 are newcomers rather than workers who had already been working in Ireland irregularly before 1 May 2004 and who used EU enlargement to regularize their status. In the United Kingdom, the share of workers from the new EU member countries declaring when they register with the Home Office that they had already been in the United Kingdom before 1 May 2004 declined from 46 per cent in May-June 2004 to five per cent in January-March 2005.<sup>15</sup>

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13. In the United Kingdom, a registration scheme for accession state nationals was introduced to monitor inflows. The UK Home Office issues quarterly reports on registration statistics (Accession Monitoring Reports), available at <http://www.homeoffice.gov.uk/>. The May 2005 report suggests that of the 175,410 applicants during April 2004 – March 2005, 19 per cent reported that they had entered the United Kingdom before 1 May 2004, 66 per cent reported that they had entered on or after 1 May, and 15 per cent did not state their arrival date.

14. A study commissioned by the UK Home Office predicted that EU enlargement would lead to an average annual net migration (inflows minus outflows) of 5,000-13,000 accession state nationals for the period up to 2010 (Dustmann et al., 2003). Unlike the British government, the Irish government had not commissioned any studies predicting the likely number of migrants from the new EU member states taking up legal employment in Ireland following EU enlargement.

15. Home Office (May 2005).

## A Common EU Immigration Policy

Though the development of a common EU immigration policy has been discussed for decades, it was only in 1999 that concrete measures were taken. Article 63(3) of the Treaty of Amsterdam directed the Council to adopt measures on immigration policy within five years, in the following areas: “Conditions of entry and residence, standards on procedures for the issue by member states of long-term visas and residence permits, including those for family reunification.” In October 1999, The European Council at Tampere set out an ambitious programme of action based on this legal mandate, within the aegis of the Directorate General of Justice and Home Affairs. The majority of measures agreed since have been minimalist in nature, providing minimum standards for immigration policy, such as the right to family reunification and the status of long-term residents. Little progress has been made towards obligating states to harmonize their migration policies.

This notwithstanding, in November 2004 the European Council published a new five-year work programme (2005-2010; European Council, 2004). Described as a “wish list” rather than a detailed policy agenda (van Selm, 2005), this new timetable focuses on the regulation of migration flows and the control of external EU borders, accepting that “international migration will continue”. The main areas related to migration are regular migration and the fight against irregular employment, integration of third-country nationals (see Chapter 9 for more on EU integration policies), the external dimension of asylum and migration policy (i.e. partnerships with third countries, and countries of origin and transit), and the

management of migration flows (i.e. border control and visa policy).

With respect to regular economic migration, the Council underscored that the determination of the numbers of admissions was a matter for the member states themselves. Legislation at EU level will focus instead on harmonizing common rules and criteria for admission. To this end, the European Commission has been invited to present a policy plan on regular economic migration, with particular emphasis on “admission procedures capable of responding promptly to fluctuating demands for migrant labour” (European Council, 2004), and the Commission published a green paper intended to launch a public discussion on the subject of managing economic migration. The results of this policy debate are to be made public by the end of 2006.

Ireland, along with the United Kingdom, has an “opt-out” agreement regarding all immigration and asylum laws agreed at the EU level.<sup>16</sup> However, the policy direction set out by the European Commission will still have indirect implications for Irish policy regardless of whether they participate in an EU-wide strategy. Many of the questions being considered by the European Commission in its green paper are similar to those faced by the Irish government, such as whether admissions systems should be based on sector shortages or a more flexible green card scheme; how far EU workers should have preference over third-country nationals, and whether migrant mobility should be limited to particular employers or sectors.

16. Ireland can choose to “opt-in” to discussions of tabled proposals, as well as adopt legislation at a later date. In practice, Ireland has opted into most proposals concerning asylum and illegal migration, and opted out of proposals concerning visas, borders and legal migration (Statewatch, 2004).

### 3.2 Channels of Immigration and Access to the Labour Market for Non-EEA Nationals

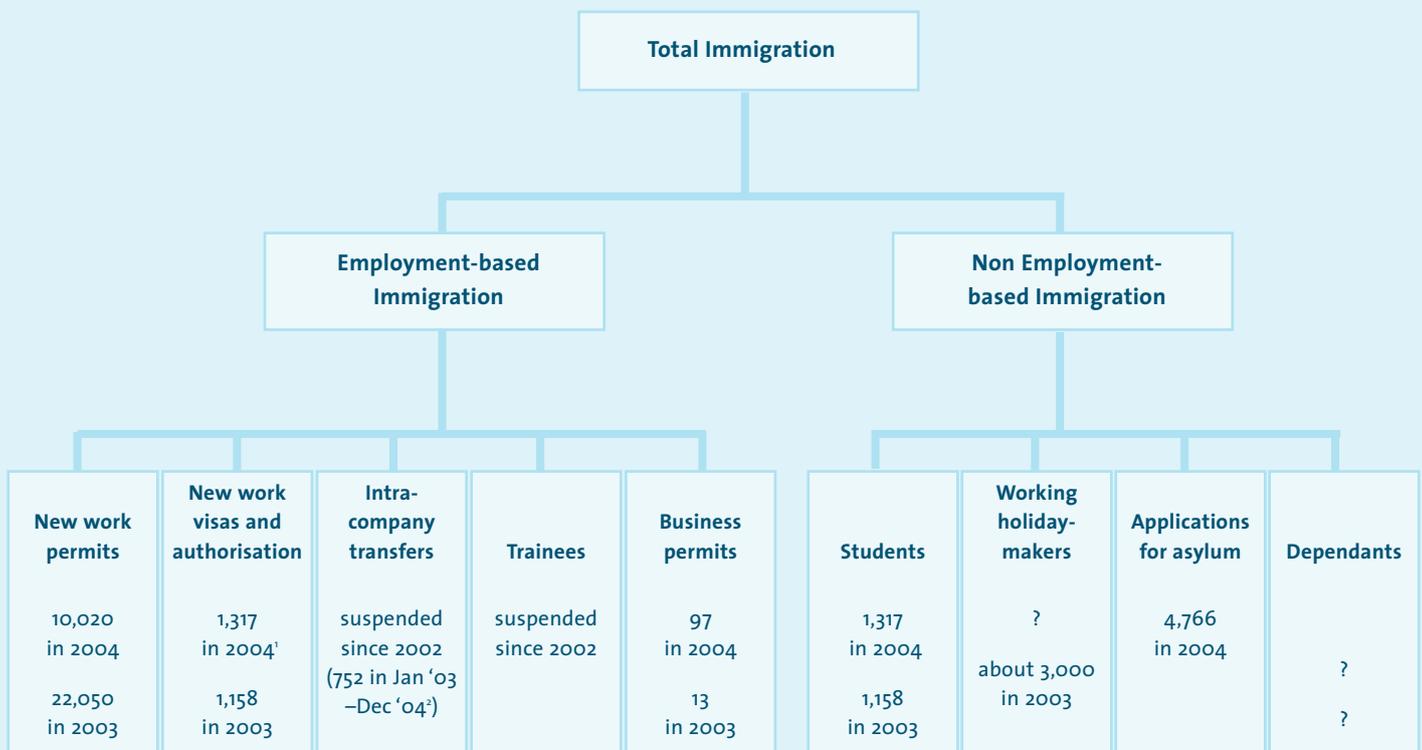
The regular channels of immigration and employment for non-EEA nationals, which Ireland can and does regulate, may be classified into employment-based and non-employment based channels (see Figure 3.1). The term “employment-based” means that the migrant’s primary reason for coming to Ireland is to work. Of course, it is important to add that some of the other, non-employment based channels of immigration may also, either immediately or after some time, facilitate some degree of regular access to the Irish labour market (e.g. some students and all working holiday-makers may work part-time; dependants may be given permission to work, and some asylum seekers may eventually be recognized as refugees and thus be allowed to work). The point is, that in those cases, employment is not meant to be, though in practice it sometimes may well be, the primary reason for migration.

The Employment Permits Act 2003 regulates employment-based immigration. There are four major types of employment permits: work permits, work visas and work authorizations, permits for intra-company transfers, and permits for trainees. In addition, there are separate “business permits” for non-EEA nationals who wish to come to Ireland to set up a business. The major regular channels for non-employment based immigration include students, working holiday-makers, asylum seekers and dependants.

The institutional framework for administering the various modes of entry for non-EEA nationals may involve a number of government departments. Regardless of their channel of immigration into Ireland, all non-EEA nationals must obtain “permission to remain” (residence permit) in Ireland. This is always issued by DJELR. Nevertheless, it is important to realize that other government departments are often actively involved in, and often take the primary responsibility for, determining how many, and for what reasons, non-EEA nationals should be admitted to Ireland. For example, with the exception of working visas/authorizations, which are issued by the DFA, all employment permits are issued and administered by DETE. In these cases of economic migration, the role of DJELR may be described as that of a “gatekeeper” rather than that of the primary government department deciding on the admission of non-EEA workers to Ireland.

The remainder of this section reviews each of the various modes of entry and stay in Ireland, outlined in Figure 3.1, and identifies the associated conditions, if any, that regulate the access by migrant to the Irish labour market.

Figure 3.1 Major Channels of Legal Immigration into Ireland for Non-EEA Nationals\*



Source: DETE, DJELR

Notes: \*Short-term mobility for tourist purposes is excluded.

? Indicates that data are currently not available.

<sup>1</sup> Preliminary data for January–November 2004.

<sup>2</sup> Issued on a concessionary basis.

### 3.2.1 Work Permits

The great majority of non-EEA nationals who have regularly taken up full-time employment in Ireland since the late 1990s were admitted under the work permit system, administered by DETE.

Work permits are valid for a maximum of one year, renewable on an annual basis. They are issued to employers rather than migrant workers, subject to an administrative fee, payable by the employer, of up to EUR 500 per work permit, and are not transferable. A migrant worker employed on a work permit is not allowed to work for any employer other than the one specified on the permit.<sup>17</sup>

17. DETE's Work Permits Information Leaflet explicitly states: "All employees are advised that a work permit will entitle them to work for the specific employer named, and no other, for the duration of the permit. When the permit has expired the employee's permission to work in Ireland has expired". DETE has, nevertheless, taken a flexible approach in processing applications for new work permits that involve a change of employers by a migrant worker who is already employed on a work permit in Ireland. According to DETE, an annual average of about 2,000–3,000 such "transfers" were approved in recent years.

A core element of the work permit system is the “labour market test”. Before applying for a work permit, a local employer needs to first demonstrate that “every effort has been made” to recruit an EEA national. Since January 2002, employers have been required to advertise a job vacancy with FÁS prior to applying for a new work permit for a non-EU national.<sup>18</sup> The vacancy must be registered with FÁS for four weeks and will be broadcast to all major employment databases within the EEA, including EURES, the EU’s “job mobility portal”.<sup>19</sup> If, after four weeks, no suitable EEA worker has been found, FÁS will issue a letter certifying the unavailability of local workers, thus enabling the employer to proceed with an application for a work permit at the DETE.

With regard to regulating the number and selection of migrant workers to be admitted, Ireland’s work permit policies evolved during the course of two distinct policy regimes.<sup>20</sup> Until April 2003, Ireland’s work permit policies were almost entirely “employer-led”. As long as they were prepared to go through the work permit system’s administrative procedure, which included the mandatory labour market test referred to above, local employers were essentially in a position to legally recruit as many non-EEA workers as they wished, from whatever countries they wanted, and to employ them in any job, regardless of the skill level required.

As a result, the number of work permits issued to non-EEA nationals rose dramatically from 5,750 in 1999 to 47,707 in 2003. Furthermore, it is known that approximately three out of every four permits issued in 2002 were for relatively low-skilled and/or low-wage occupations, especially in the service sector.<sup>21</sup> There was also great diversity in the composition of the migrant workforce employed on work permits at that time; in 2000-2003, work permits were issued to nationals from more than 150 countries, with workers from the ten new EU member states accounting for about one-third of all permits issued during that period.

The publication of the Employment Permits Act in April 2003, which facilitated the access for workers from the ten EU accession countries to the Irish labour markets immediately upon EU enlargement, marked the beginning of a more interventionist work permit system in Ireland. The government felt that its liberal policy toward workers from the EU accession countries required a more managed approach to regulate the number and selection of migrant workers to Ireland from outside the enlarged European Union. This was primarily based on the expectation that local employers would be able to fill most of their vacancies after 1 May 2004, from within the enlarged European Union.

First, in April 2003, the DETE and FÁS published a list of occupational categories that became ineligible for work permit purposes.<sup>22</sup> FÁS had identified a sufficient supply of local workers for those occupations, most of which involve low-skilled work.

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<sup>18</sup> Importantly, this requirement does not apply to applications for renewals of existing permits.

<sup>19</sup> See <http://europa.eu.int/eures/>

<sup>20</sup> For a discussion of the evolution of Ireland’s labour immigration policies since the late 1990s, see Ruhs 2005a.

<sup>21</sup> See Ruhs 2003a.

<sup>22</sup> For a current list of ineligible sectors, see [http://www.fas.ie/services\\_to\\_businesses/wp\\_eligible.htm](http://www.fas.ie/services_to_businesses/wp_eligible.htm)

Second, in late 2003, the government began encouraging employers to give preference to workers from the EU accession countries. In November 2003, the DETE started to return applications for new work permits for workers from outside the enlarged European Union whenever workers from the EU accession countries were available to fill the vacancy.

Third, in August 2004, the DETE announced that it would no longer consider applications for new work permits for the employment of non-EEA nationals in low-skilled and/or low-wage occupations. Table 3.1 shows the consequent change in the distribution of job categories for which work permits were issued. From September 2004 to April 2005, 31 per cent of work permits were issued for non-EEA nationals in professional occupations, associate professional and technical occupations, or as managers and administrators. In 2003, the corresponding share was 12 per cent.

Together with EU enlargement, this shift towards a more restrictive and skills-based permit system contributed to a drop in the number of work permits issued from 47,707 in 2003 to 34,067 in 2004. Regarding new permits, at 606, the average monthly number of work permits issued from May 2004 to April 2005 was the lowest since 1999. It is interesting to note, however, that this figure is approximately the same as the average monthly number of new permits issued to workers from outside the enlarged European Union from November 2003 to April 2004. This suggests that the opening of the labour market to accession state nationals on 1 May 2004 may have reduced, though it certainly did not eliminate, employer demand for new work permits for workers from outside the European Union.

### 3.2.2 Work Visas and Work Authorizations

The work visas and work authorizations scheme is intended to be Ireland's "skilled and highly skilled migrant worker programme". It was introduced in 2000 and covers selected jobs in information and computer technologies, construction professionals, and a broad range of medical, health and social care professions, such as including medical practitioners, nurses, speech and language therapists, occupational therapists, radiographers, physiotherapists, social workers and psychologists.<sup>23</sup>

Like work permits, work visas/authorizations are only issued after the worker has secured a job in Ireland. However, they differ from work permits in two important ways. First, work visas/authorizations are valid for two years and may be renewed for another two years. Second, they are issued directly to workers rather than to their employers in Ireland. Holders of work visas/authorizations may freely change employers within the same skills category after arrival in Ireland, as long as they continue to have permission to work and reside in the country. Compared to work permits, the number of work visas and authorizations issued has been quite small: 10,300 during 2000–2004.<sup>24</sup> Of the 1,158 work visas and authorizations issued in 2003, the majority (798) were taken up by registered nurses and other medical staff.

23. For a full list of occupations covered under the working visa and working authorization scheme, see <http://www.entemp.ie/publications/labour/2004/workauthorisation.doc>.

24. 1,317 work visas/authorizations were issued between January and November 2004.

**Table 3.1 New Work Permits Issued to Non-EEA Nationals by Job Category, January 2003–April 2005**

	2003	Jan–Aug 2004	Sept 2004– April 2005
<b>Managers &amp; Administrators</b>	2%	2%	-4%
<b>Professional Occupations</b>	6%	11%	17%
<b>Associate Professional and Technical Occupations</b>	4%	6%	10%
<b>Clerical and Secretarial Occupations</b>	1%	1%	1%
<b>Craft and Related Occupations</b>	16%	15%	15%
<b>Personal and Protective Service Occupations</b>	22%	18%	23%
<b>Sales Occupations</b>	2%	1%	1%
<b>Plant and Machine Operatives</b>	5%	3%	2%
<b>Other Occupations</b>	41%	44%	27%
<b>Total (%)</b>	100%	100%	100%
<b>Total number</b>	<b>21,965</b>	<b>7,438</b>	<b>4,944</b>

Source: Based on work permits data provided by the DETE.

The relatively low number of working visas/authorizations issued may partly be due to insufficient awareness among employers of the programme. In a recent survey of about 1,000 employers in Ireland, only 11 per cent reported having any particular knowledge of the working visa/authorization scheme (Chambers of Commerce of Ireland, 2004).

### 3.2.3 Intra-company Transfers and Trainees

The remaining two employment permit programmes, the programme for trainees and the intra-company transfer scheme, have been indefinitely suspended since late 2002. The suspension was triggered by the DETE's concern over their potential abuse by both companies and workers, in particular, that Irish companies were abusing these schemes to bypass the work permit system and the domestic labour market.

Prior to its suspension, the trainee programme was intended to enable persons coming to Ireland from an overseas company to engage in paid or unpaid training at an Irish-based company. The employment permit for trainees was valid for three years. The intra-company transfer scheme was intended to facilitate the temporary transfer of senior management and key personnel within international companies with offices in Ireland. Persons posted on this scheme were given an employment permit for a maximum period of four years. Their employment was restricted to the company who transferred/seconded the workers to its Ireland office.

Despite the official suspension of the intra-company transfer scheme, the DETE has, on a concessionary basis, issued 752 permits for intra-company transfers during 2003-2004.

#### 3.2.4 Business Permits

Non-EEA nationals who wish to come to Ireland for the sole purpose of setting up a business require a business permit, which is issued by the DJELR. Business permits are valid for one year, and may be renewed for another year. After two years, longer-term permits may be granted. To qualify for a business permit, a number of conditions need to be met, including a minimum capital transfer to Ireland of EUR 300,000 and the creation of at least two new jobs for EEA nationals.<sup>25</sup> In 2004, 97 persons were granted business permits, down from 134 in 2003.

#### 3.2.5 Students

In 2004, there were 21,270 registered non-EEA students in Ireland (about half from China, with most attending English language schools in Ireland).<sup>26</sup> This is a considerable increase over the 11,000 non-EEA nationals studying in Ireland in 2002.<sup>27</sup>

Until recently, all non-EEA nationals who came to Ireland for the purpose of studying, including those who came for short-term English language classes, were entitled to take up casual employment (20 hours part-time work per week, or full-time during vacation periods). Under revised arrangements in force since April 2005, access to casual employment is restricted to students attending a full-time course of at least one year's duration, leading to a qualification recognized by the Minister for Education and Science.

This new measure was introduced in response to increasing anecdotal evidence that some English "language schools" effectively operate as a front to sell visas to non-EEA nationals wishing to migrate and work in Ireland without going through the work permit system. The government intends that the new measures, which bar non-EEA nationals on short-term language courses from working in Ireland, will help to reduce the abuse of the student visas system. It is expected that this will also help and support Ireland's current efforts to further develop its international education market.<sup>28</sup>

25. For a full list of criteria, and a more detailed description of the business permit system, see [www.justice.ie/80256E01003A21A5/vWeb/FlJUSQ5YUK2K-en/\\$File/Business+Permission.pdf](http://www.justice.ie/80256E01003A21A5/vWeb/FlJUSQ5YUK2K-en/$File/Business+Permission.pdf).

26. Data provided by DJELR.

27. This is based on data taken for the Census 2002.

28. In November 2004, an Interdepartmental Working Group made a number of recommendations on, among other things, how to increase the number of non-national students coming to Ireland for study; and how to raise and safeguard the quality of the education services provided to non-national students (Department of Education and Science, 2004).

After completing their studies in Ireland, non-EEA students may apply for a work visa/authorization, but only if their intended employment in Ireland falls within the designated occupations eligible under this scheme. There is no corresponding mechanism for students to acquire a work permit after completion of their studies.

### 3.2.6 Working Holiday-makers

Persons aged 18 to 30 from Australia, Canada, New Zealand and, since January 2005, Hong Kong (SAR), can apply for working holiday visas, enabling them to work casually and to spend an extended holiday in Ireland. A working holiday visa is valid for one year, but bars the holder from working for any one employer for a total of more than three months.<sup>29</sup> Working holiday-makers may, however, apply for a work permit to extend their stay, provided that their employer wishes to retain them. Employers applying for new work permits for working holiday-makers are not subject to the requirement to first check for available EEA nationals. Approximately 3,000 working holiday-maker visas were issued in 2003.<sup>30</sup>

### 3.2.7 Asylum Seekers

The number of persons seeking asylum in Ireland increased dramatically from only 362 in 1994 to 11,634 in 2002, before falling again to 4,766 in 2004. Many attribute the recent decline in asylum applications to two relatively recent policy developments. First, in January 2003 the Supreme Court ruled that non-national parents of children born in Ireland no longer had an automatic right to residence. Second, following a referendum on the issue in early 2004, the government recently removed the constitutional guarantee of citizenship for children born to non-national parents in Ireland (The Irish Nationality and Citizenship Act 2004).

Asylum seekers do not have the right to take up employment in Ireland. If, however, their applications are successful and they are officially recognized as refugees, they acquire full employment and social rights. Between 1995 and 2004, the country officially recognized 6,794 refugees.

### 3.2.8 Dependants

In respect of refugees, for the purpose of family reunion family members are defined to include: the resident's spouse; children aged under 21 and children over 21, if they are dependent on the resident; the spouses of any children of the resident and his/her spouse; dependent parents and grandparents of the resident and his/her spouse, and other dependent relatives in the ascending line of the resident and the spouse. Family members are not defined in Irish immigration law.

Somewhat different rules apply to family members of Irish and other EEA nationals on the one hand, and to family members of non-EEA nationals living in Ireland, on the other. The former are allowed to join their family member in Ireland as long as the person in Ireland is able to support the immigrating family member without recourse to public funds. Non-EEA nationals migrating to Ireland for the purpose of family reunification with an Irish or other EEA national enjoy the unrestricted right to take up employment in Ireland.

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29. See <http://193.178.1.205/services/visa/documents/WorkingHolidayApplication.pdf>.

30. The figure for 2004 is not yet available.

Non-EEA nationals may also join a non-EEA family member in Ireland if they can be supported without recourse to public funds. In contrast to EEA nationals, however, non-EEA nationals who have joined a non-EEA family member in Ireland under the family unification scheme, may only take up employment in Ireland after their prospective employers have secured a work permit for them. A recently introduced special regulation/exception relates to the spouses of selected skilled migrants. Since February 2004, the spouses of researchers, academics and medical professionals employed on work visas/authorizations, or work permits, have been allowed greater ease of access to employment in Ireland by: (i) not requiring their employers to advertise the Job with FÁS prior to filing a work permit application; (ii) accepting applications for jobs in categories that would otherwise be ineligible for work permits, and (iii) exempting the application from the work permit fee. The objective of this policy is to make the employment of non-EEA workers in occupations that suffer from significant labour shortages, especially nurses, more attractive.

### 3.2.9 Irregular Immigration and Irregular Work

Given the geography of Ireland, irregular work by non-EEA nationals, which may follow regular or irregular immigration, is likely to be more pervasive than irregular immigration. For example, some migrant workers may not leave Ireland after their employment permits expire. Similarly, some non-EEA students may choose to work more than the legally allowed 20 hours per week. As already referred to, there is anecdotal evidence that some so-called English “language schools” effectively sell visas to non-EEA nationals without providing any significant education services.

In recent years, Ireland has passed a number of laws aimed at combating irregular immigration. Together, these laws provide a legal basis for the deportation of non-nationals in violation of Ireland’s immigration laws (The Immigration Act 1999); ban the smuggling and trafficking of irregular immigrants (The Illegal Immigrants (Trafficking) Act 2000) and the carrying of a passenger who does not have proper immigration documents (The Immigration Act 2003), and financially penalize or imprison employers and workers who do not comply with the Employment Permits Act 2003. In addition, some state benefits have been restricted to irregular residents (e.g., the payment of rent assistance was restricted in 2003).

Another measure to curb irregular immigration and irregular working has been an increase in the number of deportations, up from 188 in 2000 to 663 in 2004.<sup>31</sup> To facilitate repatriation, Ireland has entered into return agreements with Poland, Nigeria, Romania and Bulgaria, and has also approached IOM to operate voluntary return programmes on its behalf.

The increased level of legislation and deportations suggests that the government is expanding its efforts to combat irregular immigration; however, the lack of reliable data or systematic evidence hamper any assessment of the extent to which Ireland’s current immigration and employment laws are in fact enforced.

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31. Data provided by DJLR.

At the same time, there is no evidence of a serious crackdown on irregular working. As of February 2005, only three employers had been convicted for violating the Employment Permits Act 2003.<sup>32</sup> However, the current low number of convictions does not necessarily imply low compliance with the Employment Permits Act 2003, though it does clearly reduce the incentive of employers to comply.

### 3.3 Migrants' Rights and Possibilities for Securing Permanent Residence

Non-EEA employees are officially entitled to the same full range of statutory employment rights and protections as Irish and other EEA workers. These rights and protections include, among others, the right to minimum wages (cf. the National Minimum Wage Act, 2000) or to the (potentially higher) minimum pay rates specified in the Employment Regulation Orders established by the Joint Labour Committees in selected sectors, and general protection from discrimination based on age, gender, marital status, family status, race, religion, sexual orientation, disability or membership of the travelling community (cf. the Employment Equality Act, 1998).<sup>33</sup> Non-EEA migrant workers are entitled to most of the social rights enjoyed by Irish citizens, including the benefits of Ireland's extensive equality legislation.

One important exception relates to access to social welfare benefits. The Social Welfare (Miscellaneous Provisions) Bill 2004 introduced a "habitual residence" test as a precondition for any person claiming a social assistance payment, including unemployment assistance,<sup>34</sup> and child benefits. The new residence test requires a claimant for social assistance to be "habitually resident" in Ireland or the rest of the Common Travel Area (United Kingdom, Channel Island and the Isle of Man) for a continuous period of at least two years. In addition to duration and continuity of residence, whether or not a person is habitually resident is decided according to employment prospects, reasons for coming to Ireland, future intentions and centre of interest (e.g., family, home connection).<sup>35</sup> (See Chapter 8 for more details of these provisions.)

With regard to permanent residence, the first point to note is that Ireland does not have a permanent immigration programme that grants migrant workers the right to permanent residence immediately upon admission to Ireland. There are, however, two possibilities for non-EEA nationals who are already lawfully employed in Ireland to get permission to stay and work permanently: naturalization (after five years), and application for "permission to remain without condition as to time" (after eight years).

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32. Data provided by the Department of Justice, Equality and Law Reform in March 2005.

33. There is one important exception, Section 37(5) of the Employment Equality Act 1998 exempts employment in private households, e.g. domestic child minders and carers. Note that some of those jobs are excluded from the work permit system since April 2003 (when the list of ineligible occupational categories was introduced).

34. The full list of social assistance payments to which the new residence test applies includes: unemployment assistance, non-contributory old age and blind pension, non-contributory widow(er)'s and orphan's pensions, one parent family payments, carer's allowance, disability allowance and supplementary welfare allowance (other than once-off exceptional and urgent needs payments). Importantly, the residence condition does not apply to social insurance payments such as disability benefit, retirement pensions, and where entitlement is gained by the payment of social insurance contributions.

35. The introduction of the habitual residence tests was thought necessary to secure and protect the social welfare system in light of the anticipated inflow of workers from the accession countries.

### 3.3.1 Naturalization

After five years of legal residence in Ireland (over a period of nine years), migrant workers may apply for Irish citizenship.<sup>36</sup> So far, the number of naturalizations has been quite small. Between 2001 and 2004, a total of 5,387 foreigners acquired Irish citizenship, with the highest number being Pakistani (653), Bosnian (578), Indian (299), Somali (257), Iraqi (229) and Sudanese (200).<sup>37</sup> A breakdown by previous residence/employment status in Ireland is not available, but the above list suggests that the majority of naturalized persons during 2001-2004 would have been recognized refugees. Given that the number of work permits started to increase dramatically in 1999, an imminent significant rise in the number of applications for Irish citizenship from persons who have been employed on employment permits in Ireland for five years or longer may be expected.

It is interesting to note in this context that, according to the DJELR, there is currently a backlog of approximately 9,000 naturalization applications. Extra resources have been deployed to tackle the 24-month processing time. Immigration officials believe that the 184 per cent increase in applications between 2001 and 2004 is likely to further accelerate in the coming years.<sup>38</sup>

### 3.3.2 Permission to Remain without Condition as to Time

Non-nationals who have been legally resident in Ireland for over eight years<sup>39</sup> but have not, for whatever reason, applied for naturalization, may apply for long-term residence in Ireland without condition as to time. Persons granted this permanent residence permission are also exempted from employment permit requirements.

It is important to emphasize that, apart from the unlimited right to reside and the right to work without need of an employment permit, leave to remain without condition as to time does not grant migrants any rights beyond those of non-EEA nationals employed on temporary employment permits. For example, migrants from a country subject to the visa requirement with leave to remain without condition as to time, will still need a visa each time they re-enter Ireland. They can also be refused permission to enter on all the normal grounds (such as insufficient funds). Furthermore, unless migrants can support their families, family reunification will not be allowed.

It may therefore be concluded that the rights and security associated with permission to remain in Ireland without condition as to time, fall well short of the rights enjoyed by Irish citizens, other EEA nationals in Ireland and, more generally, by “immigrants” with permanent residence status in some other immigration countries.<sup>40</sup> This may be presumed to be a major consideration in a migrant’s decisions on the best way of acquiring secure and permanent residence status in Ireland.

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36. As an important exception, legal residence as a student or asylum seeker does not count toward this minimum period of five years.

37. Data provided by the DJELR.

38. Personal communication with official at the DJELR in April 2005.

39. Again, periods of residence in the State for the purpose of study or for the examination of an asylum claim do not count for this purpose.

40. See, for example, the rights associated with permanent immigrant status in Canada (see <http://www.cic.gc.ca/english/newcomer/guide/section-09.html>).

### 3.4 Current Policy Proposals and Developments

Ireland's transformation into a country of immigration has been both recent and extremely rapid. In response to the new phenomenon of significant immigration and employment of non-Irish nationals, immigration policies had to evolve very rapidly. As a result, it is widely agreed that most of Ireland's current policy framework for immigration may be seen as rather piecemeal.

The Irish government is in the process of formulating a more comprehensive and managed approach. This is borne out by five current policy proposals/developments: (i) the recently announced creation of the INIS; (ii) the recent publication by the DJELR of a discussion paper which outlines policy proposals on a comprehensive Immigration and Residence Bill, expected to be introduced later this year (2005); (iii) current work by the DETE on a new Employment Permits Bill, which is also expected before the end of 2005; (iv) current work on reviewing the Employment Agencies Act 1971, and (v) efforts to strengthen the work of the Labour Inspectorate.

#### 3.4.1 Creation of the Irish Naturalisation and Immigration Service (INIS)

In March 2005, the Irish government announced the establishment of INIS, a new executive office within DJELR. According to the DJELR, INIS will provide "a single contact point or "one-stop shop" for applications for entry to the State, combining the current work permit and visa application processes".<sup>41</sup> It is proposed that INIS will achieve this through, among other things, a virtual link between the work permit system at DETE. If this can indeed be implemented, INIS may be expected to be instrumental in streamlining and coordinating current systems for obtaining work permits (issued by DETE) and visas (issued by DJELR). However, it is important to emphasize that, as currently proposed, the creation of INIS will not automatically lead to any substantive policy changes on economic immigration, which remains in the domain of DETE.

#### 3.4.2 Preparation of a new Immigration and Residence Bill

In April 2005, DJELR published a discussion paper outlining a number of policy proposals for a comprehensive new Immigration and Residence Bill. The purpose of the discussion paper is to present an assessment of the requirement of the proposed Immigration and Residence Bill without, however, setting out in detail the legislative provisions proposed.

The key policy proposals outlined in DJELR's discussion paper are summarized below.<sup>42</sup>

- ◆ A new legislative basis for the visa system, improvements in customer service, and a review of the need for re-entry visas by those with a valid Irish residence permit.
- ◆ A review of existing border control legislative provisions to ensure their effectiveness, the use of biometric data in border controls and the provision of improved facilities for immigration control in airports and ports.

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41. See Press release by DJELR, 1 March 2005.

42. The bullet points are taken directly from the DJELR press release of 12 April 2005.

- ◆ Clearer admission procedures of migrants for a variety of purposes, including employment and self-employment, studies, family reunification and other purposes.
- ◆ The use of residence permits to establish entitlements to public services and the introduction of a new long-term resident status for those already legally resident for more than five years in the country.
- ◆ Cooperation and coordination across the public service to combat irregular immigration and people trafficking and smuggling.
- ◆ A single procedure for the consideration of asylum and other protection claims, and an accelerated procedure for the removal of those irregularly present in the country.
- ◆ Improved customer service and new administrative arrangements in INIS.

With regard to regulating economic immigration, the discussion paper suggests that legislation should “provide powers for the Minister (or the Minister of Enterprise, Trade and Employment, as appropriate) to set out in secondary legislation schemes for economic migration” (DJELR, 2005: 15).<sup>43</sup> It does, however, make a number of proposals on economic immigration, including: the creation of a permanent migration system, with a primary focus on attracting skilled people to Ireland; a fast-track scheme of temporary skilled migration based on sponsorship by the employers, and the strengthening of employer sanctions.

With regard to creating permanent immigration channels, the discussion paper also proposes that the Minister (of DJELR) should have the power to regulate entry through a variety of measures, including, for example, quotas and a points system.

### 3.4.3 Preparation of a new Employment Permits Bill

DETE is currently preparing a new Employment Permits Bill. Its primary purpose is to codify and create a statutory basis for the current administrative practices of regulating labour immigration through the employment permits system. The bill is also expected to include enabling powers for the Minister (of DETE) to implement a range of policies necessary to regulate labour immigration to Ireland. This includes the introduction of “a ‘green-card’ type system for highly skilled migrant workers”.<sup>44</sup>

In a related development, following the recommendation for a skills-based immigration policy made in the Enterprise Action Plan published in March 2005, Forfás and the Expert Group for Future Skills Needs are currently engaged in research on labour shortages and the types of skills for which employment permits should be issued in the future. This report, expected in mid-2005, will form the basis of a separate policy paper to be published subsequently by DETE.<sup>45</sup>

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43. The discussion paper also explicitly states that that “economic migration policy is a matter for the Minister for Enterprise, Trade and Employment”, and the Immigration and Residence Legislation should be fully consistent with the Employment Permit Legislation” (DJELR, 2005: 15).

44. Statement by Minister Micheál Martin to Seanad Éireann on 14 March 2005.

45. Ibid.

### 3.4.4 Review of the Employment Agency Act 1971

In May 2004, DETE published a discussion paper reviewing Ireland's Employment Agency Act 1971.<sup>46</sup> The review was motivated by the fact that the Employment Agency Act 1971 was enacted mainly to protect Irish emigrants going to the United Kingdom from potential abuses by employment agencies. Ireland's transformation into a country of net immigration obviously raised new issues that need to be considered in the regulation of employment agencies.<sup>47</sup>

DETE is currently preparing a policy paper dealing with employment agencies.<sup>48</sup> This paper will launch a second round of public consultations. According to DETE, a new bill dealing with employment agencies is expected to be published by the end of 2005. DETE considers that in the future:<sup>49</sup>

- ◆ Employment agencies will be required to register with DETE, rather than being licensed as at present. Overseas agencies supplying workers to work in Ireland will also be required to register with DETE.
- ◆ Employment agencies will be required to adhere to the terms of a Statutory Code of Practice which will set out in detail the practices and standards to be followed by agencies.

A Statutory Monitoring and Advisory Committee will be established, representing the various interests in the sector. This committee will oversee the code and make recommendations to the Minister for Labour Affairs in relation to revoking or suspending registration and/or the prosecution of agencies in breach of the code.

- ◆ Any employer who recruits a worker from an unregistered agency, either from Ireland or overseas, will be committing an offence and be liable to prosecution.

### 3.4.5 Efforts to Strengthen the Work of the Labour Inspectorate

The Minister for Enterprise, Trade and Employment recently increased the number of labour inspectors from 17 to 31, mainly in response to recent allegations of abuse of migrant workers employed by the Turkish construction company Gama. According to DETE, the additional inspectors will "concentrate their efforts on issues of concern to migrant workers".<sup>50</sup>

The increase in labour inspectors also follows an internal report produced by the Labour Inspectorate, which was leaked and reported in the *Irish Times*, on the measures necessary to make the Labour Inspectorate operate more effectively. As reported in the *Irish Times*, the Labour Inspectorate suggested, among other things, to raise the number of labour inspectors to between 38 and 51.<sup>51</sup>

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46. See Review of the Employment Agency Act 1971, Discussion Paper by the Department of Enterprise, Trade and Employment, May 2004 (downloadable at [www.entemp.ie](http://www.entemp.ie)).

47. In this context, consideration of the draft EU Directive on temporary agency workers was also agreed to be important.

48. Speech by Mr Sean Power T.D, Minister of State at the Department of Health and Children, to the National Recruitment Federation's Annual Conference, 7 April 2004 (downloadable at [www.entemp.ie](http://www.entemp.ie)).

49. The bullet points are taken directly from Sean Power's speech to the National Recruitment Federation's Annual Conference, 7 April 2004.

50. DETE press release, 12 April 2005.

51. "Labour inspectorate condemns lack of resources", *Irish Times*, 8 April 2005.

## 3.5 Evaluation of the Regulatory Framework

This section discusses some of the major strengths and weaknesses of Ireland's policies and regulations for managing labour immigration from outside the EEA. The regulatory framework is assessed with a view to the potential interests of both Ireland and migrants.

### 3.5.1 The Interests of Ireland

The impacts of immigration on the host country are multifaceted and interrelated. This means that the identification of the “immigration needs” of the Irish economy and society could be based on a range of economic considerations, such as the role of immigration in sustaining economic growth, as well as non-economic factors, such as the impact of immigration on social cohesion and national identity. In the end, the definition of Ireland's interests with regard to labour immigration must derive from a discussion among the Irish public and policy makers about the desirable objectives of Ireland's labour immigration policies.<sup>52</sup> Therefore, rather than attempting an overall and definitive evaluation, the discussion below identifies some of the major strengths and weaknesses that could potentially affect Ireland's interests with regard to the immigration and employment of non-EEA nationals.

### 3.5.2 Providing Employers with Flexible Access to Migrant Workers

Ireland's overall policy framework for regulating labour immigration since the late 1990s may be described as a flexible system that has given employers relatively easy access to a large pool of non-Irish workers of all skill levels. As discussed in Chapter 3, up to 2003, this access was facilitated through an employer-led work permit system that was very liberal with regard to regulating the admission and selection of non-EEA workers. Since the recent EU enlargement, local employers have enjoyed unrestricted access to workers from the new EU member states, who can now be employed without work permits. Employers in Ireland can also continue to use the work permit system and the work visa/authorization programme, neither of which is subject to quotas, to employ non-EEA workers for skilled and highly skilled jobs. To what extent the recent exclusion of low-skilled jobs from the work permit system affects employers' access to workers willing to do accept such jobs is an important question that will be discussed in more detail in Chapter 7.

The current immigration system's flexibility and responsiveness to employer demand for migrant labour has undoubtedly generated benefits for individual employers and the Irish economy overall. For instance, it is widely agreed that with the domestic labour pool drying up, immigration has played a critical role in meeting significant labour shortages at both the high and low-skill labour market segments. This has clearly helped maintain Ireland's rapid economic growth since the mid-1990s.<sup>53</sup> Immigration is also considered a key requirement to maintaining high levels of economic growth in the future.<sup>54</sup>

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52. The key issues to be considered in the choice of policy objectives are discussed in Chapter 7.

53. See, for example, Bergin and Kearney (2004).

54. See, for example, FitzGerald (2004).

It is also possible, although perhaps less clear, that Ireland's openness to admitting migrant workers for employment in a variety of jobs, including low-skill labour, has helped avoid the large-scale irregular immigration and/or irregular working of migrants experienced in, for example, the United States and, to some extent, also in the United Kingdom. It is clear that in the United Kingdom the absence of significant labour immigration programmes allowing the employment of migrants in low-skilled occupations has been a significant factor leading to irregular immigration and irregular working of migrants, especially in low-skilled jobs.<sup>55</sup> At the same time, it should be acknowledged that the causal linkages between opportunities for regular immigration, irregular immigration and irregular working remain contested. For example, the Bracero Programme, the guest worker programme implemented by the US government during 1942-1964 to recruit Mexican farm labour, is widely considered to have been one of the primary factors in the emergence of a large pool of irregular migrant workers in the United States.<sup>56</sup>

### 3.5.3 Few Safeguards for the Employment Prospects of Local Workers

Ireland's policies to manage labour migration were designed in the context of a rapidly growing economy and a significant demand for migrant labour. As a result, there was little concern about distributional issues, such as the potentially adverse impact of immigration on the employment prospects of local (i.e., Irish and other EEA) workers. This is partly reflected, for example, in the continuing toleration of the failure of the labour market test, i.e. the mandatory requirement for local employers to search for local workers before making a work permit application for a non-EEA national.

In late 2002, FÁS carried out an internal comparative analysis of the available data on the potential labour supply (including the number of people on the Live Register and others registered with FÁS for the purpose of finding employment), vacancies notified with FÁS, and work permits issued across the various occupations. The striking finding of this analysis was that, in late 2002, the majority of work permits had been issued for work in unskilled occupations for which there appeared to be a sizeable supply of local labour.<sup>57</sup>

Although there is no evidence at present that immigration is lowering wages or raising unemployment for local workers during the current economic boom, the potential for immigration to generate adverse labour market impacts is likely to increase significantly during an economic downturn. Although currently no such economic downturn is expected in Ireland, the rapid economic growth that Ireland has experienced over the past few years cannot be presumed to continue indefinitely. The lack of effective policies and thinking to protect the employment prospects of local workers in a less favourable economic environment is, therefore, a serious weakness in Ireland's current labour immigration system.

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55. In 2003, the United Kingdom issued about 130,000 work permits for skilled and highly skilled workers but only about 40,000 work permits for employment in selected low-skill occupations and sectors.

56. See the discussion in Martin and Teitelbaum (2001).

57. Information based on personal communication with official at FÁS in 2004.

#### 3.5.4 Lack of a Permanent Immigration Programme

The lack of a permanent immigration programme that could be used for “direct entry” of newcomers, and to acquire secure “permanent immigrant” status for migrant workers already employed in Ireland on temporary work permits, is problematic for a number of reasons.

First, the offer of a temporary employment permit with no opportunity to gain secure permanent residence status other than through naturalization may be a serious obstacle to attracting skilled and highly skilled workers to Ireland. In today’s globalized labour markets for highly skilled workers, the conditions offered are known to be an important factor in a migrant’s choice of destination. This has recently been illustrated by the failure of Germany’s “green card” programme, which offered a strictly limited five-year work permit to attract significant numbers of highly skilled migrants. It is likely that the effective recruitment of foreign talent requires the offer of secure permanent residence immediately, or at least very soon, after arrival.

Second, the lack of possibilities for migrants already in the country to acquire secure permanent immigrant status other than through citizenship puts pressure on the naturalization system. As discussed in section two, there is currently a backlog of 9,000 applications for citizenship, many from migrant workers already employed in Ireland on temporary work permits for more than five years. The lack of a permanent residence programme might also be seen as debasing the meaning of naturalization, as some migrant workers may simply resort to it as a means of gaining permanent residence in Ireland, rather than as the significant process of identifying with a new country that it is intended to be.

Third, a permanent immigration programme is needed to ensure that Ireland’s work permit policies avoid the policy mistakes made by past guest worker programmes, particularly the presumption that migrant workers are essentially available on tap, i.e., that their numbers could be increased or decreased as a simple function of the economic needs of the receiving country. It needs to be recognized that some migrant workers entering Ireland under the temporary work permit system may seek permission to remain in Ireland on a permanent basis. This demonstrates the need for transparent mechanisms and rules for a regulated and conditional (i.e. non-automatic) transfer into other and upgraded programmes granting permanent residence status to some foreign workers under certain conditions.

#### 3.5.5 Enforcement Challenges

As of February 2005, only three employers had been convicted for violating the Employment Permits Act 2003. The failure to effectively prosecute employers who illegally employ migrant workers is widely agreed to be one of the most important factors leading to irregular immigration and irregular work and, as a potential consequence, to the failure of labour immigration policies. This is because, in contrast to all other immigration control policies, employer sanctions serve the

important purpose of addressing the demand for irregular migrant workers. In the absence of appropriate policies to minimize demand, the policies aimed at minimizing supply (border control, deportations) are likely to be much less effective than they could be.<sup>58</sup>

There is also anecdotal evidence supporting the view that Ireland's extensive equality and employment legislation does not always translate into the effective protection of and respect for migrants' employment conditions in practice. Apart from the obvious adverse consequences for migrants, low levels of enforcement of employment laws and regulations could also harm Irish interests. For instance, it could put local workers at a disadvantage by undercutting local wages and employment conditions unacceptable to local workers. Whatever the economic circumstances, the violation of minimum employment conditions increases the risk that the employment of migrant workers will adversely impact the employment prospects of local workers.

### 3.5.6 Lack of Overall Policy Coordination and Consistency

Given the recent and rapid increase in the number of non-Irish workers arriving in Ireland, labour immigration policies had to be developed in a very short period of time. As a result, the overall policy framework for managing labour immigration has been designed in a piecemeal rather than in a coordinated and consistent manner. For example, although a number of different departments are involved in regulating the admission and employment of migrant labour, there is currently no permanent interdepartmental committee or working group on migration. Besides, despite its declared objective to facilitate the temporary immigration and employment of non-EEA nationals, the current work permit system includes no policies to encourage migrants to return once their temporary work permits have expired. Instead, migrants employed on temporary work permits for over five years are eligible to apply for citizenship without having to fulfil any economic criteria. Ireland's current temporary work permit policies are thus effectively a first step toward permanent residence status through naturalization. While this is not necessarily undesirable, it does beg the question whether the objective of the work permit system is to facilitate temporary or permanent immigration, or a mixture of both.

### 3.5.7 The Interests of Migrants

Migration can affect migrants in many ways. Just as in relation to the national interests of home or host countries, a migrant's interests are likely to include a range of economic and other considerations. At the risk of oversimplification, it is useful to make a broad distinction between the impacts of Ireland's current labour immigration policies on migrants' economic welfare, i.e., their income and employment prospects, and migrants' rights.

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<sup>58</sup>. For a discussion of this argument for the case of the United States of America, see Cornelius (2004).

### 3.5.8 Financial Gains from Good Access to the Irish Labour Market

Until recently, Ireland's labour immigration policies made it relatively easy for non-EEA nationals to access the Irish labour market. Until 2003, the work permit system was effectively open to non-EEA nationals of all skill levels, to be employed in almost any job in Ireland. Since then, the labour market access of workers from outside the enlarged European Union (especially those seeking employment in low-skilled jobs in Ireland) has been more restricted. At the same time, the access for workers from the new EU member countries has been further liberalized by removing all restrictions on their immigration and employment in Ireland.

To be sure, not all migration stories are economic success stories and migrant workers may sometimes become victims of discrimination and/or exploitation in the workplace. Recent research has also shown that the educational attainment and skills of migrant workers are often significantly above those required by the work they are doing in Ireland.<sup>59</sup> Nevertheless, it is reasonable to generalize that, in the majority of cases, employment in Ireland leads to a financial gain for migrants, which may otherwise have not materialized if the worker had remained at home. Even when employment in Ireland is at or near the minimum wage, and in jobs that do not reflect the migrant's educational attainment and skills, the wages earned by migrant workers are still likely to be significantly higher than, and in some cases multiples of, the wages they would earn in their countries of origin.

Unfortunately, there is currently no systematic evidence regarding the incomes of migrants in Ireland. The only available study on this subject is based on information provided by employers in the work permit application form.<sup>60</sup> This form requires employers to specify the gross weekly pay offered to migrant workers. There is, of course, no guarantee that migrant workers actually receive those wages in practice.

The study found that, in 2002, the average gross weekly pay offered to migrant workers employed on work permits was EUR 423.61. However, there were significant variations across occupations and economic sectors. Data on weekly pay by occupation suggest that the highest paid work permit holders are active in associate professional and technical occupations (EUR 1,033 per week in 2002), followed by professional occupations (EUR 933) and managers and administrators (EUR 556). The lowest pay for work permit holders were found in sales occupations (EUR 304 per week), other (unskilled) occupations (EUR 336) and personal and protective service occupations (EUR 383).

It may be concluded that Ireland's labour immigration policies since the late 1990s have by and large benefited migrants by providing them relatively good access to the Irish labour market, which, in turn, has enabled migrants to financially better themselves and their families. However, the recent exclusion of low-skilled jobs from the work permit system means that the financial benefits from employment in Ireland are now available only to those non-EEA nationals with the qualifications to take up skilled and highly skilled employment.

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59. See Minns (2005) and Barrett, Bergin and Duffy (2005).

60. See Ruhs (2003a). This study contains a detailed descriptive analysis of work permit data for 1999 to March 2003.

### 3.5.9 Potential Personal Costs from Violations of Migrants' Rights

Based on their change of location and legal status (from citizens in their countries of origin to third-country migrants in the host country), migrant workers necessarily experience a change in the range and scope of their legal rights and obligations. One of the most frequently discussed restrictions is that a migrant worker employed on a temporary work permit in Ireland is only allowed to work for the employer specified on the permit, thus restricting the migrant's right to freedom of movement in the labour market.

In addition to the official restrictions of migrants' rights imposed by the current regulatory framework for managing labour immigration, there may be other irregular restrictions of migrants' rights and employment conditions. Although there is no systematic evidence, NGOs, trade unions and some elements of the public media have persistently reported on alleged violations of migrant workers' rights, especially concerning minimum wages and employment conditions of migrant workers employed under the work permit system.<sup>61</sup> A number of high profile cases have been made public recently, including those of Gama, a Turkish construction company accused of paying its Turkish migrant workers less than Irish workers, and Irish Ferries, accused of paying a Filipina worker EUR 1 per hour.<sup>62</sup>

Such unlawful restrictions and violations of migrant workers' rights may have a number of causes. For instance, the requirement that migrants work for the employer specified on the work permit only, the current work permit system may make it difficult for some migrants to escape unsatisfactory working conditions. The problem may be exacerbated by some employers' illegal practices of retaining migrant workers' passports and by the provision of "tied accommodation", i.e., accommodation provided by the employer to their migrant workers on the condition that, and as long as, the migrant continues to work for that particular employer. This may lead to employers gaining excessive control over migrant workers, which they would not be able to exercise over local workers, and thus potentially lead to exploitation.

It is important to emphasize that the information currently available is insufficient to draw from conclusions on the extent to which the extensive rights and protections offered to migrant workers under Ireland's equality legislation are in fact implemented and enforced in practice. In the absence of systematic evidence, the suggestion of fairly widespread exploitation of migrant workers can be neither confirmed nor refuted. What can be said, based on the anecdotal evidence, is that at least some migrant workers employed in Ireland do experience restrictions of their rights that go beyond those officially imposed by Ireland's labour immigration policies.

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61. See, for example, ICI (2004 and 2003), MRCI (2004), Grabowska (2003) and Conroy and Brennan (2003).

62. These cases attracted extensive media coverage in early 2005. See also the DETE press release "Statement by Minister Micheál Martin to Seanad Éireann in Relation to Rights of Migrant Workers", 12 April 2005.

### 3.6 Concluding Remarks

The discussion above suggests that Ireland's labour immigration policies may have presented some migrant workers in Ireland with a trade-off in outcomes: on the one hand, migrants have reaped financial gains resulting from their access to the Irish labour market, while, on the other, employment in Ireland also meant official restrictions of some of their rights and, in some cases, the disregard of their employment conditions. The extent to which the restriction of their rights and the violations of their employment conditions entail personal costs for migrants will vary between different migrants (and their employers). The trade-off between migrants' rights and financial gains from employment in Ireland is a potential one; whether and to what extent it occurs in practice is an important question for empirical research.

It is also important to recognize that migrant workers with few or no other opportunities to economically better themselves and their families are likely to accept at least some restrictions of their rights in return for improved access to the labour market in Ireland or any other high-income country. In fact, given the wide income inequalities between developed and developing countries, migrant workers may sometimes be willing to trade economic gains for restrictions of personal rights and freedoms to a degree that would normally be considered unacceptable in most liberal democracies. Two extreme examples concern migrant workers from developing countries who choose to migrate temporarily to the oil-rich Persian Gulf states and Singapore despite the grave restrictions of many of their labour and other rights while employed there.

# 4

## Migration Determinants and Projecting Need

This section deals with projections of demand for and supply of labour in Ireland in the medium term, focusing on factors motivating migration in general and to Ireland in particular. We discuss the demand for labour as well as the capacity to expand the Irish labour force in terms of numbers, skills, and hours worked to fill Irish jobs.

#### 4.1 Overview

Historically, Ireland has been a classic country of emigration. The 1841 census recorded 6.5 million residents in the counties that today constitute Ireland. Emigration helped to reduce the number to 5.1 million in 1851, 4.4 million in 1861, 3.2 million in 1901, and a low of 2.8 million in 1961. In 2004, the Irish population was four million, with an estimated three million Irish citizens abroad, most in the United Kingdom and the United States; this diaspora included 1.2 million persons born in Ireland. Ireland's migration turning point, after which inflows (including returning Irish citizens) exceeded outflows occurred in 1996.<sup>63</sup>

Between 1991 and 2004, the Irish labour force increased by an average 43,500 a year, rising from 1.35 million to 1.95 million. This growth included an average 16,700 net migrants, two-thirds of whom were in the labour force. Migrants (including returned Irish) contributed 26 per cent to labour force growth over the past decade, which was also marked by rising female labour force participation and falling unemployment (CSO, 2004: 29, 31).

In 2004, there were almost 1.9 million employed workers and 87,000 unemployed, for an unemployment rate of 4.4 per cent (Table 4.1). Employment is projected to rise by 45,000 in 2005 and by 22,000 in 2006, with the unemployment rate stable. This additional employment is projected to be concentrated in two sectors: construction, adding 11,000 jobs in 2005, and services, adding 33,000.

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63. Fitzgerald (2004, 11) emphasizes that, although "emigration may still be part of the experience of up to a third of each generation," contemporary Irish emigrants are seen as "homing pigeons" likely to return, with their experience abroad increasing their incomes in Ireland over what they would have been if they had not gone abroad.

**Table 4.1 Ireland: Employment and Unemployment by Sector 2004–2006**

Annual averages	2004	2005*	2006	2004 Distribution
<b>Agriculture</b>	117	115	113	6%
<b>Construction</b>	214	225	225	11%
<b>Industry</b>	301	305	305	16%
<b>Services</b>	1,232	1,265	1,289	66%
<b>Total</b>	1,865	-1,910	1,932	100%
<b>Unemployed</b>	87	85	88	
<b>Labour Force</b>	1,952	1,995	2,020	
<b>Unemployment Rate %</b>	4.4	4.3	4.4	

Source: FÁS Labour Market Quarterly Report 2005 [www.fas.ie/information\\_and\\_publications/publications/index.html](http://www.fas.ie/information_and_publications/publications/index.html)  
 \*Data for 2005 and 2006 are projecte.

The Irish population is projected to be 4.2 million in 2006. In making projections of the Irish population and labour force after 2006, the CSO developed two assumptions about immigration, both of which anticipate declines from the current 30,000 net migrants a year<sup>64</sup> (Table 4.2). In both cases, the Irish population grows, from 4.2 million in 2005 to 4.8 million in 2016 and 5.7 million in 2036 under M1, and from 4.2 million to 4.6 million and to 5.1 million under M2, using the middle F2 fertility assumption of 1.85 babies per woman under both scenarios (CSO, 2004: 32).

Under the higher M1 migration assumption, the 15-64 age group would rise from 2.6 million in 2001 to 3.2 million in 2016; under M2, it would rise to 3 million. Under the higher M1 assumption, the Irish labour force is projected to increase by 38,000 a year, versus 29,000 a year under the lower M2 assumption. This means that, under both migration assumptions, labour force growth will slow because much of the 1991-2004 labour force growth was due to Irish women raising their labour force participation rates, a one-time event. The difference between the higher M1 and the lower M2 migration assumptions results in a difference of 100,000 in the size of the labour force in 2016.

Ireland's labour force could be larger or smaller than the CSO assumes because government policies can affect the size of the labour force directly and indirectly. Most governments encourage citizens to work and to ensure that sufficient decent jobs are available to them, and supply can influence demand if government undertakes projects that create jobs to ensure that otherwise unemployed

64. M1 assumes 30,000 immigrants a year between 2006 and 2016, then 20,000 a year to 2025, and 15,000 a year after 2026. M2 drops from 30,000 to 20,000 immigrants per year in 2006, to 10,000 in 2011, and to 5,000 after 2016.

Table 4.2 Irish Labour Force, 1991–2016

	Ave Annual Net Migration	Ave Annual Migrant Labour Force	Ave Annual Labour Force Increase	Migration Share
<b>1991–2004</b>	16,700	11,139	43,500	26%
<b>2004–2016 Projections</b>				
<b>No Migration</b>	0		16,900	0%
<b>M1 High</b>	30,000	20,010	37,800	53%
<b>M2 Low</b>	17,500	11,673	29,200	40%

Assumes that 2/3 of migrants join the labour force.  
Source CSO, 2004, 31

workers have jobs. The demand for labour is derived from the demand for output, and the government can influence the demand for output by e.g., running deficits to finance projects that create jobs or running surpluses to remove buying power from the economy. Ireland has ceded control of monetary policy to the European Central Bank, otherwise, it could adjust devalue its currency to bolster exports and job creation or vice versa.

If we begin with the supply of labour, the number of workers seeking jobs reflects government policy decisions. For example, if Ireland continues to permit EU-10 nationals to enter and work, the Irish labour force could grow faster than assumed by the CSO, and faster still if non-EU foreigners are granted work permits.<sup>65</sup> Policies such as those on (minimum) wages, unemployment benefits, and education and pensions also affect the size and growth of the labour force, so that the potential sources of labour listed below are subject to at least some degree of government control:

- ◆ Irish residents who are unemployed or not in the labour force;
- ◆ Irish citizens outside Ireland who could return and work;
- ◆ EU-15 nationals who may want to move to Ireland;
- ◆ EU-10 nationals who may want to move to Ireland, but whose employment can be restricted until 2011; and
- ◆ Non-EEA nationals inside or outside of Ireland.

65. Most non-EEA migrant workers arrive with renewable one-year work permits issued by DETE to the migrant's Irish employer after a test of the Irish labour market to ensure that the migrants are needed. The number of new work permits issued rose from about 4,600 in 1999 to a peak 30,000 in 2001, and then fell to 10,900 in 2004 when EU-10 nationals were no longer required to have work permits. An additional 1,158 work authorizations were issued in 2003, primarily to nurses who are given two-year authorizations to work for any e.g., hospital employer. The Employment Permits Act of 2003 as well as separate administrative decisions made it harder to get work permits for unskilled EEA workers.

DETE suspended the trainee programme at the end of 2002, which allowed foreigners to engage in paid or unpaid training at an Irish firm for up to three years, as well as the intra-company transfer scheme, which allowed transfers to Irish offices of the same firm for up to four years, for fear that recruitment agencies were abusing these programs (Ruhs, 2005: 12. There were some exceptions made to the intra-company transfer stop). Non-EEA nationals who invest at least EUR 300,000 and create at least two new jobs in Ireland for EEA nationals can receive renewable one-year permits that can eventually be converted to permanent residence permits

The demand for labour is derived from the demand for output, which reflects conditions in Ireland and abroad. Forecasts for industrial countries usually begin with predictions of economic and productivity growth to project aggregate employment as well as employment by industry and occupation. The ESRI Medium Term Review 2003-10, for example, forecast that employment would rise from about 1.8 million in 2005 to 2 million in 2010, that the unemployment rate would fall slightly, and that net migration would be about 20,000 a year.<sup>66</sup>

These projections underestimated employment in 2005 (1.9 million), overestimated unemployment, and underestimated net migration. The Enterprise Strategy Group (2004) issued a report projecting more migrants. It examined the evolution of the labour supply between 1993 and 2003 and concluded that, if Irish economic growth continued at current rates, some 420,000 new workers would be employed by 2010 (DJELR, 2005: 61).

Developing such a model was beyond the scope of this project, but an Expert Group examining the role of migration in addressing skill needs in the Irish economy reviewed the forecasting models for both skill and labour shortages (2005). The Expert Group distinguished skill shortages from labour shortages, emphasizing that time is required for a worker to acquire skills, and identified skill shortages in nine areas, from construction and finance to healthcare and catering in Ireland (chefs received the most work permits in the first half of 2005). Labour shortages (not enough workers at prevailing wages and conditions) were identified in generally unskilled jobs in agriculture and food processing as well as in services such as security guards and waiters. The Expert Group examined the availability of potential migrants from other EEA countries, who already have freedom of movement rights to seek jobs in Ireland, and concluded that “continued non-EEA immigration will be needed...over the next number of years” to meet Irish labour needs.

Irish workers are likely to be even more skilled in the future. Ireland has raised educational achievement remarkably, and now has a higher percentage of 25-34 year olds who have completed upper secondary or high school than the EU or OECD averages. This is a remarkable accomplishment in light of the fact that 20 years ago Ireland was well below average in educational attainment, as shown in Table 4.3 that only 37 per cent of those 55 to 64 completed upper secondary education (high school).

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66. All of the employment growth was projected to be in services. Employment in agriculture and industry was projected to decrease.

**Table 4.3** Per Cent of Adults with an Upper Secondary (High School) Education, 2002

	25–34	35–44	45–54	55–64	25–64
<b>Ireland</b>	77	65	51	37	60
<b>France</b>	79	68	60	48	65
<b>Germany</b>	85	86	84	77	83
<b>Sweden</b>	91	87	79	67	82
<b>Switzerland</b>	88	85	80	75	82
<b>United Kingdom</b>	70	65	62	56	64
<b>United States</b>	87	88	89	84	87
<b>OECD Average</b>	75	69	61	50	65
<b>EU Average</b>	75	68	60	49	64

Source: OECD, 2004b, 10

Completion of tertiary education (college and university) is also rising, and significantly exceeds the OECD average among 25–34 year olds, at 37 per cent for Ireland and 28 per cent for all OECD countries (OECD, 2004b: 11).<sup>67</sup> Ireland also has a much higher percentage of 20–29 year old graduates in mathematics, science and technology than the EU average, suggesting significant progress in reaching the country’s goal of transforming itself from a technology-importing, low-cost economy to an innovation-based, technology-generating society.

The major Irish migration management challenges are likely to involve workers in jobs that do not require high levels of schooling. In some cases, these workers may have a secondary or university education, but be working in unskilled jobs in Ireland because of the wage difference between Ireland and their countries of origin. If they settle, they are likely to quickly learn English, and should enjoy upward mobility in Ireland. Also of concern are foreign workers with little education arriving to fill jobs that do not require much education; FitzGerald (2004, 12) suggests that admitting unskilled migrants is likely to “push unskilled wage rates down and raise the rate of unemployment.”

67. In 1995/96, tuition fees for undergraduates were eliminated in Ireland; expenditure per student averaged US\$ 10,000 in 2001. Ireland has 20 major publicly funded higher education institutions, seven universities and 13 institutes of technology.

## 4.2 Why Labour Migration?

Economically motivated migration is generally explained by demand-pull factors in the destination area, supply-push factors in the origin area, and network factors that link them. There are three clear lessons of experience:

- ◆ If demand-pull and supply-push factors exist, approved or unapproved recruitment can set labour migration in motion. If the reasons for migration persist, the people and information networks that evolve can help migration to snowball or increase over time;
- ◆ If supply-push factors weaken because of e.g. wage and job growth in migrant areas of origin, emigration can slow even if demand-pull and network factors abroad persist, as in the Korean, Irish, Italian, and Spanish cases, where emigration slowed with economic growth; and
- ◆ If demand-pull factors abroad persist, migrants are likely to continue to arrive although their origins and networks may change, as in the case of Germany's shift from Turkish to Polish construction workers.

Public policy can influence the nature and interaction of demand-pull, supply-push and network factors. Demand-pull factors are most amenable to management by governments at the beginning of labour flows, explaining the aphorism that the easiest way for a government to start a labour migration flow from a particular area is to encourage, allow or tolerate the recruitment of migrants there. Over time, government policy may lose its effectiveness as migrant supply creates its own demand in destination areas in ways that make government efforts to reduce migrant inflows difficult. For example, middle-class households who once did their own house work can hire gardeners and domestic helpers, creating more jobs and new industries, while migrant networks in construction, agriculture, and some manufacturing and services can “take over” recruitment and training mechanisms. If employers adapt to the language and nature of the migrant work force, they may no longer seek local workers to fill vacant jobs.

Governmental efforts to “re-nationalize” what have become migrant work forces are generally unsuccessful. In France in the early 1980s and in the oil-exporting Gulf countries today, government policies aimed at training natives and subsidizing their wages to “better compete with” migrants have generally failed because many employers preferred the migrants to whom they had become accustomed.<sup>68</sup> Successful “re-nationalization” strategies generally involve (subsidized) mechanization or technological changes that restructure work, as in agriculture, or provide sharply higher wages, as with home healthcare workers hired in the United States by the elderly with support of tax monies.<sup>69</sup> Freer trade can also affect the demand for migrants, as cheaper imports eventually shrink or eliminate certain industries and their demand for migrants.

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68. For example, in 2004 Saudi Interior Minister Prince Naif said that Saudi Arabia's goal was to “fill all jobs with Saudis.” Government agencies and private firms have been ordered to employ Saudis and improve the competencies of their new Saudi employees by providing them with the necessary training, as well as “reasonable salaries.” He said, “God willing, a time will come when there will be no competition for Saudis [in the labour market]. Competition will only be between the Saudi graduates themselves, and the most qualified and capable will get the job.” Saudi Arabia has 4.6 million foreign workers; they are 70 percent of Saudi Arabia's workers.”

69. In California, in-home care was upgraded when a public agency was created in each county to be a co-employer with the elderly person, and unions negotiated agreements with these county agencies that were binding on the elderly receiving in-home care services. Wages were raised above the minimum, health benefits were added, and the work was shifted, at considerable cost to taxpayers, from irregular to regular.

In some cases, the demand-pull for migrants can be reduced with stepped-up enforcement of labour, immigration, and tax laws, especially when the demand for migrants exists or expands because of violations of such laws. However, it has been difficult for governments in most countries to sustain the level of enforcement needed to transform “migrant jobs” into jobs acceptable to local workers solely with enforcement. With employers and migrants wanting to prolong their relationship, there must be ample and sustained enforcement to prevent what the public often sees as an economic asset or at worst a “victimless crime.”

### 4.3 Managing Labour Migration

Governments generally react to the immigration that accompanies economic and job growth. When a government wants to assess how to proceed after a decade of immigration, it is very hard to find general guideposts to re-assert “control” over labour migration.

In the Irish case, projections of future labour demand and supply will be very different if the base is the past decade of rapid growth or a longer period in which growth was slower. Furthermore, labour market projections in other countries have often been wrong, as demonstrated by examples of governments subsidizing teaching, nursing or engineering education to meet a projected shortage, and then having graduates enter the labour market just as unemployment surges.

There is one universal strategy for dealing with labour demand that exceeds supply – raising (minimum) wages, which has the effect of reducing labour demand and increasing local supply.<sup>70</sup> However, most labour shortages are sector specific, so that raising minimum wages across the board may be inflationary. In addition, a general strategy of raising the minimum wage could eliminate jobs for migrants as well as non-migrants. This opens the possibility for sector-specific solutions to more jobs than workers in particular industries, and the focus on specific sectors can highlight links that justify importing workers.

Sector-specific strategies to manage migration in ways that complement government strategies are available. For example, mechanisms could be developed to allow government, employers and workers organizations in migrant-dependent sectors such as construction, catering, or agriculture to agree on policies to deal with current and projected labour surpluses and shortages. If a trade or policy change is expected to reduce the demand for farm or textile workers, many of whom are migrants, a medium-term strategy may be to import foreign workers while retraining local workers for other jobs, knowing that eventually the industry is likely to shrink with trade liberalization. One way to generate funds for such sector-specific plans is to charge employers a monthly levy, as some Asian countries do, but use the funds collected to implement the strategies developed by the tri-partite sector groups, which they do not do. Alternatively, the payroll taxes paid by employers and migrants could be isolated and used to fund sector-specific transformation plans. These taxes need to be paid to equalize the cost of hiring

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70. Protecting migrants so that they have safe working conditions and entitlements can also reduce the demand for migrants if a significant share is employed in violation of labour standards laws.

migrants and local workers and thus protect local workers, but in many cases migrants are not eligible for the benefits supported by their tax payments, such as for unemployment benefits.

On the other hand, if labour market projections expect demand to continue to exceed supply, as for healthcare workers, the response might be subsidies for training local healthcare workers while allowing the recruitment of foreigners, with a policy decision required on whether the migrant nurses and other healthcare professionals should be guest workers expected to return, immigrants expected to settle, or probationary immigrants who can settle if they meet certain criteria. Sector-specific discussions are most likely to identify efforts to subsidize or coordinate labour-saving changes (such as those that reduce demand) or training strategies (that increase supply by encouraging greater labour force participation), more hours of work, and/or migrants.

In general, governments opting for immigration to deal with current and projected labour shortages must decide whether the foreign workers should be admitted temporarily or permanently, and how the basis for admission should be linked to current job vacancies. Policies that look closely at current vacancies are considered demand-based, in the sense that employer demand leads to the admission of foreign workers, while policies that look closely at individual characteristics are considered supply-based, in the sense that the foreigner's individual characteristics determine whether a visa is issued. The two approaches can also be combined, as for example in the US H-1B programme that allows employers to request only college educated foreigners to fill vacant jobs, or the Canadian point system that awards up to ten of the (currently) 67 points needed to be eligible for a skilled worker immigrant visa to foreigners with permanent job offers in Canada.<sup>71</sup>

The US government takes primarily a demand approach to current job vacancies, allowing employers to decide who is best qualified to fill a particular job, and admitting migrants if employers select them for periods ranging from a few months to several years to indefinitely. The immigration front door has four major streams: family unification, employment (to fill vacant jobs), refugees and diversity. About one-seventh of US immigrants (up to 140,000 individuals a year including family members)<sup>72</sup> are admitted because they have extraordinary ability (using an assessment without points) or because US employers sponsored them for immigrant visas (Table 4.4).

If Ireland were to follow a demand approach to selecting economic immigrants, there are two lessons from the US experience that warrant attention. First, three-fourths of the employment-related immigrant visas involve "pre-admission" labour market tests or certification, which means that a US employer must prove to the satisfaction of the US Department of Labor that US workers are not available to fill the job for which the employer is seeking an immigrant. Governments can and the US government does impose certain minimum criteria that the foreigners selected by employers for particular types of immigrant visas

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71. Currently, applicants for skilled worker immigrant visas must achieve at least 67 of 100 points, with up to 25 points awarded for education, 24 for language skills, 21 for work experience, and ten each for age, a Canadian job offer, and "adaptability" to Canada ([www.cic.gc.ca/english/skilled/qual-5.html](http://www.cic.gc.ca/english/skilled/qual-5.html)).

72. Only "principals" must satisfy the labour market test; their family members are admitted without any tests. An average 55,000 "principals" a year got employment-related immigrant visas after being screened or sponsored in recent years.

**Table 4.4 Per Cent of Adults with an Upper Secondary (High School) Education, 2002**

	1998	2000	2002	Average	
<b>Principals getting visas</b>	33,771	50,135	79,802	54,569	Per Dist
<b>1st Preference</b>	8,709	11,452	13,807	11,323	100%
<b>Aliens with extraordinary ability</b>	1,691	2,002	2,881	2,191	21%
<b>Outstanding professors/researchers</b>	1,835	2,667	2,737	2,413	4%
<b>Multinational executives/managers</b>	5,183	6,783	8,189	6,718	4%
<b>2nd preference professionals with advanced degrees</b>	6,933	9,815	21,334	12,694	12%
<b>3rd preference</b>	15,143	24,373	41,238	26,918	23%
<b>Skilled workers</b>	8,515	13,651	17,788	13,318	49%

Source US CIS, Yearbook of Immigration Statistics  
<http://uscis.gov/graphics/shared/statistics/yearbook/index.htm>

must satisfy<sup>73</sup>, such as having a college or advanced degree. However, in the course of reviewing the job and the foreigner's credentials, there are often disputes, suggesting that the global talent these immigrant programmes aim to attract can be in the eye of the beholder. In order to evaluate whether employers have made a good faith effort to recruit local workers, the Irish government would have to establish a system to determine prevailing wages by industry, occupation, and area and consider employer appeals of negative decisions.<sup>74</sup>

Second, the United States has relatively few admissions of "global talent." The regulations permit foreigners with "extraordinary ability" to enter as immigrants without a labour market test, but this so-called first preference immigrant category admits an average 2,200 foreigners a year, well under one per cent of the annual immigration flow.<sup>75</sup> As we move down the table, the requirements for an immigrant visa are reduced and the numbers increase, so there are an average a 2,400 outstanding professors a year given immigrant visas and 6,700 executives and managers. If the US share of global migrant talent is about the same as its share of anticipated regular immigration, about half, it appears that the pool of highly talented people eager to migrate is not large.

73. The 1965 Immigration Act allows foreigners to be admitted to fill vacant US jobs if (1) there are not sufficient workers who are able, willing, qualified and available at the time of application for a visa and admission to the United States and at the place where the alien is to perform such skilled or unskilled labour, and (2) the employment of such alien will not adversely affect the wages and working conditions of workers in the United States similarly employed.

74. The United States has a Board of Alien Labour Certification Appeals (<http://www.oalj.dol.gov/libina.htm>).

75. Second- and third-preference immigrants, professionals with advanced degrees and other professionals and unskilled workers, must undergo labour certification. (<http://atlas.doleta.gov/foreign/perm.asp>), meaning that their U.S. employers must prove to the satisfaction of the US Department of Labor that no US workers are available to fill the job

Australia, Canada, and New Zealand are examples of governments that take a supply approach to selecting immigrants, meaning that foreigners wishing to immigrate are assessed on the basis of personal traits such as age, years of education, language ability etc., and those achieving enough points are allowed to immigrate. Point systems are considered supply-side approaches to selecting immigrants because they identify personal characteristics that are likely to assure economic success in the destination country, and admit only those who score sufficient points. The result is sometimes disappointment, as foreigners with credentials find that local employers do not value them or local professional associations refuse to issue required licenses, which can lead to “brain waste.”

For example, even though 45 per cent of adult immigrants arriving in Canada in 2000 had university degrees, many worked in jobs that did not require degrees. University-educated immigrant men 25 to 54 who arrived in Canada between 1990 and 1999 earned an average CAN 41,700 in 2000, while comparable Canadian-born men earned an average CAN 66,500. This brain waste is estimated to cost the Canadian economy CAN two billion a year (Reitz, 2005) and has prompted the government to launch programmes to speed up recognition of immigrants’ credentials. For example, the International Pharmacy Graduate Program offers gap-filling courses to those trained outside North America so that they can more quickly get licenses to work in Canada.<sup>76</sup>

#### 4.4 Concluding Remarks

Demand approaches to selecting immigrants should be associated with minimal unemployment, since migrants are being selected to fill vacant jobs, but they allow employers rather than government to determine exactly who enters. Supply approaches reserve more selection authority for the government, but run the risk of having migrants be unemployed or underemployed after arrival. Some governments combine demand and supply approaches to selecting immigrants, as when they require foreigners to satisfy certain criteria to be eligible for immigrant visas (the United States requires some economic immigrants to have at least B.A. degrees) or award additional points to foreigners with job offers (Canada offers up to ten of the 67 points needed for an immigrant visa to those with a Canadian job offer [www.cic.gc.ca/english/skilled/index.html](http://www.cic.gc.ca/english/skilled/index.html)). If Ireland were to develop an immigrant selection system, it might want to include both demand- and supply-side elements in its selection system, which appears to be the trend in most countries.

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76. There are 13 jurisdictions, 15 regulated professions and more than 400 regulatory bodies in Canada, and the government in April 2005 announced grants to professional organisations so that they can more quickly determine if foreign-trained doctors, nurses, engineers, and other professionals qualify for licenses to work in Canada.



# 5

## Migrant Characteristics, Performance, and Experiences

This chapter deals with the characteristics, performance and experiences of the nearly 160,000 non-Irish nationals in the labour force in Ireland in 2005 (FÁS, 2005: 16). The focus is on where migrants work, the composition of their earnings and employment patterns, as well as their integration into Irish labour markets and society.

Section 5.2 suggests that the widely cited problem of ‘implementation’ may consist of four distinct problems and illustrates this with the experiences of those involved in policy and partnership. Section 5.3 identifies the national and international context in which the issue of public policy and delivery should now be considered. Section 5.4 outlines some key analytical insights on policy making, distinguishing between negotiated agreements and hierarchical direction. It shows the key role of authoritative government in ensuring that negotiated agreements achieve genuine problem solving and, consequently, serve the public good. Finally, in Section 5.5, the Council identifies some of the challenges that now need to be discussed and addressed by government and the social partners if Irish public policy is to implement the demanding strategies identified in Chapter 3.

## 5.1 Overview

As described in detail in Chapter 2, most of the migrants arriving in Ireland in the past decade are returning Irish and EU or EEA nationals. According to the 2002 census, there were about 88,000 non-Irish EU-15 nationals and another 58,000 non-EU-15 nationals in the Irish work force of 1.8 million, so that about nine per cent of the foreigners assigned to occupations in the 2002 census were non-Irish (Table 5.1). The five occupations often mentioned in connection with migrants (i.e., farming, construction, manufacturing, professionals and services) included about half of the total Irish labour force and about 60 per cent of the total non-Irish labour force.

Table 5.1 Irish Labour Force by Occupation, 2002 Census

	Farming	Manufacturing	Construction	Professionals	Services	Subtotal	Total
<b>Irish</b>	92,528	208,285	127,563	261,998	150,375	52%	1,614,629
<b>Non-Irish EU</b>	1,444	8,746	5,858	18,008	19,231	61%	88,069
<b>Non-Irish non-EU</b>	1,652	6,612	2,356	12,403	10,439	58%	57,563
<b>Total*</b>	96,279	225,020	136,698	293,794	170,578	52%	1,779,786
<b>*Includes persons who do not state nationality etc.</b>							
<b>Percentage Shares</b>							
<b>Irish</b>	96%	93%	93%	89%	88%	91%	
<b>Non-Irish EU</b>	1%	4%	4%	6%	11%	5%	
<b>Non-Irish non-EU</b>	2%	3%	2%	4%	6%	3%	

Source Ruhs, 2005, Table A8, p102 from Census 2002

As noted in Chapter 3, the EU-15 nationals do not need work permits to work in Ireland, but EU-10 nationals did until May 2004. In 2003, the leading countries of origin of work permit holders in Ireland were Poland and Lithuania, about 10 per cent each, followed by the Philippines and Latvia, about eight per cent each. One-third of the work permits in 2003 were issued to EU-10 nationals.

Table 5.2 shows that the number of permit renewals climbed steadily after 2000, reflecting employers' apparent satisfaction with the performance of permit holders. Some of the foreigners whose work permits have been renewed several times are approaching the five years of legal residence in Ireland required for naturalization.

Table 5.2 Work Permits, New and Renewals, 1999–2004

	1999	2000	2001	2002	2003	2004
<b>Total Issued</b>	5,750	17,833	36,576	40,504	47,707	34,067
<b>New</b>	4,598	15,735	29,951	23,859	22,512	10,885
<b>Renewals</b>	1,652	2,271	6,485	16,602	25,039	23,346
<b>Renewal share</b>	29%	13%	18%	41%	52%	69%

Source: Ruhs, DJLER, 2005, 61

Most of the non-EU-15 nationals were admitted on the basis of work permits granted to employers after those employers sought and failed to find local workers.<sup>77</sup> In 2002, about 74 per cent of the work-permit migrants were employed in low-skilled jobs such as catering (14% of total permit issued) and agriculture (13%) (Ruhs, 2005: 37). Many immigrants are highly skilled, but the work permits database includes information on earnings but not education or work experience. According to a study cited by Ruhs, (2005: 37), the single most important match-maker between migrants and employers are private recruitment agents, whose number rose from 329 in 1998 to 541 in 2003, when they recruited one-third of non-national workers.<sup>78</sup>

## 5.2 Labour Market Status

The CSO has been collecting benchmark employment and unemployment data in Ireland since September 1997 as part of its QNHS, and currently interviews 39,000 households each quarter ([www.cso.ie/qnhs/what\\_is\\_qhns.htm](http://www.cso.ie/qnhs/what_is_qhns.htm)). The survey reports information on nationality, whether the respondent was born in Ireland and, if not, provides 16 options for place of birth, from Northern Ireland and Britain to India and Pakistan. Questions 31-33 ask whether the respondent has always been born in Ireland and, if not, when the respondent began to reside in Ireland.

The data on place of birth, nationality and time in Ireland are not reported, and are thought to be too scanty for analysis, which limits the usefulness of the QNHS for examining the labour market status of persons not born in Ireland and non-nationals. However, Barrett, Bergin, and Duffy (2005) were able to use a special tabulation of QNHS data to find that “immigrants in Ireland are highly educated relative to the native population but their occupational distribution does not fully reflect their educational attainment,” suggesting “brain waste”. Using QNHS data

77. FÁS supervises the employer’s test of the local labour market by requiring that job vacancies be listed for at least four weeks. Work permit applications that include details about the job are sent to the Work Permits Unit of the DETE with a EUR 500 fee for a six to 12-month permit, and permits are issued within four to eight weeks. Workers abroad use the DETE work permit to obtain entry visas, and migrants after arrival receive residence stamps in their passports that correspond to the duration of their work permits.

78. Recruitment agencies are regulated by the Employment Agencies Act of 1971, and require recruiters to have licenses. Inspections find few violations.

for the second quarter of 2003,<sup>79</sup> Barrett et al. defined immigrants as non-Irish nationals, persons not born in Ireland, and those living in Ireland less than ten years, and compared them with other persons in the QNHS, finding 72,000 natives and 3,600 immigrants.

The immigrants were younger than the natives, with 82 per cent between 20 and 44 (versus 44% of natives), and more likely to be in the labour force, 63 per cent of immigrants and 58 per cent of natives were employed or looking for work (Barrett et al., 2005: 2-3). About 40 per cent of the immigrants had a third-level degree or more, versus 17 per cent of natives, but their occupational distribution was not very different from natives, which may reflect a lack of English even among highly educated immigrants (2005: 8).

Immigrant men in the QNHS had a higher labour force participation rate (72%) than Irish men (69%), and so did immigrant women (54 versus 48%). Unemployment rates for immigrants were only slightly higher than for Irish workers, and a significantly higher percentage of immigrant women had full-time employment in Ireland, 40 versus 31 per cent. A much larger share of immigrant men and women had a third-level university degree, 39 to 15 per cent among men, and 41 to 19 per cent among women.

**Table 5.3 Native and Immigrant Worker Characteristics, Second Quarter 2003, QNHS**

Characteristic (% of total)	Irish men	Immigrant men	Irish women	Immigrant women
<b>FT Employed</b>	61	61	31	40
<b>Unemployed</b>	5	7	4	6
<b>LFPR</b>	69	72	48	54
<b>3rd level degree</b>	15	39	19	41

Source: Ruhs, 2005, Table A8, p102 from Census 2002

The occupation distribution of natives and immigrants is compared in Table 5.4. The native-immigrant ratio compares the shares of Irish and immigrant workers in selected sectors and shows, for example, a much higher percentage of Irish than immigrant workers employed in agriculture, and a much higher percentage of immigrants employed in hotels and restaurants. The shares of immigrants in health and manufacturing are also higher than the shares of Irish in these sectors.

79. The Quarterly National Household Survey surveys 3,000 households each week, so a quarterly sample has data on 39,000 households.

Table 5.4 Share of Natives and Immigrants by Sector,  
Second Quarter 2003 QNHS

Sector	Irish	Immigrants	Immigrant/ Native Ratio
Agriculture	7	2.3	0.3
Manufacturing	15.8	17.7	1.1
Construction	11	7.1	0.6
Retail	14.3	9.6	0.7
Hotels/Rests	5.7	18.2	3.2
Health	9.1	13	1.4

Source Barrett et al., 2005

Barrett et al. (2005, 11) report that 40 per cent of Irish workers, and 14 per cent of immigrants, are union members. Unions often assert that migrants can be exploited by unscrupulous employers, and that some are. For example, Turkish construction workers posted to Ireland by Gama protested underpayment of wages in April-May 2005<sup>80</sup> and many key informants repeated the story of recruiters who placed a Filipino beautician on an Irish Ferries boats for very low wages.<sup>81</sup>

Almost two-thirds of the non-Irish workers in the 2002 census were from EU-15 countries and thus guaranteed freedom of movement, including having the right to appeal to EU institutions if they were denied opportunities in Ireland. The third who were not from EU-15 countries included 20 per cent who were professionals from the United States, Philippines, Australia and Africa, with many employed in financial services or nursing.

Most of the concern about labour market status is with work permit holders who have lower-wage jobs. Irish employers emphasize that non-EEA migrants are filling jobs shunned by local workers, thereby sustaining local industries and earning far more than they could at home. However, unions and NGOs stress that some migrants receive low wages, poor treatment, and have poor housing, and there are enough allegations of such treatment to feed a steady diet of news stories.

80. Turkish-owned Gama Construction was accused in March 2005 of underpaying its Turkish workers posted to Ireland. Gama, which employed up to 800 migrants in Ireland on several public works projects, allegedly paid its Irish workers EUR 13 an hour, but paid Turkish migrants only a small local stipend and deposited the rest of their wages to accounts with Finansbank in the Netherlands. Some Turkish workers said they were unaware of the Dutch accounts, suggesting that they thought their entire pay was the stipend, which was well under the Irish minimum wage.

81. According to the *Sunday Independent* (3 April 2005), a Manila recruiter, CF Sharp, recruited the woman, whose contract called for EUR 354 a month for an 84-hour work week, with 80 per cent of the wages deposited to an account in the Philippines. Irish Ferries eventually paid the beautician EUR 25,000, representing twice the minimum wage for six months work at the minimum wage, since she joined the Siptu union, which has a week-on-week-off schedule for workers on ships.

There have been 21 inspectors to monitor compliance with labour and immigration laws, and there were 300 cases of possible employer violations pending in March 2005. However, since employer sanctions were introduced, there have reportedly been only three employers convicted of hiring unauthorized foreign workers, one reason cited by unions complaining of a growing “culture of lawbreaking” among certain employers.

There were 5,000 inspections of employers in 2004, and 14 employers were prosecuted for violations, but publicity surrounding the Gama case<sup>82</sup> led the government to add 11 labour inspectors who would focus on enforcing laws protecting migrant workers in Spring 2005. However, discussions with labour inspectors suggested that the fact that there are few of them, that they are based in Dublin and Cork, and that longer term investigations can be interrupted by “urgent cases” meant that it was hard to develop and implement a medium-term enforcement strategy that might, for example, concentrate on a particular sector such as construction as German labour inspectors have done.<sup>83</sup>

Some key informants suggested that there are likely to be more complaints of labour market abuses because Eastern Europeans no longer need work permits, and are more likely to complain of abuses because they will no longer be forced to leave Ireland if they lose their jobs. On the other hand, other key informants noted that non-EEA migrants may be even less likely to complain because employers can tell them that, if they are fired, they must leave Ireland, and that there are plenty of Poles and East Europeans to replace them.

Many of the migrant abuse complaints are aimed at recruitment agencies. Under the Employment Agencies Act of 1971, recruitment agencies must obtain licenses,<sup>84</sup> and neither employers nor recruitment agents are allowed to charge workers for jobs or work permits, and both the employer and migrant must sign the work permit application (Ruhs, 2005: 18). Agencies must renew their licenses each year at a cost of EUR 500, and face fines of EUR 2,000 for violations. The number of licensed recruitment agencies in Ireland rose from 329 in 1998 to a peak 778 in 2001 before falling to 541 in 2003.

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82. The Gama case prompted, *inter alia*, the Chambers of Commerce of Ireland in May 2005 to call for tougher sanctions on employers who abuse migrants. *Irish Independent*, 21 May 2005.

83. The *Irish Times* on 8 April 2005 reported that a DETE report prepared by the inspectors complained that inspectors did not have to know labour law before being appointed, so that a great deal of training is required to have consistent application of the law, especially in light of the high turnover among inspectors and the 12 to 18 months of experience needed to be effective. In some cases, employers allegedly find it cheaper to run the risk of detection and fines rather than obey the law.

84. Employment agency must obtain licenses from the DETE by submitting “two independent references vouching for the good character of the applicant and by means of a report from the Gardai that there is nothing in their records that would render the applicant unsuitable to hold an employment agency license” ([www.entemp.ie/employment/rights/agencies.htm](http://www.entemp.ie/employment/rights/agencies.htm)).

**Table 5.5** Licensed Recruitment Agencies, 1998–2003

	<b>Agencies</b>
<b>1998</b>	329
<b>1999</b>	447
<b>2000</b>	396
<b>2001</b>	778
<b>2002</b>	597
<b>2003</b>	541

Source: DETE, 2004, 7

There are relatively few complaints about recruitment agencies, and inspections of 87 agencies between 2001 and 2003 found most to be in compliance with the 1971 Act. When there were violations, agencies were given the opportunity to correct problems, so that only one agency was recommended for prosecution in 2001 (DETE, 2004: 7).

The Employment Agencies Act (EEA) of 1971 was not enacted to regulate agencies bringing migrants into Ireland. Instead, its original purpose was to regulate the activities of agencies that were recruiting young Irish workers for overseas jobs, primarily in the United Kingdom (DETE, 2004), and included special regulations for recruiting Irish workers under the age of 18. The DETE review of the EEA noted that public employment services were no longer actively engaged in job matching and that self-service (direct employer-worker contacts) and employment agencies were filling the void.

The EEA requires agencies to have physical premises in Ireland and there have been allegations that some agencies have their major office elsewhere and only a token presence in Ireland. In such cases, only the agency in Ireland is regulated under the EEA, which means that there could be supplemental contracts signed overseas for which the Irish authorities have no jurisdiction. Ireland is considering revising the 1971 EEA.

Under Irish law, the person responsible for paying wages is considered the employer of a worker, but there can still be ambiguity as to who is the employer in particular cases. Thus, there is discussion of clarifying the rights of “agency workers”, requiring directors of agencies to pass tests and requiring agencies to post bonds with DETE to cover any unpaid wages due workers. Discussions with key informants suggested that most of the “good agencies” would welcome stricter regulation of the industry.

### 5.3 Asylum and Refugees

There is virtually no data on the labour market status of the 6,794 foreigners who were officially recognized as refugees between 1995 and 2004. A study from the Economic and Social Research Institute concluded that, "If immigrants worked in occupations which utilized their educational abilities fully, immigration would have increased GNP by 3.3 per cent in the five years to 2003, rather than the actual contribution of 2.6 per cent."<sup>85</sup> However, this study did not distinguish refugees from other foreigners.

The number of asylum seekers peaked in 2002 at 11,634 and fell to 4,766 in 2004 (Ruhs, 2005: 19). Irregular migrants could enter without inspection from the United Kingdom, but most are persons who entered Ireland legally and then overstayed their visas or permits or violated their terms. For example, foreign students could become irregular by working more than 20 hours a week while studying, and tourists could violate the terms of their entry by working. The Employment Permits Bill of 2003 includes penalties for employers and irregular workers, but there appear to have been few fines for violations.

### 5.4 Agriculture Case Study

Ireland has about 144,000 mostly small farms with older-than-average operators; farms averaged 29 hectares and almost half of operators were over age 55 in the most recent census. During the 1990s, there was a decline in the number of those involved in farming, as the number of farm operators, spouses, family workers, and regular non-family workers on Irish farms fell. The sharpest decline was for spouses of farm operators, many of whom found non-farm jobs.

Farming is an industry that is transitioning to fewer and larger production units, as the land of several retiring operators is often taken over by the relatively fewer and better educated younger farmers entering the industry. In most industrial countries, the fewer and larger farmers who remain do most of the farming operations with family labour, but depend increasingly on foreign migrants if they produce labour-intensive commodities. Some small farms have been able to maintain money-losing traditional operations by agri-tourism, either attracting consumers to purchase farm-based cheese, fruits and vegetables, and wine, or developing farm stay or bed and breakfast operations. If these are successful, they too may result in the hiring of migrant workers.

Irish farm sales have been stable at just under EUR five billion a year, and about 75 per cent of farm sales are from livestock, milk and other animal products. The Irish Farmers Association's Horticulture Committee says that the industry has farm gate revenues of EUR 390 million a year, including EUR 130 million from mushrooms,<sup>86</sup> EUR 100 million from potatoes, and EUR 160 million from fruit, vegetable, flowers and other specialty crops. Within the labour-intensive horticulture sector, farms are also getting fewer and larger, increasing their reliance on migrant workers.

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85. Quoted in John McManus, "ESRI sees 6 per cent growth but warns on living standards," *Irish Times*, 23 March 2005, p. 1.

86. In a press release, the Irish Mushroom Growers' Association on 28 May 2004 noted that the number of mushroom growers fell from 560 to 240 between 1996 and 2004, and that the Irish industry was unable to compete "with the more efficient Dutch and the lower cost Polish industries."  
<http://212.17.35.157/ifa/Press/DisplayFullArticle.asp?ID=463>

Table 5.6 Irish Agricultural Sales, 1999–2003 (Euro Millions)

	1999	2000	2001	2002	2003
<b>Livestock</b>	2,089	2,173	2,178	2,020	2,070
<b>Cattle</b>	1,336	1,366	1,246	1,258	1,168
<b>Milk</b>	1,408	1,446	1,564	1,568	1,415
<b>Crops</b>	1,050	1,060	1,097	1,168	1,108
<b>Crops %</b>	23%	22%	22%	24%	23%
<b>Total</b>	4,578	4,719	4,876	4,852	4,731

Source Economic Intelligence Unit, Ireland Profile, 2004, p 45

The industry sees no alternative to continued reliance on migrants. The chairman of the Horticulture Committee in a 31 January 2003 press release warned that “the horticulture industry is now firmly dependent on non-EEA workers”. John Coleman continued, “While unemployment is increasing in this country, it would take an economic collapse before horticultural producers would have any hope of sourcing Irish and EEA labour. The fact is that Irish and EEA workers no longer consider working in horticulture an attractive option because of the nature of the work.” <http://212.17.35.157/ifa/Press/DisplayFullArticle.asp?ID=130>

Coleman was protesting the plan to place new restrictions on non-EEA workers that eventually was approved in the Employment Permits Act of 2003. He argued that migrants were hired because there were no Irish workers available, not because they are cheaper: “Foreign workers in horticulture have the same wage demands and entitlements as everyone else and there is also the added cost for the employer as Work Permits and Permit Renewals are quite expensive. Producers already have to prove to FÁS that there is no Irish and EEA labour available before applying for a Work Permit and the result is always the same i.e. there are no Irish and EEA willing to work in the industry. The Government must be practical on this issue and realize the serious consequences of any move to limit the availability of Work Permits.” <http://212.17.35.157/ifa/Press/DisplayFullArticle.asp?ID=130>

There are few studies of migrant workers employed in Irish agriculture. During the Anti-Racist Workplace week 1-7 November 2004, the Horticulture Committee reported on the case of a mushroom grower who entered into a partnership with three Latvian migrants so that they apparently received part of the proceeds from the sale of mushrooms rather than a wage, resulting in a win-win situation. A landscape contractor reported that his Bulgarian and Ukrainian employees had learned English and integrated into the local community, especially in sports (Leddy, 2004).

A study of 200 dairy farmers who were younger than average and had an average of 56 cows each found that 80 per cent hired non-family workers, with many obtaining short-term or seasonal dairy workers through Farm Relief Services and using contractors to perform operations such as cutting silage (Ruane and Phelan, 2001). Half of the respondents reported problems finding farm labour, but only a few sought workers from outside the area. Young farmers reported making changes to their operations to save on labour because of the difficulty finding workers.

## 5.5 Experiences

Most migrant workers in Ireland appear to have good experiences, but there are complaints of discrimination against non-national workers. Minister Micheál Martin on 12 April 2005 asserted that “people who come to Ireland seeking employment are welcome and that it is a shared expectation on the part of Ireland, its people and the new arrivals that the experience will be beneficial to all”. ([www.entemp.ie/press/2005/20050413.htm](http://www.entemp.ie/press/2005/20050413.htm)) Martin went on to decry “instances where the expectations of people coming to work in Ireland are not met for any of a variety of reasons”.

The government directly fosters equality and campaigns against racism, and provides financial support to employers and unions as well as NGOs to foster acceptance and integration in the ever more diverse work force. There is an annual Anti-Racist Workplace week, begun in 1999 and supported by a number of government agencies and employer and union organizations. Its campaign in November 2004 was “Together Ireland is Working. Don't Let Racism Obstruct Us”.

The Equality Authority, an independent body set up under the Employment Equality Act 1998, reported that it receives a significant number of complaints from migrants about dismissal, equal pay and working conditions because of their race. In one 2004 case cited by the Equality Authority, a Labour Court ruled that a non-national could not be fired from her job at a hostel for refugees and asylum seekers in Dublin for taking three bananas. The court, in ordering compensation of EUR 15,000, said that “employers have a positive duty to ensure that all workers fully understand what is alleged against them, the gravity of the alleged misconduct and their right to mount a full defence including the right to representation. Special measures may be necessary in the case of non-national workers to ensure that this obligation is fulfilled and that the accused worker fully appreciated the gravity of the situation and is given appropriate facilities and guidance in making a defence” (quoted at <http://193.178.1.9/index.asp?locID=209&docID=222>).

In addition, employers, chambers of commerce, unions, churches and NGOs provide information, education and advice to migrants via websites, brochures, and forums. Studies of migrants commissioned by these support groups find that migrants have problems but that local residents accept and think highly of them. For example, a report on migrants in Westmeath concluded: “the goodwill toward migrant workers...is a positive which should be mobilized to address the serious problems with invisibility, isolation, and lack of awareness of rights that characterize the migrant worker population” ([www.athlonechamber.ie/home/Migrant%2520Worker.pdf&e=9707](http://www.athlonechamber.ie/home/Migrant%2520Worker.pdf&e=9707)).

Another report, *Voices of Immigrants, The Challenges of Inclusion*, includes reports of the experiences of 22 immigrants and their families in Ireland ([www.immigrantcouncil.ie/voices.htm](http://www.immigrantcouncil.ie/voices.htm)). The Migrants Rights Centre has issued a report on migrants employed in private homes ([www.mrci.ie](http://www.mrci.ie)), and the National Consultative Committee on Racism and Interculturalism (NCCRI) plays a key role educating against racism ([www.nccri.ie](http://www.nccri.ie)).

There is no anti-migrant political party in Ireland, and there appear to be few talk-show hosts or organizations devoted to anti-migrant issues. Nonetheless, many key informants acknowledged that there are worries about migrants among workers and the general public, with native workers fearing they may be hurt by the presence of migrants if there is an economic downturn and the public fearing that the presence of migrants may be associated with more crime, crowding, and other factors that lower the quality of life.

## 5.6 Concluding Remarks

While most of the migrants arriving in Ireland in the past decade were returning Irish and EU or EEA nationals, it is clear that the profile of the typical migrant worker in Ireland is changing. As EU-15 migrants live and work freely in Ireland, and since EU-10 nationals no longer required work permits after 1 May 2004, it is no surprise that EU-25 nationals represented 58 per cent of immigrants in the year ending April 2005 (FÁS, 2005: 5). Recent data show that overall, employment and the labour force have been booming in Ireland spurred not only by increased participation rates of both native and non-native workers, but also by net inflows of migrants. Work permit renewals have accounted for an increasing percentage of total permits issued, apparently indicating employer satisfaction with migrant employees in the Irish labour force. Research has also shown that migrants have contributed positively to economic growth in Ireland, and have alleviated both skills and labour shortages. Despite this, Ireland is increasingly faced with public fears that should the economy slow, native workers could be negatively affected due to the increasing presence of non-nationals among them, particularly for the least skilled occupations.

# 6

## Economic Effects of Migration

This section reviews international evidence on the economic effects of migration, including irregular migration, and deals with questions such as the effect of immigration on wages, income and its distribution, public services and finance, and housing. It also deals with student migration and the spatial implications of migration.

## 6.1 Overview

As interest in the effects of immigration has grown, so has a sizeable collection of research accumulated over the past few decades in an effort to measure more precisely the costs and benefits of migration to national economies. Data have become more broadly available allowing researchers to begin to separate out the characteristics of migrants (e.g., age, education, experience, etc.) and to estimate the various impacts different types of immigrants have on outcomes.

A good portion of this literature has been undertaken by American researchers and has focused only on the US economy, which has a rich and lengthy history as a net immigration country. The major conclusion from this varied work is that immigration expands the size of the economy as measured by GNP, but has little or no impact on average living standards as measured by GNP per capita.<sup>87</sup> For this reason, the most important economic impacts of immigration in the United States have been found to be distributional, since the major impetus to economic growth from adding migrant workers to the labour force derives from lower wages or at least a slower rate of increase in wages. Immigrants may also have other positive or negative economic and non-economic effects that are real but not easy to measure, from increasing productivity growth by filling skills gaps and by bringing together diverse teams that increase the rate of innovation to reducing productivity growth by preserving inefficient industries that would otherwise shrink or be replaced by imports (for example, labour-intensive farm commodities). There is a large literature on these potential ancillary effects of immigration, but little consensus on which effects dominate.

Zimmerman observes that there has been a substantial lack of empirical research on the impact of migration on European economies (2005: 2). Recent literature on the economic effects of immigration has focussed on labour market issues particularly the consequences on wage and employment levels, both for nationals and non-nationals, and the potential for reducing skills shortages in the receiving

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<sup>87</sup> This is possible as the increase in the population limits the per capita measure of increases in GNP).

country. Drawing conclusions over time has been further challenged by recent expansion of the European Union, which facilitates expanded inter-EEA flows of both skilled and unskilled work. Following a review of existing studies, Zimmerman states “[s]urprisingly, we reach the valid conclusion that immigration is largely beneficial for the receiving countries” (2005: 3).<sup>88</sup>

In Ireland, economic research into the effects of immigration<sup>89</sup> on the general economy and the labour market in particular is a relatively new undertaking. This is true as Ireland’s history as a net immigration country is quite recent, and relevant data on which to base rigorous analysis limited. Nevertheless, a growing body of research is becoming available and the general conclusions from these studies is that Ireland derived net positive economic effects,<sup>90</sup> particularly beginning in the mid-1990s when the annual number of migrants coming to the country (both returning Irish nationals and others) has consistently exceeded the number leaving. As the average skill and education levels of the entering group have been shown to exceed that of the local labour force,<sup>91</sup> this has benefited the economy, improved the labour pool and reduced earnings inequalities. The higher skills set derives from both well-trained and educated non-Irish immigrants as well as returning Irish who improved their knowledge base and earning potential while overseas, benefiting not only themselves and their families, but also the country as a whole on their return. In other words, the research suggests there have been significant returns to human capital<sup>92</sup> that accrued in the Irish economy and that are directly attributable to immigration, particularly since the mid-1990s.

## 6.2 The Irish Immigration Experience

A simplified 50-year historic perspective of Ireland’s migration experience is characterized by relatively steady but small natural increases in its total population (i.e., births versus deaths) coupled with significant net annual emigration (in response to a continued lagging home economy and discouraging employment prospects) that together resulted in significant net population declines. This pattern continued until the 1960s and 1970s, when government policies concerning trade liberalization and foreign direct investment began to improve the poor domestic economic situation and hence, eventually reversed the net loss from migration as fewer people left and more arrived. While weak economic performance returned in the 1980s as did net outflows of migrants, this trend was reversed in the mid- to late-1990s. At that point, unprecedented economic growth attracted a growing number of migrants to the country, many of whom were returning Irish nationals. This economic growth continued to the end of the decade and was responsible for significant jobs creation and continued net immigration

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88. Most research addressing the general effects of immigration on native workers has shown any effects to be quantifiably small. For such a discussion, see Dustman et al. (2005), Friedberg and Hunt (1995) and Longhi et al. (2004).

89. As would be expected with Ireland’s long history as a net emigration country, there exists more research into the question of the costs and benefits of the outflow of Irish not only on domestic economic performance, the labour force and unemployment, but also on the emigrants themselves. For a discussion of this body of work, see Barrett (2005).

90. As Hughes and Quinn (2004) point out, research to date on the impact of immigration on Ireland’s civil society has been limited to the community and voluntary sectors and analysis of immigrant social networks and not all of the results are positive.

91. This work is first credited to Barrett and Trace (1998) who analysed the inflow in the mid-1990s and found the arrivals to be more highly skilled and educated than the average resident. In addition, they noted that the non-Irish subset of immigrants were even more highly qualified than the returning Irish.

92. Human capital is defined as “the ability, skills, knowledge and qualities embodied in people that are accumulated through schooling, training and experience” (Bergin and Kearney, 2004: 4).

throughout the period. Since the turn of the decade, real growth in output and employment has continued, but at slower rates. Nevertheless, significant net immigration to Ireland, which reached an all-time high in 2002, continues to be seen.

In addition to these observations about net migration in Ireland, of interest is the composition of the arriving migrants. In 1991, just over two-thirds of immigrants were returning Irish who had spent time living and working abroad. Over the decade, this percentage slowly declined to about half and by 2004, had dropped to 25 per cent of total immigrants (Hughes and Quinn, 2004: 9).<sup>93</sup> At the same time, the labour force in Ireland expanded rapidly from about 1.4 million in 1994 to just over 2 million in 2005. This increase was possible in the earlier period as additional labour demand was met by Irish nationals who had previously been unemployed or outside of the labour force. But by 2004, as unemployment has reached new lows, a greater portion of the increased labour demand has been met by migration. (FÁS, 2005: 15).

### 6.3 Macro and Distributional Effects

While immigration adds “mouths to feed and hands to work”, the consensus among most economists is that migrants who move voluntarily from lower to higher-wage areas are the major beneficiaries of migration. Receiving or destination countries also benefit from immigration as it expands employment, primarily by lowering (the growth in) wages and creating additional income that accrues to (mostly native) owners of capital.

The generally-accepted model for estimating the macro-economic impacts of immigrants<sup>94</sup> emphasizes that the net economic benefits for natives depend on the share of gross national product (GDP) accruing to labour, the per cent of the labour force that is foreign born, and the decline in wages due to immigration. As shown in Figure 6.1, before the arrival of migrant workers, employment for native workers would have been at level  $L_0$  and wages would have been at  $W_0$ , (point E). Total national income is the area  $AE L_0$ , the wages paid to workers plus the triangle above the wage line, which is the share of national income going to owners of capital and land. With the arrival of immigrants, the supply curve shifts to the right ( $SL_w/imm$ ) wages fall to  $W_0$  and employment increases to  $L_1$  (point F).

The movement from E to F creates rectangles C and D and the net gain triangle B. Rectangle C represents the reduced wages paid to workers in the local market. These reduced wages do not disappear but are transferred to the owners of capital and land in the form of higher profits and rents. Because of immigration, the economy expands by rectangle D and triangle B, with migrant workers getting most of the benefits of this expansion in the form of their wages (D).<sup>95</sup> Grant and Sweetman concluded that “new immigrants produce more output, but they also reap the benefits of that production such that there are generally few net spillovers to the general population”. (Grant and Sweetman, 2004: 19).

93. Recent data on the nationality of immigrants published by FÁS (2005: 16) show that EU-10 nationals represented nearly 38 per cent of the total inflow in 2005, the first year for which this breakdown is available.

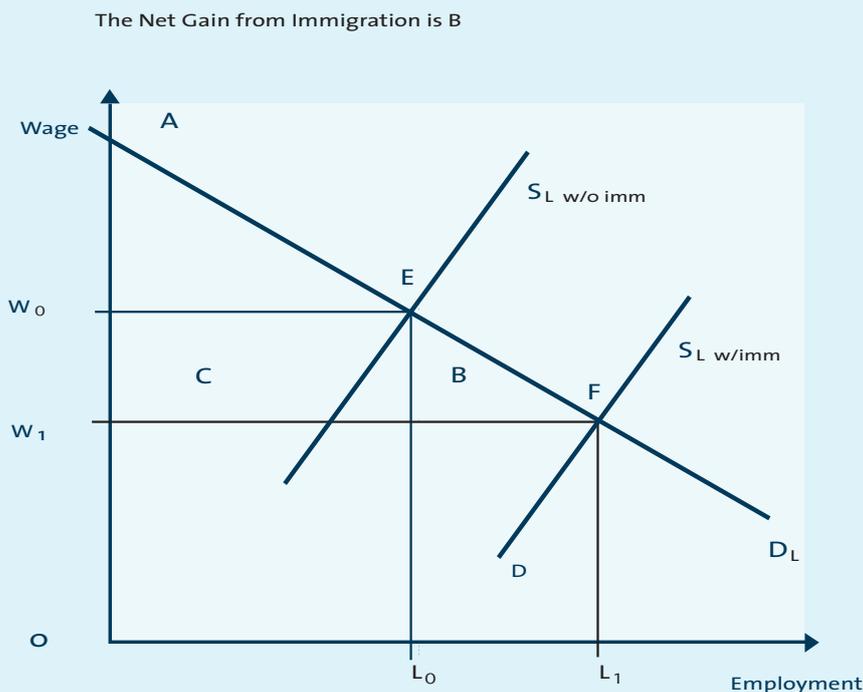
94. See Smith and Edmonston (1997) for a full discussion of the estimated effects on the US economy.

95. The increase in national income due to immigration—triangle B—will be larger if (1) there are more migrant workers and/or (2) if the wage lowering effect of migrant workers is larger.

This model for estimating the economic effects of immigration is based on several assumptions, such as that all labour is homogeneous (immigrants and natives have identical skills and are easy substitutes) and there is a fixed capital stock (immigrants do not bring capital and there is no investment due to immigration). It also assumes constant returns to scale, which means that doubling all inputs doubles output. If there are different types of labour, the gain to natives is greater the more different the residents are from the immigrants, as when skilled immigrant workers complement or raise the wages of unskilled workers. If there are positive externalities, such as when immigrants are entrepreneurial, the economic gains due to immigration are larger. If there are negative externalities, as when immigration is associated with crime or crowding in schools, the gains are smaller.

George Borjas, one of the most esteemed researchers on the economic effects of immigration, refined his calculations over a period of two decades. In 1994, he offered a “back of the envelope” calculation that the economic benefits to the United States from immigration were relatively small, between US\$ 7 billion and US\$ 25 billion (Borjas, 1994). His review of previous research on the subject later concluded that there was little evidence of any strong or adverse effect on the wages or employment levels of native workers (Borjas, 1996). In 1997, Borjas et al. suggested that any observed earnings inequality in the United States were attributable to the immigration of unskilled workers and found that this had a negative effect predominantly on the economic status of the least skilled US workers (high school dropouts and those in the bottom 20% of the wage distribution) but did not significantly effect the wage differential between high-

Figure 6.1 The Net Economic Effects of Migration: Static Case

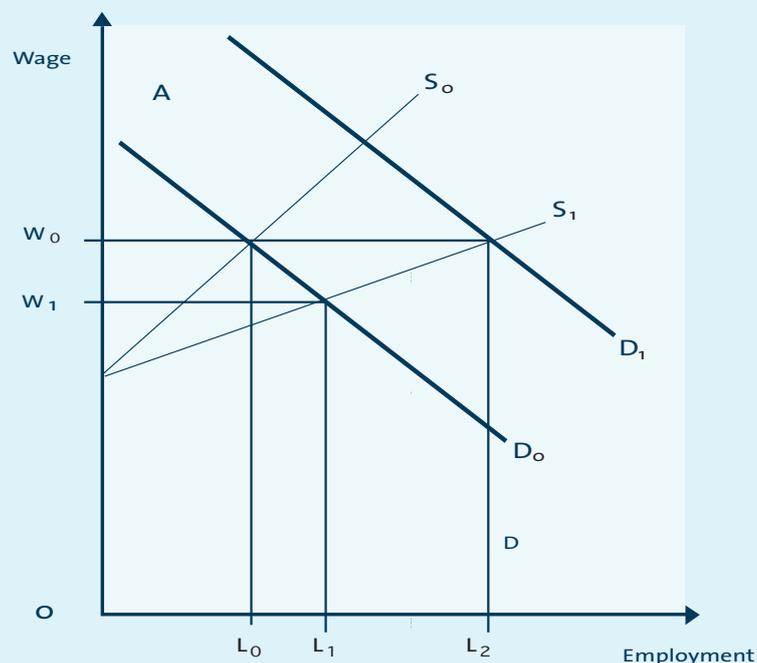


and low-skilled wages (Borjas, 1997: 3, 67). The model is static in the sense that it does not allow for the immigrants to spend their earnings and create jobs that raise the demand for labour and thus push wages back up to previous levels (or even higher). The alternative dynamic model in Figure 6.2 shows immigration shifting supply to the right, increasing employment but at lower wages along the  $D_0$  curve.

Furthermore, if the presence of immigrants leads to an increased demand for housing and consumer goods, and perhaps increased investment in anticipation of more workers and residents, demand can shift outward, putting upward pressure on wages. As a result, wages can return to their original pre-immigration level, although the economy is now larger with more employment. DeVoretz (2004: 11-13) compared static and dynamic models in North America, and concluded that the wage-lowering effect of immigration seems to be more pronounced in the United States than in Canada. However, even in Canada, where the presence of immigrants pushed out demand and restored wages to hypothetical no-immigration levels, there was considerable churning as the presence of immigrants increased the rate at which Canadians changed jobs.

This theoretical dynamic analysis would lead to the conclusion that immigration carries small positive benefits for receiving countries, with the major beneficiaries being migrants whose incomes rise and the owners of capital in the receiving country. Therefore, the most important impact of migration in receiving countries according to the model is distributional, as residents who compete with migrants

Figure 6.2 The Net Economic Effects of Migration: Dynamic Case



could be faced with reduced wages or higher unemployment and residents with capital or complementary skills gain from the presence of migrants. The consensus among economists is that immigration is one of several factors that has the potential to increase inequality in industrial countries, but a less important factor in changing the wage distribution than changes in technology, trade patterns and tax policies. Dustmann et al. (2003) concluded for the United Kingdom that “if there is an impact of immigration on unemployment, then it is statistically poorly determined and probably small in size”. While acknowledging that data are scanty, Dustmann et al. found that “higher immigration [to the United Kingdom] seems to be associated with higher wage growth in the currently resident population” (2003: 4).

Some studies draw distinctions between the economic impact of skilled and unskilled migrants which can lead to differing conclusions from the above. Skilled migrants (for example, those with post-secondary levels of education) are believed to contribute more to overall economic growth than less-skilled workers. Indeed, in the case of Israel, Weiss (2000) concluded that the arrival of highly skilled migrants did not reduce wages or the employment of local workers because the immigration wave was accompanied by more capital investment, which maintained the capital-labour ratio.

A study by Barrett et al. (2002) illustrates this point for the Irish economy. The authors found that although earnings inequality increased between 1987 and 1994, with the increased inflow of highly skilled labour between 1994 and 1997 this outcome was reversed. Using a modelling approach put forth by Borjas et al. (1997), they estimated that during the period immigration decreased skilled wage rates by 4.5 percentage points and resulted in a short-term increase in GNP of 1.5 percentage points.<sup>96</sup> This meant that the rate of unemployment would fall, by approximately 0.7 percentage points, and as skilled and unskilled labour are assumed to be complements, most of this decline would effect the unskilled in the labour force (Barrett et al., 2002: 675).

The analysis of workers migrating to higher wage areas and raising total income and employment in the destination area can be extended globally. If there were no barriers to international migration, and workers moved from lower to higher wage countries, Hamilton and Whalley (1984) estimate that global GDP could more than double. The authors grouped 179 countries into seven world regions, assumed that the world’s labour supply was fully employed producing a single output, estimated differences in the marginal productivity of labour across seven multi-country regions, and assumed these differences were due to migration restrictions. Thus, if workers moved from lower to higher productivity (wage) areas, economic output would rise, and the authors asked what would happen to world output if enough workers migrated to equalize productivity and wages across the seven world regions but there was no migration of capital. Hamilton and Whalley’s model is a theoretical exercise based on certain assumptions, but the apparent potential of migration to greatly increase world output is one reason why trade specialists sometimes note that the gains from freer migration are far larger than the gains from freer trade.

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96. The longer-term impact on GNP would be “even higher due to the slow adjustment of productive capacity to changing economic circumstances” (Barrett et al., 2002: 675).

What are the real economic impacts of immigration on Ireland? Ireland experienced an economic boom in the 1990s, and immigration allowed that boom to continue; the alternative could have been some “choking off” effects on growth if there were sharp upward wage adjustments in skill- and labour-short sectors. The immigration to Ireland occurred against a backdrop of rising education levels, rising employment and labour force participation, and rising wages, so that the counterfactual of how much faster these indicators would have risen did not attract a great deal of attention. While unemployment among Irish youths has risen somewhat since 2001 to 7.9 per cent in 2005 (with higher peaks during the summer months), Ireland’s youth unemployment rate is still the second lowest in in the EU-25. Overall, total unemployment has fallen significantly during the last decade from 12.3 per cent in 1995 to 4.2 per cent in 2005 and is now the lowest rate in the EU-25 (FÁS, 2005: 18)

Between 1972 and 2002, the share of Irish workers with only a primary school education fell from about 50 per cent to five per cent, while the share with a third-level education rose from five per cent to 35 per cent. Bergin and Kearney (2004) estimated that, if Ireland had not made this investment in human capital that reduced the number and share of workers with little education, its GNP in 2002 would have been 20 per cent lower, primarily because there would have been less foreign and local investment that created more and better jobs. Using a simulation model, they concluded that adding 10,000 highly skilled immigrants to the Irish labour force reduced the wages of highly skilled workers by about 1 per cent and raised employment for less-skilled workers in Ireland, confirming the results of Barrett et al. (2002). There was also a consequent increase in output and productivity. However, adding 10,000 low skilled immigrants decreased the wage rate for unskilled wage earners by less than 1 per cent but had a net negative effect on GNP and the level of employment. This result tends to confirm the results seen by Borjas (2003) for the effect on wages and income inequality of low-skilled migration into the United States (Bergin and Kearney, 2004: 18-19).

One reason for the finding that highly skilled immigrants mostly affect highly skilled Irish workers arises from certain assumptions made in the models. The highly skilled are defined as those with a secondary school certificate. Barrett et al. (2005:14) concluded that there is “essentially zero elasticity of substitution between high-skilled and low-skilled labour,” and that high-skilled labour was readily available to Ireland via immigration (high-skilled was defined as those with at least a higher secondary qualification). Under this definition, two-thirds of the Irish workers but 85 per cent of the non-Irish immigrants who arrived between 1993 and 2003 were “highly skilled”. The Barrett et al. simulation found that increasing the supply of highly skilled workers via immigration reduces the wages of highly skilled workers in the long-term by about 6 per cent, increasing Ireland’s competitiveness, employment and GNP between 3.5 and 3.7 per cent, with the GNP per head increasing by 1.1 per cent.<sup>97</sup>

97. In their model, the authors then reversed the observed skills mix of the actual migrant population, i.e., assuming that low-skilled migrants accounted for 85 per cent of the total. In doing so, GNP still increases though by a smaller amount, low skilled wages fall by a greater amount, this increases earnings inequality and results in an actual reduction in GNP per capita (Barrett et al., 2005: 16).

## 6.4 Micro and Labour Market Effects

The majority of research into labour market effects has focused on the impact on national wages and unemployment rates. Some studies have attempted to ascertain whether particular labour market segments were more adversely affected by an influx of foreign labour. Theoretically, as the models above suggest, local wages should fall, at least in the short term. Though it is logical that an injection of labour could displace local workers, much of the actual effect depends on whether new workers are substitutes for native workers (i.e. similar skills, education and experience) or are complementary to the skills and assets of the native workforce. In theory, nationals risked being displaced only when cheaper labour could replace them effectively in the economy.

The aggregate labour markets pictured in Figures 6.1 and 6.2 show the supply of labour shifting (initially) to the right or downward along a fixed demand curve, which could result in lower wages or increased unemployment for native workers. Much research attention has focused on migration in industrial countries, but it has proven to be very difficult to measure significant decreases in real wages or increases in unemployment due to the presence of migrants alone. As stated before, evidence of any impact on wages has in general been modest, though largely negative. Competition between unskilled workers and immigrants, at least in the United States, also tended to be greater according to Altonji and Card (1991). Methods to calculate the effects have varied widely, with some authors taking a regional labour market approach (comparing regions with different numbers of immigrants) and others adopting methods focusing on employment sectors and worker characteristics.

More recent research has questioned the effectiveness of a regional approach, which generally does not show a significant impact on wages or employment. A study assessing wage effects in the United States according to workers' educational attainment and experience found that between 1980 and 2000, immigration increased the labour supply of working men by 11 per cent, and reduced the wage of the average native worker by 3.2 per cent (Borjas, 2003). However, this impact differed more dramatically according to education: wages fell by 8.9 per cent for high school dropouts, 4.9 per cent for college graduates, and just 2.6 per cent for high school graduates. The study therefore concluded overall that immigration had an adverse effect on competing natives.

Several studies have used particular events to isolate labour market effects, such as the Mariel boatlift on the Miami, USA, employment scene (Card, 1990). Despite increasing the labour market by seven per cent, the research found no discernible impact on wages and local employment. An assessment of the impact of 900,000 repatriates from Algeria entering the French labour market showed a similar lack of effect: a maximum increase in unemployment of 0.3 per cent combined with a maximum decrease in wages of 1.3 per cent (Hunt, 1992). The difficulty in calculating these effects, even when focusing on discrete occurrences, was highlighted through research on Portuguese retornados from Angola and Mozambique; the researchers felt that indications from data were swamped by adverse external conditions prevailing at the time (Carrington and de Lima, 1996).

There have been several comparative studies involving analysis of European countries. Both Gang and Rivera-Batiz, and Bauer and Zimmerman supported findings in the United States of small negative impacts. For example, the effect of Asian immigration to the United Kingdom was a 0.08 per cent reduction in average wages (Gang and Rivera-Batiz, 1994). However, both sets of research noted that data sets in Europe are not considered satisfactory enough to draw conclusions with any certainty. In addition, research suggested that the labour market structure itself can be a factor in the potential impacts of immigrants. A study looking at the effects on the employment rate of native workers across Europe found that adverse impacts tended to be greater in the presence of labour market rigidities (Angrist and Kugler, 2001). In such instances, their findings also showed considerable adverse effect on local employment. On average, the introduction of 100 immigrants into the labour market resulted in an estimated job losses for 83 local workers.

A number of recent studies may have more specific significance for the Irish situation. Spain has only recently become a country of immigration, following economic development and growth during the 1980s and 1990s. In 2002, research was undertaken to estimate the effects of immigration to Spain on employment, in the light of rapidly increasing numbers of foreign workers. Following Borjas' approach in identifying skill characteristics of migrants, the study found only minor negative impacts on the employment rate of native workers. Given the large numbers of irregular immigrants in Spain, the report concluded that an amnesty for an estimated 500,000 irregular immigrants was unlikely to have a large effect on the employment rate (less than one percentage point). However, the authors noted that the recent nature of immigration to Spain made long-term projections premature (Carrasco, Jimeno and Ortega, 2005).

The UK Home Office has also begun to assess the effects of immigration on the labour market. The study commissioned in 2002 found no significant effects, except for small evidence of a negative effect on employment rates (Dustmann et al., 2003). The report accepted that the data sources used had serious weaknesses, though available data (Labour Force Survey, New Earnings Survey and Population Census) suggested that higher immigration is associated with higher wage growth.

Other European countries, such as Germany, have completed more data analysis (De New and Zimmerman (1994), Pischke and Velling(1997)), though the size and nature of immigration to Germany limit a comparative use for Ireland in much the same way as US research is only of limited usefulness for Europe. Regardless, all evidence points to a small impact only.

A common economic technique for estimating migrant worker impacts on local workers is to compare the wages and unemployment rates of workers thought to compete with migrants in cities with more and fewer migrants. In the 1980s, to the surprise of economists, comparisons between high and low immigrant US cities found few of the expected wage-depressing or unemployment-increasing effects of immigrants, prompting economist George Borjas (1990: 81) to assert that "modern econometrics cannot detect a single shred of evidence that immigrants have a sizeable adverse impact on the earnings and employment opportunities of natives in the United States."

As more data became available, researchers studying internal migration patterns found that US workers most likely to compete with immigrants were moving away from “high-migrant cities,” presumably to avoid competing with them in the labour market, or not moving to migrant gateways. The effects of immigration on wages and unemployment in “high-migrant cities” were thus spread throughout the entire labour market, which made them hard to measure in any particular city. Later analyses showed that this was the case in Miami (Angrist and Krueger, 1999), leading to a new conclusion—migrant wage and (un)employment impacts can be diffused quickly throughout a national economy if workers are mobile and wages are flexible.

Case studies and city comparisons tend to examine migrant labour market impacts at a point in time, but the most important impact of migrants may happen over time. As in Figure 6.2, if labour demand increases as a result of immigration, the demand for labour curve can shift outward, so that wages do not fall despite an increase in the labour supply. Such a result is most likely to occur if migrants have high earnings and spend most of their earnings in the country to which they move.

Econometric studies in the 1990s also began to acknowledge that the effects of immigration on local labour markets may be hard to measure if the native workers thought to be negatively affected by migrants do not compete with them for jobs. A study by Smith and Edmonston (1997) concerning labour market effects in the United States found that immigration had little negative effect on job opportunities for most citizens, though certain workers, such as those unskilled domestic workers having to compete with immigrant workers, may have been affected by lower wages and higher unemployment.

So-called economic mobility studies in the classical countries of immigration generally find that immigrants begin their Australian, Canadian, or American journeys earning less than comparable natives. Immigrant-native earnings differences narrow over time, as the migrants acquire local language and labour market skills, so that within one to two decades immigrants often earn as much or more than similar native workers, similar in age and years of schooling. In one pioneering study, economist Barry Chiswick (1978) found that immigrant men arriving in the United States in the 1960s initially earned 10 per cent less than similarly educated US-born men. However, within an average 13 years, college-educated foreign-born men earned as much as US-born college educated men, and went on to earn 6 per cent more than comparable natives after 23 years, an earnings catch-up and cross-over effect that was attributed to the extra drive and ambition that prompted particular individuals to migrate.

Subsequent studies showed that this catch-up and cross-over income scenario applied to peculiar circumstances. The United States and Canada relaxed restrictions on Asian immigration in the late 1960s to favour the entry of highly skilled professionals, who were able to fairly quickly raise their earnings as they gained labour market experience. As the proportion of less-well educated Asians and Latin Americans rose, so did the gap between native and immigrant earnings. For example, in 1970 the average immigrant earned 1 per cent more than the average US-born worker, but in subsequent decades average immigrant earnings slipped

behind those of natives. Prospects for closing the earnings gap in classical immigration countries began to fade as educational levels of natives rose more rapidly than the years of schooling of arriving immigrants (Reitz, 2005).

In contrast, Barrett and O’Connell (2001) compared the wages of returned native (Irish) migrants with the wages of those who had remained at home. Their analysis evaluated the theory that accumulated knowledge and experience earned while living and working overseas result in a net benefit to the individual in his/her home country following return. With Ireland’s significant history as a net emigration country, and as Irish were a large part of the returning group in the 1990s, such flows could have important economic implications. This evaluation is key to the notion discussed by Co, Gang and Yun (2000) that overseas employment can be an important part of the human capital accumulation process. Barrett and O’Connell expand on this, however, saying not all migrants go abroad for purely “investment” purposes, but also for adventure or other non-labour reasons. Their results showed that a wage premium is observed only for men<sup>98</sup> and this premium was higher for those who left with the intention of working or gaining other skills. In fact, returning Irish men who reported they left for work reasons enjoyed a 15 per cent higher wage on their return than men who remained at home. Those whose migration took them overseas for non-work intentions, gained 10 per cent on non-emigrants, still a significant advantage.

On the heels of the study discussed previously by Bergin and Kearney (2004), Barrett et al. (2005) have furthered the debate on the effects of immigration on the Irish labour market by analysing in greater detail the occupations of non-Irish immigrants.<sup>99</sup> They show that at least for the ten-year period to 2003, most highly skilled non-Irish immigrants arrived and took employment in occupations that did not fully reflect their education levels. They may do so for a variety of reasons (e.g., their educational qualifications are not fully recognized, they wish to get a foothold and experience in an otherwise competitive market before trading up etc.) but the result is that a skills comparison alone may not accurately reflect such immigrants’ true effect on the labour market, in fact it may overstate it. As such, adjusting for this occupational gap, their estimates result in a smaller impact on GNP since wages fall by less and the impact on Irish competitiveness is smaller. Nonetheless, the overall impact of immigration on Ireland remains positive.

## 6.5 Public Finance

Migrants pay taxes directly in the form of social security and other taxes deducted from their pay as well as indirectly in value-added taxes on their purchases and property taxes included in rents. Migrants also consume government-funded services directly and indirectly, as when they or their children receive services. The public finance “balance” for both natives and migrants depends primarily on the immigrants’ age and income distribution, and secondarily on eligibility for and take-up rates of government services.

98. Women were found not to make higher wages on return than their non-immigrating sisters, regardless of their initial motivation for leaving Ireland. While not fully explored, Barrett and O’Connell believe this to be indicative of women’s moves being influenced by the labour market considerations of their partners.

99. Recall that the work of Barrett and Trace (1998) found that for the mid-1990s, this group tended to be more highly skilled when compared to their Irish returning counterparts and the resident population.

Most public finance systems re-distribute resources from working-age persons to the young and old. Since migrant workers tend to be in earning and tax-paying rather than service-receiving ages, they tend to be net payers of taxes rather than net recipients of public benefits. However, migrants with lower than average incomes tend to pay lower than average taxes and may also be eligible for more government-funded services, especially if their families are with them. For this reason, some countries choose to make guest workers and newly arrived immigrants ineligible for many government-funded services for at least five years, the usual minimum period of legal residence required to naturalize.

There are generally two ways to assess the fiscal contribution of immigrants. First, there is the snapshot approach, looking at taxes paid, minus benefits received from the state in a particular year (or set of years) by immigrants as a group. For immigration to industrial countries, the OECD concluded in 1997 that these “provide no definitive answer as to whether immigrants are a net burden on the social transfer system or a net cost.” (OECD SOPEMI, 1996). Second, there is the more sophisticated generational accounting approach to calculate the net contribution of the immigrant throughout the entire lifecycle, and finding the net present value based on likely future government income and expenditure. This approach takes far greater account of the age of the immigrant on entry to the host country, which is thought to be an important determinant of the overall contribution made to public finances, along with education and labour force participation. Residents in a country are expected to be net contributors to government revenues during their working lives. Theoretically, the costs of childhood and retirement should by then be offset by tax contributions made during that period. Given that most immigrants arrive early in working life, it is expected that, overall, they will contribute more than they receive.<sup>100</sup>

One general conclusion of accounting studies is that migrant workers tend to pay wage-linked taxes that flow to the central government. In federal systems such as the United States, this means that the federal government tends to profit from immigration because it is the entity that collects most earnings-linked taxes, while state and local governments that pay for most education, healthcare, and other services from property and sales taxes often find that migrants do not “pay their way”, meaning that their state and local tax payments do not cover the cost of the local services they receive.

The remedy for such unequal payments and services is some kind of federal-state revenue. This has been resisted in the United States under the theory that immigration is a net economic benefit, but is common practice in Canada.<sup>101</sup> In the United States, limited federal revenue sharing programmes aimed at partially reimbursing state and local governments for the cost of incarcerating foreign criminals and providing emergency healthcare to irregular migrants tend to highlight only negative aspects of immigration.

100. For example, in 1996, California households headed by natives were estimated to pay US\$ 1,178 additional each year in state and local taxes to cover the education, healthcare, and other state and local services used by immigrants that their state and local taxes did not cover (Smith and Edmonston, 1997).

101. In Canada, immigrants pay fees that cover the cost of language training and counselling services: CAN 500 for each adult plus a CAN 975 landing fee but are generally eligible for social welfare services upon arrival. Ontario, which receives 57 per cent of Canada's immigrants, gets CAN 800 per immigrant, while Quebec gets CAN 3,800.

The three key parameters in the accounting studies are the characteristics of the immigrants, their age at arrival and subsequent earnings,<sup>102</sup> and the nature of the tax and transfer system (i.e., how much does it redistribute from rich to poor). The most widely cited study of the present value of an immigrant made assumptions that increase the economic value of future immigrants in the United States (Smith and Edmonston, 1997). This study concluded that the present value of the average immigrant in 1996 was US\$ 80,000. This estimate has two components: the present value of the average immigrant was (–US\$ 3,000), but assuming that 80 per cent of the children of the immigrants who arrived with less than 12 years of schooling would achieve at least a high school education, and 95 per cent of their children and grandchildren would be high school graduates, the net benefits of the children of each immigrant are US\$ 83,000.<sup>103</sup>

The net US\$ 80,000 present value of an immigrant takes into account the taxes paid and benefits received by immigrants as well as their children and grandchildren.<sup>104</sup> However, most economists quickly moved from the overall estimate to subgroups, focusing on immigrants who arrived with a college education, a high school or secondary school education, and less than high school. The results suggested that the economic benefits of immigration could be increased by favouring well educated newcomers, since adult immigrants arriving with more than a high school education had a present value of US\$ 198,000, while those arriving with less than a high school education imposed a net fiscal cost of US\$ 13,000 over their lifetimes.

As with labour market costs and benefits, most research has focused on the limited, though largely beneficial impact immigration has had. For example, a study conducted in 2000 determined that the fiscal consequences of altering the level of immigration in the United States would be quite small, and should thus not be a consideration for public policy (Lee and Miller, 2000). The study did note, however, that a policy of admitting only highly educated immigrants of young working age could be highly beneficial in fiscal terms, consistent with the findings of the National Research Council (detailed above, Smith and Edmonston, 1997). Storesletten (2000) asks whether selective immigration policies alone can balance the budget. His conclusion is that the current immigrant mix in the United States cannot, but that an annual inflow of 1.6 million immigrants, highly skilled and aged between 40 and 44 (excluding dependants), would. However, he concedes that the practicalities of implementing such an immigration policy make it largely unrealistic.

However, public policy itself may have an impact upon the overall benefits offered by immigration. Auerbach and Oreopoulos (2000), using a generational approach, compared the fiscal burden on present and future generations in the United States with present levels of immigration, against a scenario where all immigration is

102. There are predictable parts of life for consuming government services and paying taxes. For example, children consume educational services, pay taxes as adults during their working lives, and consume health and pension services after they retire. If immigrant fiscal impacts are measured at a point in time, fiscal impacts will depend on their age structure, earnings, and their eligibility for and use of public services.

103. It should be emphasized that researchers made many assumptions about future developments to calculate the present value of an average immigrant. For example, they assumed that the ratio of government debt to GDP would be stabilized in an arbitrary future year (2016) using tax increases and benefit reductions, which increases the benefits of immigrants because they would pay more taxes and receive fewer tax-supported benefits.

104. The US\$ 80,000 net gain reflected US\$ 105,000 for the federal government and a net cost of US\$ 25,000 to state and local governments.

halted. The researchers found that, while the fiscal burden was alleviated for both present and future generations by the presence of immigration, the size of this gain depended on government policies of “fiscal responsibility”. However, the gain is small relative to the overall imbalance within the United States, and immigration should not be viewed as a potential solution to the US fiscal problem.

Other more recent research has taken the reverse approach (Anderson, 2005). Rather than calculating the balance of payments for the immigrant, research conducted by the National Foundation for American Policy focused on the government revenues that would be lost if there were zero future immigration, and the resulting tax increases for US residents necessary to retain the current fiscal balance. This approach leads the researchers to claim that the net benefit of immigrants coming into the United States will be US\$ 407 billion over the next 50 years, the amount by which social security taxes would have to increase.

The UK Home Office has commissioned a number of studies into the effects of immigration, beginning with the conceptual study “Migration: an Economic and Social Analysis”, outlining possible effects (Glover et al., 2001). Much of the research available in the United Kingdom has focused on the “snapshot” approach, examining the net government surplus or deficit in a particular year. The downside of this method is that the changing fiscal impact of a migrant over the lifetime is not captured, though the contributions of different immigrant groups (by age, earnings capacity, education, etc.) can be isolated. The first such analysis was commissioned by the UK Home Office using available data for the year 1999/2000. The study estimated that migrants contributed GBP 31.2 billion in taxes while consuming GBP 28.8 billion in benefits and state services (Gott and Johnston, 2002), resulting in a net fiscal benefit to the United Kingdom of approximately GBP 2.5 billion for that year. In addition, migrants who were highly qualified and fluent in the language performed better economically. However, it must be noted that the year chosen was one of net government surplus, so both immigrants and nationals were net contributors to public coffers.

Addressing some of the criticisms of the Gott and Johnston study, a second analysis applied the same methodology over a five year period, 1999-2004 (Sriskandarajah, Cooley and Reed, 2005). This found that the contribution of immigrants to public finances in the United Kingdom is both positive and growing. By 2003-2004, immigrants accounted for 10 per cent of government tax receipts and only 9.1 per cent of government spending, while total revenue increased from GBP 33.8 billion in 1999-2000 to GBP 41.2 billion in 2003-2004.

In The Netherlands, the Bureau for Economic Policy Analysis undertook a comprehensive study on the effects of migration on the Dutch economy (Roodenburg et al., 2003). The study concluded that GDP would increase (though accruing largely to immigrants), residents with skills comparable to those of immigrants would lose out, immigration would not be a major contribution to public finances, and the burden placed by an immigrant on the state depended very much on the migrant's age when entering the country and labour market performance. The Dutch research bears out much of the international experience.

Recent research in Spain has used generational accounting to calculate the net present value of immigrants in the country (Collado and Iturbe-Ormaeche, 2004). Using three scenarios (no immigration; 60,000 individuals per year, and 200,000 individuals per year) the researchers estimated the impact of immigration on the welfare state. Their main finding was that increasing the inflow of immigrants would substantially lower the fiscal burden on future natives, a conclusion that differs somewhat in magnitude from the US experience. The study suggests that the higher educational level of immigrants in Spain, and the fact that Spain's native population is ageing at a faster rate than that of the United States, may account for this difference.

Along with age and skills, labour force participation plays a role in determining the fiscal benefit and burden of immigrants. Research in Sweden, where both public expenditures and taxes are high, found that the net present value for young, working age immigrants can be as large as US\$ 23,500 (Storesletten, 2003). However, the average new immigrant represents a loss of US\$ 20,500. Age and employment rates are the main factors in determining whether immigrants “break even”.

## 6.6 Housing and Spatial Issues

Other immigrant impacts may be more important to local residents, but are much harder to assess. For example, migrants need housing, and they may fill housing vacated by move-up-and-out locals or compete with natives who are moving to the areas with migrants and seeking housing. In either case, homeowners, landlords, and builders benefit from the presence of immigrants, but natives may not be “negatively affected” by higher rents if they are seeking housing that is “different” from that sought by migrants. Similarly, migrant children can fill schools that are otherwise under-occupied, so that the marginal cost of educating them is less than that of natives because fixed costs are spread over more pupils. Alternatively, the presence of migrant children can require new schools or services, increasing the marginal cost of schooling because new facilities must be built or additional staff hired or (re-)trained.

Similar rising or falling marginal cost reasoning applies to hospitals, transportation, and similar infrastructure used by both natives and migrants. If there is over capacity, the marginal cost of serving migrants is low, and the arrival of migrants can lower average costs for natives and migrants combined. If there is under capacity, the marginal costs of migrants can be high as new facilities are constructed, and the arrival of migrants can raise average costs for natives and migrants combined.

Migrants are attracted to opportunity, which often means to fast-growing cities. In the case of Ireland, almost half of GDP is generated in the Dublin and the surrounding counties of Meath, Kildare, and Wicklow, which has a majority of the non-Irish migrants and thus concentrates migration's benefits and costs. In the Greater Dublin Area, which has about 40 per cent of the residents of Ireland, congestion suggests that marginal costs of additional people can be greater than average costs, as infrastructure is already taxed.

Ireland has a National Spatial Strategy ([www.irishspatialstrategy.ie](http://www.irishspatialstrategy.ie)) that aims to narrow economic differences between the Greater Dublin Area and the rest of the country by supporting regional gateways<sup>105</sup> that specialize in particular sectors, such as pharma and chemicals in the Cork City area, IT in the mid-west, food in the northeast, and medical devices in the Midlands. However, it will take time for the dispersion of economic activity to move beyond Dublin—about three-fourths of internationally traded services are in the Greater Dublin Area.

## 6.7 Foreign Students

The student door is often the easiest entry door for foreigners seeking to live and work in another country, and those who graduate are increasingly allowed to settle if they find local employers to hire them. International student mobility to and within OECD countries has doubled over the past 20 years, a growth due in part to the Asian economic miracle that raised the demand for an English-language higher education and the emergence of more public and private educational institutions seeking tuition revenues.<sup>106</sup>

A related but hard-to-measure factor increasing student mobility are government policies allowing foreign students to work while they study and graduates to stay if they find local employers to hire them. There is speculation but little reliable data that middle-class Asian families in particular are paying for English-language instruction and schooling abroad as a way to eventually obtain the right to immigrate. The OECD (2004a: 138), finding that 88 per cent of the Chinese recipients of PhDs from US universities were working in the United States in 1995, as were 80 per cent of the Indian PhDs, concluded that “much of the cross-border demand for American...education is migration-related.” The OECD noted that instead of passing on lifetime savings to their children, many families are “more interested in using these savings to invest in their children's education. This is a distinctive Chinese feature.” (OECD, *China in the World Economy: The Domestic Policy Challenges*, 2002: 789-790).

There were 1.5 million foreign students in OECD countries in 2001, including 840,000 in the 22 European OECD countries, 520,000 in the three North American OECD countries and 190,000 in the Asia-Pacific OECD countries (OECDa, 2004: 194–95).<sup>107</sup> Ireland had 9,300 overseas third-level students in 2001/02, including 5,500 fee-paying students from outside the EU-15. They accounted for about 7 per cent of the 133,000 third-level students.<sup>108</sup> In the United Kingdom, by contrast, foreigners were about 11 per cent of higher education students.<sup>109</sup> The OECD, in a

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105. Ireland's five regional gateway cities are Dublin, Cork, Limerick, Galway and Waterford.

106. Ireland is included with Australia, the United Kingdom and United States as countries in which (non-EEA) foreign students pay higher tuition than local students (OECD, 2004a: 10).

107. The OECD (2004a, 7) noted that institutions and governments in host nations have encouraged the arrival of foreign students for four major reasons: to promote mutual understanding by having students participate in exchange programmes that involve study in another country; to augment the local human capital stock quickly in countries of origin by sending students abroad; to generate revenues for educational institutions in host countries by exporting educational services and to attract skilled migrants for employment in the host economy after graduation.

108. According to the Interdepartmental Working Group, fees from third-level students were EUR 68 million in 2001-02, and their total economic impact as EUR 140 million (Department of Education and Science, 2004: 5).

109. There were about 857,000 foreign students in European universities in 2001, including over 90 per cent in the ten countries that each had more than 15,000 foreign students each. A total of 75 per cent were in the Big 3 countries—the United Kingdom, Germany, and France. However, the highest share of foreign students was in Switzerland, where 17 per cent of the students were foreigners.

Table 6.1 Foreign Students in Selected European Countries, 2001

	For Students	Total Studets	Share
<b>Austria</b>	31,682	264,017	12%
<b>Belgium</b>	38,150	359,906	11%
<b>France</b>	147,402	2,019,205	7%
<b>Germany</b>	199,132	2,074,292	10%
<b>Italy</b>	29,228	1,826,750	2%
<b>Netherlands</b>	16,589	502,697	3%
<b>Spain</b>	39,944	1,815,636	2%
<b>Sweden</b>	26,304	360,329	7%
<b>Switzerland</b>	27,765	163,324	17%
<b>United Kingdom</b>	225,722	2,070,844	11%
<b>Big 3</b>	572,256		
<b>Top 10</b>	781,918		
<b>Total Europe</b>	856,733		

Source: OECD, 2004a, Table 3.2

review of Irish higher education, recommended that Irish universities “should market themselves more energetically internationally with a view to doubling the international student population in five years”. (OECD, 2004b: 56).

Students moving over borders are similar to workers moving over borders in several important respects. First, most countries participate in international education as both senders and receivers of students—as with labour migration, only a few of the poorest countries primarily send students abroad. Second, just as labour markets vary in the wages, benefits, and the career opportunities they offer to local and migrant workers, so do higher education systems vary in their structure, governance, and goals, with the sharpest distinction between “free” systems geared to providing basic and applied knowledge in much of continental Europe versus private and for-profit US institutions that often recruit fee-paying foreign students for specialized courses closely linked to the US labour market. Third, as with labour migration, there are strong network effects, with experience and anchor students providing information that encourages and enables more students to follow.

**Table 6.2 OECD: Growth in Foreign Students,  
1980–2001 (1990=100)**

	1980	1990	2001
Spain	107	100	389
Finland	38	100	389
Australia	30	100	382
New Zealand	76	100	343
Hungary	83	100	340
Portugal	35	100	296
United Kingdom	70	100	282
Ireland	87	100	250
Sweden	98	100	247
Turkey	87	100	217
Netherlands	47	100	187
Denmark	45	100	186
Germany	58	100	186
Korea	45	100	172
Austria	64	100	172
Czech Republic	76	100	161
Poland	68	100	156
OECD	71	100	156
Japan	15	100	141
Belgium	47	100	139
Italy	135	100	134
Norway	16	100	128
Switzerland	65	100	123
USA	77	100	117
Canada	81	100	116
France	79	100	105

Source: OECD, 2004a, Figure 5.2

Ireland hosted about twice as many foreign students as it sent abroad, according to ERASMUS data, giving it the same 2:1 ratio of students-in to students-out as the United Kingdom (OECD, 2004a: 77). The growth in foreign students in Ireland is well above the average for OECD countries, although slower than in some English-speaking countries that have institutions and government policies to more aggressively recruit foreign students, such as Australia, New Zealand, and the United Kingdom.

Students go abroad for many reasons, including a lack of sufficient places in appropriate institutions or courses of study in their countries of origin, in search of a foreign experience, and as a means to migrate for employment. In the past, most “non-immigrant” European countries insisted that foreign students return to their countries of origin upon graduation, while immigration countries such as Australia, Canada, New Zealand and the United States generally allowed foreign graduates who found jobs with local employers to remain temporarily or permanently. Recently, many European countries have changed their policies, and most now allow foreign student graduates to remain and work at least temporarily. Meanwhile, traditional immigration countries have made it even easier for foreign students to stay after graduation if they find jobs.

An Interdepartmental Working Group in November 2004 recommended that Ireland promote itself as a centre for excellent English-language education, and that an “Education Ireland Quality Mark” be awarded to institutions that offer quality education to foreign students (Department of Education and Science, 2004). The group further recommended that the visa-issuing process be streamlined for foreigners arriving to study at Quality Mark institutions, and that student visas be refused to foreigners intending to study at non-Quality Mark institutions.

Like most other OECD countries, Ireland allows full-time foreign students to work up to 20 hours a week while studying and full-time during school holidays. The students do not need to obtain work permits, and the employers for whom they work do not have to first search for comparable EEA workers. There were widely reported abuses of foreign student work rules, with a few English-language schools appearing to be little more than recruitment agencies that advertised the ability to work in Ireland as a reason to pay tuition to attend their English-language school.<sup>110</sup> In other cases, foreign students arrived but did not attend classes, or remained in Ireland after graduation to work without authorization, and the institutions they attended did not report this information to authorities. Finally, some foreign students stayed in Ireland by repeatedly re-enrolling in short-term courses of less than 12 weeks.

Ireland has an important English as a Foreign Language Sector that attracted 200,000 visitors in 2003, generating EUR 300 million for the Irish economy, according to the Interdepartmental Working Group (Department of Education and Science, 2004: 5) that made recommendations to continue to welcome foreign students and prevent abuse. Beginning in April 2005, only foreign students pursuing a degree or certificate recognized by the Minister for Education and Science and enrolled in a course of at least a year’s duration can work while

110. Reportedly, about 95 per cent of the 20,000 registered Chinese students in Ireland in spring 2005 were in English-language schools.

studying. Foreign students accepted at universities but first taking preparatory courses such as English are now barred from working until they enrol in the university, and those enrolled in short-term courses can stay in Ireland a maximum 18 months.

Closely related to foreign student workers is the working holidaymaker programme, which permits non-EEA nationals aged 18 to 30 from Australia, Canada, New Zealand and Hong Kong (SAR) to stay in Ireland one year and work up to three months for any Irish employer. Some 3,000 working holiday-maker visas were issued in 2003, and Irish employers may request one-year work permits for those working holiday-makers they wish to employ for a longer period.

## 6.8 Migration Trade Offs

Immigration is often characterized as “good” or “bad.” Such an approach is often misleading because immigration, like many other public policy choices, is more often a contest between competing goods. Immigration has benefits and costs, and thus the proper approach is to enumerate, analyse and debate these benefits and costs, then determine which benefits get higher priority while at the same time minimizing costs. Most industrial countries have accepted the need to debate priorities between competing goods, such as whether low inflation or low unemployment deserves higher priority, or whether freer trade or protecting workers should be favoured.

The use of migrants in agriculture provides an example. Consumers want to pay low prices for food, but most also want seasonal farm workers, like other workers, to have decent wages and working conditions. The trade off is thus between low food prices and the competing good of better wages and conditions for farm workers. For example, what would happen if the influx of migrant workers were slowed, farm wages rose, and the increase in farm labour costs were passed through to consumers? Experience in the United States shows that for a typical household, a 40 per cent increase in farm labour costs translates into a two to three per cent increase in retail prices.<sup>111</sup> At the same time, farm wage increases may lead to farm productivity improvements, so that consumer prices may decrease rather than increase. There is no easy answer to whether the savings on fresh produce due to the presence of migrants is worthwhile. The migrants are better off in high-wage labour markets, earning five to ten times more than they would at home. Landowners are also better off, since lower farm worker wages tend to be capitalized into higher land prices. Consumers of these commodities pay less for fresh produce. The critical question is whether these benefits are more valuable than having farm work performed and rewarded like other work.

There is no easy way to balance the tradeoffs between the competing goods in the inflation-employment or the trade-jobs equation, but policy making can be improved with more accurate information on what level of unemployment triggers higher inflation, or how many jobs are lost as a result of freer trade (or freer migration). As Ireland continues as an immigration country, debates about the

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111. For a full discussion, see Martin (1993).

competing goods involved in immigration are likely to become more common. Further research, data collection and analysis can improve policy making by highlighting the trade offs that are often asserted but rarely documented.

## 6.9 Concluding Remarks

Ireland changed in the past decade from a net emigration to a significant net immigration country. A history of emigration has made the Irish people and government sensitive to the discrimination often encountered by newcomers, so migrants are arriving in a country with a strong commitment to social justice. Unions, NGOs, and the media have played prominent roles in highlighting abuses of migrants in Ireland, and the government has responded with more protections for migrants and the means to remedy abuses that have been detected.

The government has also made several significant changes in policy, and is poised to make more. Most of these changes relate to unskilled migrants. The Employment Permits Act of 2003 and separate administrative measures made it easier for nationals of the EU-10 accession countries to work in Ireland, and assumed that workers from EU-10 countries in Eastern Europe or other new accession countries could fill any future unskilled job vacancies. Asylum has become a less contentious issue since Ireland ended automatic birthright citizenship in 2004 and the number of asylum applicants fell in Ireland and other industrial countries.

With Irish growth rates and employment projected in the near future to follow the impressive trend set during the last decade, migration will certainly remain a key feature allowing the labour market to react to changes in demand and further boosting Irish competitiveness. As such, Irish unemployment is expected to remain low, especially when compared to other EU countries. This will be a significant advantage to Ireland in the expanded European Union.

Ireland is grappling with whether to become a longer-term immigration or guest worker country. As in other countries that previously had few migrants, foreign workers began to arrive when the economy boomed and increased labour force participation and reduced joblessness still left unfilled jobs. Migrants were available to fill those jobs and the government allowed their entry in ever larger numbers. Since May 2004, there are large numbers of EEA nationals who have the freedom to live and work in Ireland as well and the Irish government will have declining influence over their movements as barriers to travel and work continue to fall in an enlarging EEA. Within Ireland, some non-EEA migrants will soon reach the five years of legal residence needed to naturalize, which could make the guest worker option and its implicit suggestion of rotation difficult to enforce. However, if Ireland decides to continue as an immigration country, it may not want employers that offer unskilled jobs to make the decisions about who should immigrate to Ireland.

Immigration brings changes and raises fundamental questions in a society, forcing residents to ask: Who are we? What kind of a society have we built, and whom shall we welcome to it? What should we do to encourage the integration of newcomers? How should we deal with those that arrive irregularly? As immigration is likely to

remain a structural feature of a growing Irish economy, the government will also need to determine and enforce the rules as to how many, from where, and in what status newcomers should arrive, as well as how to foster and promote the integration of migrants and their children into the Irish economy and society. There are no easy answers to these questions, but Ireland should address its inquiry in a systematic and balanced manner, based on the best estimates of the significant economic impact all migrants (newcomers and returning Irish nationals, skilled and unskilled) can have on the economy and the country's social identity. The latter is of particular importance as Ireland takes up its place in a newly expanded and increasingly competitive European Union.

Immigration was not the source of the Irish economic miracle, but it can help to sustain the Celtic Tiger's economic growth. As Ireland grapples with the "problem" of managing migration on its journey to an uncertain destination, it is important to remember that immigration reflects Irish prosperity. Despite the problems associated with managing immigration and integration, there are likely few Irish who would want to go back to the "old days" in which emigration rather than immigration was the dominant theme.



# 7

## Labour Market Policy Considerations

This chapter suggests a number of considerations that could inform the government's planned comprehensive overhaul of Ireland's labour immigration policies. It does so by discussing (i) the fundamental questions concerning the design of labour immigration policy; (ii) the basic policies needed to manage employers' demand for migrant labour, and (iii) the major policy tools for managing labour immigration, including temporary and permanent migration programmes, and policies to regulate the access to the labour market by dependants and students. The discussion draws on international policy experiences and lays down some policy options for Ireland.

## 7.1 Fundamental Questions in the Design of Labour Immigration Policy

It is useful to distinguish between three fundamental questions that require separate discussions in the debate and design of a country's labour immigration policy:

1. What are the consequences of international labour migration?
2. What should be the objectives of labour immigration policies?
3. What are the policies best suited to achieve these objectives?

The ordering of the questions makes the obvious but important point that any policy recommendation on labour immigration has to be preceded by separate discussions about the impacts of migration and the objectives of labour immigration policy. Given Ireland's relatively short history of employing significant numbers of non-Irish migrant workers, both discussions, about impacts and objectives, remain seriously underdeveloped at this point in time.

Although a literature on the economic effects of immigration in Ireland is beginning to emerge,<sup>112</sup> there are still fewer economic impact studies whose depth and scope of analysis would be comparable to the studies carried out for some other countries. As a result, there is currently relatively little systematic evidence on the effects of recent immigration on Ireland's economic growth, labour market, public services and the fiscal balance more generally.

Similarly, it is clear that the rapid increase in immigration over the past few years is transforming Ireland from what used to be a very homogeneous into an ethnically more diverse and multicultural society. It is less clear, however, how these trends impact on Irish identity, i.e. on how Ireland's residents see themselves,

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112. See, for example, Bergin and Kearney (2004), Minns (2005) and Barrett, Bergin and Duffy (2005).

and whether these impacts are perceived as positive or negative. Discussions concerning changing identities because of immigration have just recently begun to emerge.

Besides this lack of evidence concerning the diverse impacts of migration, there has been little discussion about which of the multifaceted and inter-related impacts of migration should be assigned most importance in the design of Ireland's labour immigration policies, and why. As a result, a number of important questions on the overall objectives of Ireland's labour immigration policies remain unanswered. For example:

- ◆ To what extent, if at all, should Ireland's labour immigration policies prioritize the interests of Irish citizens over those of migrants and their countries of origin?
- ◆ To what extent, if at all, should concerns over the potentially adverse effects of immigration on local workers limit the level of labour immigration demanded by individual employers?
- ◆ What role should non-economic considerations, such as potential impacts of migration on national identity and social cohesion, play in shaping Ireland's labour immigration policy?
- ◆ Does Ireland want to become a country of "immigrants" with permanent residence status, a country of "guest workers" with temporary work and residence permits, or a mixture of both?
- ◆ How do Ireland's labour immigration policies fit in with the objectives of Ireland's long-term economic and social policies?

The lack of discussion of these and other relevant questions about the objectives of Ireland's labour immigration policies makes it difficult, if not impossible, to formulate a comprehensive, consistent and coordinated approach to managing labour immigration in a manner that benefits Ireland in the long term. Ireland needs a public immigration debate that is explicit about the overall policy objectives. Of course, such a "normative" debate must involve discussions about fundamental values and ethics, not just about facts and impacts of migration alone.<sup>113</sup>

## 7.2 The Need to Manage the Demand for Migrant Labour

Like in most other high-income countries, there is widespread agreement in Ireland that the economy needs migrant labour to fill vacancies in both the high- and low-skill labour market segments. Therefore, the primary question is no longer whether there is a need or, as economists prefer to call it, demand for migrant labour, but rather how important this demand is, and what policies are needed to meet it.

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113. For a discussion of ethical issues in labour immigration policy, see, for example, Ruhs (2005b).

To answer the first question, it is necessary to recognize that, regardless of the economic conditions and the number of vacancies advertised in the economy, there is always a need for host countries to manage the demand for migrant labour. This is because the level of labour immigration in the interest of individual employers is unlikely to always coincide with the best interest of the overall economy. More specifically, whatever the details of policy design, at least three policies are needed to keep the level of immigration aligned with the overall interests of the host economy:

- ◆ The protection of the labour rights of all migrant workers.
- ◆ The protection of the right of EEA nationals to preferential access to the Irish labour market.
- ◆ To encourage employers to consider alternatives to employing migrant workers to meet perceived labour shortages.

### 7.2.1 Protecting the Labour Rights of Migrant Workers

The demand by individual employers for labour critically depends on the cost at which workers can be employed. Importantly, the cost of employing migrant workers is not only determined by employers' wage costs, but also by the employment conditions at which migrant labour is available. If, for example, employers are in a position to lower costs by offering wages and employment conditions below minimum standards, employers' demand for migrants is likely to be higher than if employment laws were enforced. There is thus a need to ensure that the demand for migrant workers identified by employers is in fact a demand for workers who can be, and end up being, employed in compliance with Ireland's existing employment and immigration laws.

In the Irish context, more effective protection of migrants' employment conditions will require at least two policies. First, the Labour Inspectorate has to be empowered to play a stronger and more effective role to help enforce employment laws and regulations. In addition to increasing the numbers and powers of inspectors, it will be critical to begin to collect, analyse and publish systematic evidence on some of the relevant details of the cases investigated by the Labour Inspectorate, including especially those pertaining to migrant workers. At a minimum, this will require information about the nationalities of workers whose cases are under investigation by the Labour Inspectorate.

A second policy necessary to protect the employment rights of migrants more effectively and thereby help to manage employers' demand for migrant labour, is the enforcement of employer sanctions. Unscrupulous employers who feel that the illegal employment of migrants has a good chance of going unpunished may have little incentive to make use of the existing legal channels to recruit migrant workers. Similarly, employers who employ migrants illegally may also have little incentive to comply with employment laws and regulations.

### 7.2.2 Protecting the Right of EEA Nationals to Preferential Access to the Irish Labour Market

It is generally accepted, and EU law requires, that Irish citizens and all other EEA nationals enjoy a preferential right of access to Ireland's domestic labour market as

opposed to non-EEA workers. This implies that any demand for non-EEA workers must be a residual demand, that is, the demand for labour after employers have made all reasonable efforts to recruit workers from within the EEA. Any assessment of the demand for non-EEA workers must thus take account of the local or EEA-wide supply of labour and, to the extent possible, ascertain that no EEA workers are available to fill the vacancies advertised by local employers. The measures necessary to achieve this in practice depend on the manner in which labour immigration is regulated.

Under a temporary labour migration programme, where a work permit cannot be granted unless the migrant has secured a job in Ireland, employers are usually required to demonstrate that no EEA workers are available to fill their vacancies (“labour market test”). Although the experiences of Ireland and other more long-standing countries of immigration have shown that effective labour market tests are difficult to implement in practice, there are a number of mechanisms that could make Ireland’s current policies more effective. These policies will be discussed in section 4.3.

Under a permanent immigration programme, a work permit/visa could be granted to a migrant without having a job offer in Ireland. This means that the protection of EEA nationals’ right to preferential access to the Irish labour market requires the government to effectively assess (i) the current (and future) skills needs of the Irish economy, and (ii) to what extent this need can be met from within the EEA. The conclusion of this analysis will then have to determine the minimum skills requirements for migrants to be admitted under the permanent immigration programme.<sup>114</sup>

### 7.2.3 Encouraging Employers to Consider all Potential Responses to Labour Shortages

A third important reason for the need to manage the demand for migrant labour is that the employment of migrant workers is often only one of a number of possibilities for employers to respond to perceived labour shortages. The whole set of potential responses includes: (i) increasing the capital or technology-intensity of the production process (e.g. mechanization); (ii) relocating to countries with lower labour costs (“offshoring”); (iii) increasing working hours of already employed workers, or trying to recruit inactive or unemployed local workers; (iv) switching output to less labour-intensive commodities or services, and/or (v) recruiting migrant workers. Although not all of these options are available to all employers at all times (e.g., it is clearly not possible to offshore the work of waiters in hotels and restaurants), it is likely that many employers have at least some alternatives to the employment of migrant labour.

An employer’s response to a perceived labour shortage will depend on the relative cost of each of the available options. If the costs of employing migrant workers are very low, employers will not consider other alternatives. It could be argued, for example, that the ready supply of cheap labour may discourage some employers from modernizing production processes and result in a situation where inefficient companies and industries continue to operate because they are in effect being

<sup>114</sup>. Of course, it needs to be acknowledged that the long-term forecasting of future labour and skills needs is highly problematic. On the difficulties with manpower planning and forecasting of labour shortages, see, for example, Doudeijns and Dumont (2000); Richards and Amjad (1994).

subsidized by a readily available and cheap immigrant workforce.<sup>115</sup> This may be in the short-term interest of individual employers, but maybe not in the long-term interest of the host country's economy overall.

There is thus a clear need for the government to introduce the right incentives for employers to recruit migrant workers only after considering the potential alternatives, including mechanization and/or switching to less labour-intensive production processes (or services).<sup>116</sup> To achieve this, it will be necessary to monitor and, whenever necessary and possible, regulate the relative cost at which migrant workers are available to local employers. This will be easier to achieve in relation to the employment of non-EEA nationals who require employment permits (that can be made available to employers at a cost) rather than EEA nationals who may migrate and work in Ireland without any restrictions. Nevertheless, there are policies such as the enforcement of employment laws and the regulation of private recruitment agencies that could help keep employers' recruitment costs sufficiently high so that alternative responses to perceived labour shortages are not immediately disregarded.

The regulation of the private migrant worker recruitment industry may be an important policy tool that could affect employers' costs at which both EEA and non-EEA workers are recruited. The experience of other immigration countries has shown that under employer-led immigration policies, such as Ireland's before April 2003, private recruitment/employment agencies can become a powerful and often driving force in determining the size and composition of labour immigration. This sometimes happens because of the illegal recruitment practices of unscrupulous recruiters, for instance, charging migrants to be recruited, which lower the cost at which migrants are made available to employers. In other cases, an unregulated private recruitment industry can generate a dependence on particular employment channels for migrant workers, i.e., the ready supply of cheap workers provided by recruitment agencies creates a demand for such workers by employers whose business practices gradually become dependent on migrant workers that are available at very short notice.

### 7.3 Policy Tools to Manage Labour Immigration

The lack of clear policy objectives makes it difficult to work out clear-cut and detailed recommendations for the reforming of Ireland's current labour immigration policies. Nevertheless, it is possible to identify three broad labour management policy tools which the government should consider in its planned overhaul of Ireland's labour immigration policies:

- ◆ Temporary labour immigration programmes;
- ◆ Permanent labour immigration programmes,
- ◆ Regulating the labour market access of dependants and students.

The discussion below suggests potential policy options for the use of each of these policy tools in the Irish context. It is important to bear in mind that these policies are not mutually exclusive. Indeed, it is very likely that Ireland's future labour

115. See, for example, Martin and Olmstead's (1985) discussion of the mechanisation controversy in US agriculture.

116. Viewed from this perspective, immigration can and needs to be considered as a tool of both labour market policy and industrial policy.

immigration policies will have to include a mix of all three policies. However, the weight given to each of them in managing labour immigration is an important question that can only be answered after the objectives of labour immigration policy have been clarified. In particular, to what extent does Ireland want to be a country of “temporary guest workers” or “permanent immigrants”?

### 7.3.1 Temporary Labour Migration Programmes (TLMPs)

This section first briefly outlines the rationale and international policy lessons of TLMPs and then proposes a number of considerations necessary in the reform of Ireland’s current temporary employment permit policies.

### 7.3.2 Rationale and International Policy Lessons

From an economic standpoint, the theoretical rationale of a TLMP is primarily based on the potential economic benefits for all parties involved: receiving countries may benefit from efficiency gains from an increased supply of labour and human capital; sending countries may benefit from remittances and the return of their workers; and employment abroad offers migrant workers the opportunity to increase their productivity and wages.

In addition, TLMPs could enable host countries to minimize the potentially adverse impacts of the employment of migrant workers on the wages and employment opportunities of local workers. This could be done, for example, by restricting the employment of foreign workers to sectors which suffer from labour shortages (a restriction impossible to impose on foreign workers with permanent residence status). More generally, because of the requirement to secure a job before migrating to the host country on a temporary work permit, a TLMP is able to keep admissions in line with the (managed) economic demand for migrant labour.

The international experiences with TLMPs suggest that their theoretical benefits outlined above tend to be difficult to achieve in practice. Critics of TLMPs argue that such programmes are simply unfeasible in a liberal democracy. This argument is based on the fact that many of the past and existing TLMPs – most notably the Bracero programme in the USA (1942-64) and the Gastarbeiter programme in Germany (1955-73) – failed to meet their stated policy objectives and instead generated a number of adverse, possibly unintended, consequences.<sup>117</sup> The three most important adverse impacts included:

- ◆ the exploitation of migrant workers in both recruitment and employment;
- ◆ the emergence of labour market distortions, and the growth of a structural dependence by certain industries on continued employment of migrant workers;
- ◆ the non-return and eventual settlement of many guest workers.<sup>118</sup>

Proponents of new TLMPs argue that innovative policy designs could help to avoid past policy mistakes and generate significant benefits for all sides involved, including migrant workers and their countries of origin.<sup>119</sup>

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117. There is a plethora of studies providing empirical evidence for these and other “policy failures” of past guest worker programmes. For overviews, see, for example, Castles (1986), Martin and Teitelbaum (2001), Martin (2003) and Ruhs (2003b).

118. The slogan “there is nothing more permanent than a temporary foreign workers” has been a popular summary statement of the perceived failure of past guest worker programmes.

119. For a discussion of the need and policies for new and improved TLMPs see, for example, Schiff (2004) and Martin (2003).

### 7.3.3 Considerations in the Reform of Ireland's Temporary Employment Permit Policies

It is useful to focus the discussion concerning the reform of Ireland's temporary employment permit policies on three key issues: (i) managing admissions; (ii) facilitating the portability of employment permits, and (iii) managing the departure of migrants whose temporary employment permits have expired and who failed to acquire permanent residence.

#### ◆ *Managing admissions*

The first key question is whether low-skill jobs should be permanently excluded from Ireland's temporary employment permit policies. This will depend on whether, as the government expects, workers from EU accession states will fill all existing vacancies at the low-skill labour market segment. On the one hand, the relatively large number of workers from the new EU member countries who have taken up legal employment in Ireland suggests that this new labour supply should be able to meet the demand for workers in low-skilled jobs in Ireland.

On the other hand, it is questionable whether accession state nationals, who now enjoy complete free choice of employment in Ireland, will take up jobs in sectors with low wages and difficult working conditions, such as in agriculture and in the domestic help sector. Analysis of work permit data for 2002<sup>120</sup> revealed that "personal and protective services in the domestic service sector" and "other (low-skill) occupations in agriculture" were the two job categories with the lowest weekly pay offered to work permit holders (EUR 253 and EUR 286 per week, respectively).<sup>121</sup> Systematic data and research is urgently needed to assess the measures taken by employers in these sectors to recruit workers from inside the enlarged European Union, and their success in doing so.<sup>122</sup>

It is also interesting to note in this context that, in 2002, workers from outside the enlarged European Union accounted for three-quarters of all work permits issued for employment in the domestic service, and the medical and nursing sectors. Workers from the Philippines accounted for respectively 58 per cent and 32 per cent of work permits issued for these sectors, which involve a significant number of low-skilled jobs. Again, research is needed to assess the demand for non-EEA workers following EU enlargement, and the extent to which accession state nationals are taking up employment in these sectors.

A second issue to consider in the reform of Ireland's current policies is how to regulate the admission of migrants for employment in occupations that remain eligible under the work permit system.<sup>123</sup> As a first step, there is a clear need to improve the current mechanisms for checking and verifying the unavailability of local workers before permission is given to proceed with a work permit application. Following EU enlargement, the labour market test administered by FÁS concerns a

120. See Ruhs (2003a).

121. This is based on information provided by employers on the work permit application form.

122. Anecdotal evidence from the horticultural sector suggests that workers from the new EU member countries are filling many vacancies. At the same time, there is also some indication that workers from the new EU member countries may be reluctant to take up certain jobs in specific sub-sectors such as jobs in the nursing stock industry. Unattractive working hours are thought to be the primary deterrent for accession state nationals to do these jobs.

123. Assessing the demand for migrants to perform domestic services in private household is particularly problematic. This is because migrants employed as domestic workers frequently carry out a wide range of duties including caring for children and the elderly as well as performing basic household chores such as cleaning. Arguably, the existence of some of these jobs is sometimes more of a reflection of the household members' preferred lifestyle – i.e., a preference to have the house cleaned by somebody else – rather than a reflection of genuine "need".

much larger pool of potential EEA workers, including all workers from the accession states. Given the history of failure, this expanded labour market test cannot be expected to be any more successful than that implemented before 1st May.

In order to improve the process of trying to match local vacancies with local workers, employers who express a need for non-EEA workers might be required to offer wages and working conditions that are equal to or higher than the average (rather than minimum) wages and working conditions prevailing in that job category. This could help to attract local workers into jobs which would not be considered acceptable or desirable employment options if advertised at the minimum wage. It could also protect the wages and employment conditions of competing local workers (including all EEA nationals) already employed in similar occupations.

An improved labour market test could also be part of a two-tier system: the requirement to actively search for local workers could be waived in sectors or occupations which are verifiably known to suffer from shortages of local workers; the remaining sectors/occupations would still be subject to a labour market test which could then be more focused and therefore potentially more effective.

If accession state nationals were able to fill all labour shortages at the low-skill labour market segment, an effective labour market test would suffice as a means of regulating the admission of non-EEA nationals for employment in the remaining sectors. If, however, it is found that local employers cannot fill all their vacancies with workers from the new EU member states, and/or if the implementation of an effective labour market test remains elusive, Ireland may need to consider “economically oriented” (rather than just “administrative”) work permit fees as the most efficient way to regulate admissions.

Singapore is currently among the few countries using economically oriented work permit fees to manage the admission of migrant workers. Singapore’s “foreign worker levies” are payable by the employer for each foreign worker they employ. The levies are flexible (i.e. regularly revised) and specific to the sector of employment and the skill level of the migrant worker.<sup>124</sup>

To effectively keep labour immigration aligned with the (managed) demand for labour, work permit fees would need to be set at a level high enough to provide local employers with sufficient incentives to: (a) search for local workers who can be employed without paying the fee (this would effectively help to protect local workers’ right to preferential access to the labour market) and, (b) consider alternative measures, such as mechanization or off-shoring before considering the recruitment of migrant workers. The level of fees necessary to achieve this is likely to be significantly above the EUR 500 currently charged by the DETE for a six to 12 months work permit.

There are two main challenges to using work permit fees as an effective tool for regulating the admission of temporary migrant workers. First, there is the risk that some employers will illegally deduct work permit fees from migrant workers’ wages. In that case, the fees will fail to achieve their intended objectives and simply

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<sup>124</sup>. For an overview of how economically oriented work permit fees are applied in Singapore, see [http://www.mom.gov.sg/MOM/WPD/Procedures/2983\\_WP\\_General\\_Guide\\_26Julo4.pdf](http://www.mom.gov.sg/MOM/WPD/Procedures/2983_WP_General_Guide_26Julo4.pdf)

serve to reduce the wages of migrant workers. To prevent this, work permit fees need to be effectively enforced with credible and significant penalties for employers found to pass the fees on to their workers. This would require a significant investment in enforcement, which the government may or may not be willing to make. Second, the setting of work permit fees requires a sound understanding of the current demand for migrant labour in different industries. This requires the continuing analysis and monitoring of labour market trends.

Quotas may be an alternative to economically oriented work permit fees. A major advantage of setting quotas is political: by capping the number of migrant workers admitted each year, the government is perceived as being in “control of labour immigration”. Furthermore, the process of setting quotas may, in principle, involve consultations with a wide range of stakeholders (e.g. the social partners in the Irish case), which may help to give the process the characteristics of a relatively transparent and democratic tool of public policy making.

In practice, however, quotas are a highly problematic and frequently inefficient means of regulating inflows. In particular, they have frequently proven to be too rigid a tool to be able to respond efficiently to the changing needs of the domestic labour market. The changing of quotas may also potentially involve difficult political discussions that might be avoided more easily under a system where the admission of migrants is regulated by economically oriented work permit fees.

◆ *Rights after admission: the portability of temporary work permits*

In addition to the enforcement of immigration and employment laws, the effective protection of migrants’ rights requires at least some portability of temporary work permits, enabling migrants to change employers whenever necessary. This applies to all occupations, but especially to migrants working, and also often living, in private households. It is important to recognize that immediate, complete and unlimited portability across all occupations and sectors of the host country’s labour market would undermine the alignment of the size and composition of economic immigration with the demand for migrant labour. In addition, it may also result in a substantially reduced propensity on the part of local employers to recruit migrant workers. This is mainly because employers may be reluctant to recruit migrant workers who are free to leave them again before at least part of the employer’s recruitment costs have been recovered.

A more realistic and desirable policy objective would be to facilitate the portability of temporary work permits inside a defined job category and after a certain period of time. The determination of the duration after which permits become portable must be based on a realistic assessment of the time needed for employers to recover at least part of their original migrant worker recruitment costs. It is likely that this period will not exceed one year. It should be noted in this context that it may not be desirable to guarantee employers that they will recover their entire migrant worker recruitment costs, since to do so could significantly reduce the risk for employers in relation to hiring migrant workers relative to that of recruiting local workers (who may leave the employer at any time, i.e. also before the employers’ investment in the workers have been recovered). This could, in turn, encourage employers to recruit migrant workers rather than local workers.

Besides making work permits portable inside certain occupations/sectors and after a certain period of time, other important policies would have to include making it a criminal offence for employers to retain their workers' passports, and the need to inform migrant workers of affordable housing, where available, other than that offered by the employer.

◆ *Managing the return of migrants whose temporary employment permits have expired and who have failed to acquire permanent residence*

It should be recognized that some migrant workers entering Ireland on temporary employment permits may wish to apply to remain in Ireland permanently. This calls for transparent mechanisms and rules for a regulated and conditional (i.e. non-automatic) transfer into different and “better” programmes that grant some foreign workers permanent residence status. However, it should be re-emphasized, that the rationale of a temporary labour migration programme is that, rather than a right that migrants can acquire by virtue of their residence and employment on temporary work permits alone, the decision to grant permanent residence to migrants on temporary permits must remain at the discretion of the host country. How this can be achieved in practice is discussed later in this chapter.

While providing channels for the conditional “upgrading” to permanent residence status, policies that maintain the general expectation of temporariness of migrants' stay under a temporary labour migration programme are also called for. First, measures must be available to prevent foreign workers from overstaying a temporary work permit, for instance, because initial savings targets were not realized during the validity of the work permit. This calls for the strict enforcement against employers and recruiters who engage in the illegal practice of contract substitution<sup>125</sup> and provide foreign workers with misleading information about employment conditions and living costs in the receiving country.

A related second policy is to issue temporary work permits to allow migrant workers, especially in occupations with low wages, to generate the net financial gains that make migration financially worthwhile for them. In the context of migration to Ireland, it must be recognized that, following EU enlargement, the average travel and recruitment costs for migrant workers employed under Ireland's work permit system are likely to be substantially higher than before EU enlargement (when accession state nationals accounted for a third of all migrant workers employed on work permits in Ireland). This makes it increasingly unlikely that migrant workers, especially those employed in occupations with low wages, will be able to generate the net financial gains necessary to make migration financially worthwhile, by taking up employment in Ireland for one year only. There is a case for increasing the duration of new work permits and/or renewals to, for example, 2+2 years, or 1+2 years. This would be a relatively straightforward modification of current policies that can be introduced without changing/affecting any other aspects of the current work permit system.

Third, migrant workers with a valid work permit need to be given the right and opportunity to travel freely, or at the least without excessive restrictions, between

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<sup>125</sup>. “Contract substitution” refers to a practice where, upon arrival in the country of employment and despite having signed an authorized contract prior to departure, the migrant worker is issued with a new contract specifying lower pay, inferior working conditions etc. (ILO 1999).

the home and host country. This will help migrants to maintain links with their home country, which, in turn, raises the probability of their eventual return home.

Fourth, financial return incentives could include the transfer of migrant workers' social security payments to their home country. Another policy option is the creation of special savings accounts offering migrant workers the opportunity to save part of their wages at special high interest rates on condition that such savings will only be released to migrant workers upon their return to their home countries. Such financial return incentives have been tried before with mixed success. The most infamous example is the Mexican Bracero programme that required a portion of migrants' earnings to be deducted for retirement in Mexico. The policy ultimately failed as migrants never received the money and their claims for deferred wages have been under investigation for decades.

A fifth policy option is to require employers to establish a financial security bond for each migrant worker they employ, that bond to be confiscated if the worker does not leave the country after the expiration of the work permit. This system is currently being pursued in Singapore, where employers of non-Malaysian workers need to deposit security bonds of US\$ 5,000 per worker employed. This measure can be effective only if it can be ascertained that a migrant has in fact left the country. It also raises a number of civil liberty concerns, based on which security bonds have often been opposed in liberal democracies.

Finally, clear and effective procedures that penalize employers who employ migrant workers without valid work permits, and to remove migrant workers who overstay their temporary work visas are necessary. Regarding the latter, efforts will have to be made to obtain the cooperation and assistance of sending countries. For instance, sending countries could adopt measures to regulate their migrant worker recruitment industries and to assist with the return of migrant workers who have been apprehended and deported by the authorities of the migrant receiving country.

#### 7.3.4 The Potential Role of Bilateral Recruitment Agreements and Seasonal Worker Programmes

Bilateral recruitment agreements are labour mobility agreements concluded between two countries. They enable host countries to limit the admission of migrant workers from particular countries only. There are currently over 176 such agreements in force in OECD countries.

Bilateral recruitment agreements can have a number of advantages over unilateral admission policies. For example, bilateral agreements have frequently been concluded in exchange for readmission agreements for irregular migrants. They may also allow the signatories to share the burden of monitoring and administration between migrant receiving and sending countries. A recent OECD report argues that "ensuring adequate travelling, living and working conditions, or creating a system to avoid the double payment of social security taxes, can create incentives for potential employers to participate in the agreement" (OECD, 2004, 16).

A basic policy question in regard to bilateral recruitment agreements concerns the countries with which to conclude such agreements. Regarding Ireland, the

question might well be as to whether any future bilateral recruitment agreements should be concluded in respect of workers from Romania and Bulgaria, two candidate countries for EU accession. Naturally, a principal consideration has to be whether the skills of workers from those countries are those required to fill the vacancies in Ireland. Another consideration concerns the potential regular and irregular labour supply that bilateral recruitment agreement with EU applicant countries could generate. On the one hand, it could be argued that, because the programme would eventually become redundant as candidate countries join the European Union, the conclusion of bilateral agreement at this stage would help to build the networks necessary to facilitate the future unrestricted migration and employment of workers from EU applicant countries. On the other hand, it could also be argued that the creation of such networks may trigger irregular immigration and the overstaying of work permits in anticipation of legalization in the next round of EU enlargement.

Seasonal worker programmes have become one of the most common types of bilateral recruitment agreements. They are currently used in both traditional immigration countries, such as the United States of America and Canada, and in European countries such as Switzerland, France and the United Kingdom.<sup>126</sup> They are most commonly, but not exclusively, used to hire migrants for seasonal jobs in agriculture. While facing many of the same challenges as other temporary migration programmes, some seasonal programmes appear to be quite successful in ensuring that migrants' stays are in fact temporary, a key objective of any temporary migration programme. This has been achieved by limiting eligibility to workers who are married with families in their home countries (as under Canada's Agricultural Seasonal Worker Programme) or by requiring seasonal workers to be full-time students in their home countries (as required under the Seasonal Agricultural Worker Scheme in the United Kingdom).

A common characteristic of seasonal worker programmes is that seasonal workers tend to circulate between the receiving and their home countries over a prolonged period of time. For example, the majority of migrants currently employed under the Canadian Agricultural Seasonal Worker Programme have joined the programme repeatedly over many years. Repeat migration is possible as long as the Canadian employer issues a favourable letter of evaluation at the end of each season, a requirement which has sometimes led to employers exercising excessive control over workers who wish to return to Canada the following year.

Ireland has operated a small-scale Seasonal Horticultural Workers Scheme since 2002.<sup>127</sup> It is restricted to horticultural students in eastern and central European countries. Out of about 250 students to be admitted in 2005, some 150 will be from the new EU member states, and around 100 from the Ukraine. The horticultural industry has made special arrangements with the DETE to facilitate the issuing of work permits for non-EEA students wishing to participate in the scheme. The need for non-EEA workers arises primarily because certain seasonal work begins in March, whereas most students from the new EU member countries only become available as from May/June.

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<sup>126</sup> For a discussion, see Martin (2003).

<sup>127</sup> In 2003, there were approximately 1,400 horticultural food growers involved in a range of farm enterprises, including mushrooms, potatoes, field vegetables, protected crops and outdoor fruit and honey. The amenity sector includes such diverse areas as hardy nursery stocks, protected/flowers/potted plants, outdoor flowers/ foliage/ bulbs and Christmas trees. Horticulture in Ireland is largely geared towards the domestic market. The only major horticultural exports are mushrooms, which were estimated at EUR 75 million in 2003 (mainly to the United Kingdom market). See [http://www.bordbia.ie/industry/sector\\_profiles/agri-food/index.html](http://www.bordbia.ie/industry/sector_profiles/agri-food/index.html)

The scheme relies heavily on contacts with horticultural colleges in the students' home countries, and the colleges' involvement in selecting and facilitating the placement of their students in Ireland. Besides helping to meet the labour needs of Irish employers, the scheme is intended to provide students with the opportunity to gain practical experience, improve their English and familiarize themselves with a new culture.

Employers wishing to participate in the scheme must satisfy three conditions: (i) the payment of at least the minimum wage; (ii) accommodation must be provided, either on the premises or in the vicinity of the workplace, and (iii) students must be offered employment for at least three and up to a maximum of six months.

The degree of compliance with the return requirements of the Seasonal Horticultural Workers Scheme by non-EEA nationals is found to be reasonably high. Whenever students remain in Ireland beyond the expiration of their initial placements and their work permits, the students' colleges are informed accordingly.

### 7.3.5 Permanent Labour Migration Programmes

A permanent labour migration programme is designed to admit migrant workers on a permanent basis. Many of the traditional immigration countries, such as Canada and Australia, have used permanent immigration programmes to attract skilled workers as permanent immigrants with a view to their eventual naturalization. Therefore, permanent immigration programmes are usually accompanied by measures to facilitate the successful long-term integration of migrants into the host country's economy and society.

The most common policy tool in regard to permanent immigration programmes is a "points system" which evaluates applications for permanent residence according to a broad range of factors, including migrants' individual characteristics as well as the labour market needs of the host economy. The best known and most well-established points systems are operated by Canada, Australia and New Zealand. More recently, the United Kingdom has also begun to apply a points system to regulate the admission of highly skilled workers (Highly Skilled Migrant Programme).<sup>128</sup>

For example, to qualify for the acquisition of permanent residence under Canada's points system, applicants must: (i) meet certain minimum work experience requirements, (ii) prove that they have the funds required for settlement, and (iii) score a sufficient number of points in regard to six selection factors to achieve the "pass mark". The six selection factors include education, language skills, experience, age, arranged employment in Canada, and "adaptability" (including previous work experience and/or study in Canada). These factors have been selected to maximize the probability that the admitted migrant workers will successfully integrate into Canadian society and the economy.

128. Although this programme initially offers temporary employment and residence permits, it provides for indefinite leave to remain after four years, without the additional requirement of sponsorship by a UK employer.

**Table 7.1 Points System in Canada, Australia and the UK**

	<b>Max Points</b>	<b>%</b>	<b>Explanation</b>
<b>Canada (Skilled Workers Category)</b>			
<b>Education</b>	25	25%	offers permanent residence more points for more education
<b>Language ability</b>	24	24%	points given for competence in English and/or French
<b>Work experience</b>	21	21%	more points for more work experience
<b>Age</b>	10	10%	more points for lower age
<b>Arranged employment</b>	10	10%	granted if applicant has permanent job offer in Canada
<b>Adaptability</b>	10	10%	points awarded for partner's education, previous study or work in Canada, family in Canada, etc.
<b>Total max.</b>	100	100%	
<b>Pass mark</b>	67		
<b>Australia (Skilled Independent Category)</b>			
<b>Skill</b>	60	32%	offers permanent residence maximum points for training specific to occupation
<b>Age</b>	30	16%	maximum points for 29 years or younger
<b>Language ability</b>	20	11%	maximum points for competence in English
<b>Work experience</b>	10	5%	maximum points for work experience in nominated occupation
<b>Occupation in demand / job offer</b>	20	11%	maximum points for occupation in demand and job offer
<b>Qualifications</b>	15	8%	maximum points for PhD at Australian educational institution
<b>Reg. Australian / low pop. growth</b>	5	3%	lived and studied for at least two years in regional Australia, or low-population growth metropolitan areas
<b>Spouse skills</b>	5	3%	spouse satisfies list of basic skills requirements
<b>Bonus points</b>	5	3%	capital invested in Australia, Australian work experience or fluency in an Australian community language
<b>Relationship</b>	15	8%	Applicant/spouse has relative who is Australian citizen, permanent resident or eligible NZ citizen
<b>Total max.</b>	185	100%	
<b>Pass mark</b>	120		
<b>United Kingdom (Highly Skilled Migrant Programme)</b>			
<b>Qualification</b>	30	14%	offers temporary work permit with possibility of indefinite leave to remain after four years more points for more education
<b>Relevant work experience</b>	50	23%	more points for more work experience
<b>Earning power</b>	50	23%	points depend on income in country of residence in the last 12 months
<b>Achievement in applicant's field</b>	25	12%	points can be obtained for "significant achievement" or "exceptional achievement"
<b>HSMP priority application</b>	50	23%	currently only for physicians entitled to work as general practitioners in the United Kingdom
<b>Spouse's or partner's achievements</b>	10	5%	points awarded if spouse/partner has qualifications and/or work experience
<b>Total max.</b>	215	100%	
<b>Pass mark</b>	65		

Source: Canada: <http://www.cic.gc.ca/english/skilled/qual-1.html>; Australia: [http://www.immi.gov.au/migration/skilled/points\\_test.htm](http://www.immi.gov.au/migration/skilled/points_test.htm); UK: [http://www.workingintheuk.gov.uk/working\\_in\\_the\\_uk/en/documents/all\\_forms.Maincontent:0094.file.tmp/EXT\\_OVEB28\\_final\\_\(withpeoamend\).doc](http://www.workingintheuk.gov.uk/working_in_the_uk/en/documents/all_forms.Maincontent:0094.file.tmp/EXT_OVEB28_final_(withpeoamend).doc)

The UK's Highly Skilled Migrant Worker Programme has separate scoring systems for individuals younger than 28 years, and those aged 28 years and more. The points shown in the table above concern applications from individuals aged 28 and above.

Table 7.1 compares the points systems as practised in Canada, Australia and the United Kingdom. Strictly speaking, they are not readily comparable, as Australia operates more than one points system, and under the UK system, temporary employment and residence permits are initially issued. Nevertheless, it is still useful to demonstrate the diverse forms of various points systems in operation.

Depending on which selection factors are given priority, it is possible to imagine a range of diverse points systems: at one extreme, supply-based systems select migrants based on their individual characteristics; at the other, demand-based systems select migrants based on labour market needs in the host country. All three systems in Table 7.1 fall between these two extremes. However, the UK system is clearly more demand-based than either the Canadian or Australian system. Under the latter two, domestic labour market needs only account for 10 to 11 per cent of the overall points awarded.

A points system is generally thought to have a number of advantages over other policies that grant permanent residence on a case-by-case basis.<sup>129</sup> First, a points system is often viewed as a transparent means of regulating labour immigration. Most point tests are available online, enabling applicants to evaluate themselves based on a clear and known set of criteria. Second, a points system may be attractive to the host population as it is clear and transparent regarding the control of labour immigration.

Third, and perhaps most importantly, a points system is a relatively flexible tool for regulating admissions. The selection criteria, and/or the scoring system, may be modified through administrative measures. This enables relatively fast responses to changes in local labour market conditions or other considerations deemed important in the design of labour immigration policy.

At the same time, points systems should not be viewed as a simple and straightforward “best practice” for managing permanent labour immigration. The design and effective implementation of a points system poses a number of challenges, including decisions regarding the optimal scoring method to be used to evaluate migrants’ skills, educational qualifications and language abilities. Given that the host country’s labour market needs are only one of many possible selection criteria, there is also a risk that points systems that are too supply-based become disconnected from the host country’s labour market needs. For example, Canada is currently thinking about measures to address the severe under-utilization of immigrants’ skills in the Canadian labour market. A recent study found that foreign-educated immigrants in Canada earned US\$ 2.4 billion less than native-born Canadians with comparable formal skills, simply because they worked in occupations below their skills levels (Reitz, 2005).

As discussed in section 2, Ireland needs a permanent immigration programme that could be used for both “direct entry” by newcomers, and regulating the acquisition of secure permanent residence status for migrants already employed in Ireland on temporary work permits. To that end, Ireland could institute a points system. The Canadian experience suggests that, in order to align immigration with the economic demand for labour, demand considerations, such as the requirement to be able to fill certain occupations where there is a labour shortage, or to have a job offer in Ireland, must play a significant role.

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129. See the discussion in Papademetriou and O’Neill (2004).

It is worth to re-emphasize that a points system is designed to regulate the admission of migrants for long-term employment and residence only. Given the importance assigned to individual characteristics rather than to an offer of employment as the only factor determining eligibility (as is the case under most temporary labour immigration programmes), a points system is inherently unsuitable to regulate the selection and admission of migrant workers on a strictly temporary basis. Consequently, a points system is meant to complement rather than replace temporary employment permit programmes.

**Figure 7.1** Permanent and Long-Term Immigration Flows into Selected OECD Countries by Main Categories, 2001 (Percentage Composition)



**Note** Countries are ranked by decreasing order of the percentage of workers in total inflows. Categories give the legal reason for entering the country. A worker who has benefitted from the family reunification procedure is regrouped into this latter category even if he has a job in the host country while entering. Family members who join a refugee are counted among other refugees.

1. For Australia, Canada, the United States, Norway and Sweden, data concern acceptances for settlement. For Denmark, France, Portugal and Switzerland, entries correspond to residence permits usually delivered for a period longer than one year. For the United Kingdom, data are based on entry control at ports of certain categories of migrants (excluding EEA citizens). For Australia, "worker" includes accompanying dependents who are included in the category "family reunification" for all other countries.
2. Data refer to fiscal year (July 2000 to June 2001). Category "workers" includes accompanying dependents. Excluding citizens from New Zealand who do not need a visa to enter the country.
3. Passengers, excluding EEA citizens, admitted to the United Kingdom. Data only include certain categories of migrants: work permit holders, spouses and refugees.
4. Category "workers" includes specialists and other permits that constitute grounds for permanent residence in Norway. Non-renewable permits are not included.
5. Entries of EU family members are estimated. Excluding visitors. Among those who benefitted from the regularisation programme, only those who received a permit under the family reunification procedure are counted. The "family" category also includes spouses of French citizens and scientists; parents of French children; and those with family relationships, who received the new permit "vie privée et familiale".
6. Data refer to fiscal year (October 2000 to September 2001). Excluding Immigrants who obtained a permanent residence permit following the 1986 Immigration Reform and Control Act (IRCA).
7. Excluding Nordic and EEA citizens.

**Sources** National Statistical Offices.

**Source** OECD 2005, 33.

### 7.3.6 Regulating Labour Market Access of Dependants and Students

The comprehensive management of the immigration and employment of migrant workers must take account of the various non-employment immigration channels that migrants may use to access the host country's labour market. In the Irish context, the most important of these channels involves students – over 20,000 student visas were issued in 2004, double the number of new work permits – and dependants whose precise numbers are not known officially. Figure 7.1 shows that, in many countries, the share of dependants in long-term immigration flows far exceeds that of workers. The most extreme example is Sweden, where dependants and refugees account for almost all long-term immigration flows. In Ireland also, dependants may be expected to rapidly evolve into a significant immigration category. Data and research into the numbers, labour market participation and employment of dependants are urgently needed.

The recent increase in the number of non-EEA nationals registered as students in Ireland suggests that this channel of immigration may provide a significant number of workers – working legally or illegally – for the Irish labour market. In many other high-income countries, such as the United Kingdom, students are a critical source of labour in certain industries, including especially the hospitality sector.<sup>130</sup> A similar development may already be underway in Ireland. There is clearly a need for more information and data about the contribution made by students to employment in Ireland and for this to be taken account of in determining the number of admissions under the labour immigration channels.

There is also scope to ease current regulations that make it difficult for students to acquire temporary employment permits after they have completed their studies in Ireland. Under the current system, students may acquire work visas/authorizations (in the sectors open to this scheme) in Ireland, but not work permits (unless they first leave the country). This can cause difficulties for students wishing to remain and work temporarily in Ireland immediately after completion of their studies. It is also likely to create unnecessary costs for employers who wish to recruit non-national students immediately after graduation in Ireland.

To remove these inefficiencies, the work permit system could consider applications for new work permits for resident non-EEA nationals who have just completed their studies in Ireland. To prevent abuse, such a policy would need to be limited to students who have completed relatively long-term studies in Ireland (viz. degree courses). To implement such a policy, non-EEA graduates could be included in a “second stage” of the temporary work permit system's labour market test (i.e. search for EEA nationals in the first instance, and non-EEA nationals who have just completed long-term studies in Ireland in the second instance).

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130. In the United Kingdom, the number of non-EEA nationals admitted as students in 2003 (319,000) was more than double the number admitted as workers.

## 7.4 Concluding Remarks

This chapter has discussed three broad labour migration policy tools which the government could consider in the future; temporary labour migration programmes, permanent migration programmes, and measures to regulate the access of dependants and students. However, the lack of discussion about the objectives of Ireland's labour immigration policies makes it difficult, to formulate a comprehensive, consistent and coordinated long-term approach to managing labour immigration. A number of questions about the overall objectives of Ireland's migration policies remain unanswered because there has been little discussion about which of the many impacts of migration should be assigned most importance in the design of Ireland's labour migration policies.



# 8

## Implications for Social Policy: Health, Social Welfare and Migration

## 8.1 Introduction

Social policy has implications for the development and implementation of effective and sustainable integration measures. These can and should focus on social inequality and poverty, minimum labour standards, including minimum wages, housing, healthcare and social services, as well as language training and education. The rapid rise in migration to Ireland has profound implications for Irish social policy considerations and the provision of a range of services, including healthcare, social services, income maintenance, housing and education. Concerns have been raised that migrants would add pressure on welfare services and create new demands on housing, health and education (NESC, 2003: 103-4) and that the low-skilled migrants of today could face social exclusion and become the welfare dependants of tomorrow in the event of a down turn in the economy (NESC, 2005: 33).

In sectors such as health and education, whilst the arrival of a new group of young taxpayers can ease financial pressures on the social security system. Ireland's continued economic growth has meant that migrant workers have been easily absorbed into the labour market without impacting on the low rate of unemployment (4%). Since these effects have not yet been studied in any great detail in Ireland and since many social impacts will not be felt for some years to come, the discussion of the implications of migration for social policy in Ireland in this chapter can only be tentative and explorative in nature.

Some immigrants arrive with financial capital, some arrive with extensive social capital in the form of professional qualifications and experience, multilingual competences, survival strategies, networks and entrepreneurship. Other highly qualified professionals or university graduates have arrived in Ireland with considerable social assets for which there is no commensurate outlet. Their potential positive economic and social impact on Irish society remains unrealized and is a social loss. Other migrants arrive without assets (incomplete education, little English, no savings) and some arrive in debt (to recruitment agents, loans to pay airfares and obligation to refund parental/family loans or savings). In addition to the diversity of social and human capital migrants might introduce into their host society, their position will be affected by such characteristics as age, nationality, gender and ethnic origin, among others. Thus, migration itself may be said to be a microcosm composed of diverse and changing spheres and varied impacts.

Many of the new migrants to Ireland are more vulnerable in the labour market and the housing market than are established Irish residents. In particular, immigrants with an undocumented or indeterminate status, together with other groups such as women and young people, are particularly vulnerable to poverty, poor housing conditions and exclusion from society. In these areas social policy can play a critical role in integrating and including people in society, thereby enhancing social cohesion and the accommodation of diversity to the benefit of everyone. Specific examples of what works includes making language classes available for all immigrants free of charge, ensuring that health and education services are provided in culturally appropriate ways that reflect the diversity of the population, cultural awareness and equality training for front line service providers in social welfare and health services, and specific measures for immigrant women.

So far, it has not been general practice in Irish social policy to factor migration into social policy planning, social protection or social reporting. The types of measurable impacts require differentiation. Concerning short-term studies of migration impacts, when migrants are predominantly clustered in the recently arrived or economically active age groups, the “outcome” benefits of migration will tend to be economically positive in terms of taxation, social protection contributions and the dynamism of the working-age labour force. Guest worker migration regimes shorten the duration of stay and reduce the likelihood of migrants claiming compensation or insurance benefits.

Concerning migration impacts over time, as migrant communities include a wider spread of age groups, the more positive economic effects may fade somewhat as migrants begin to consume the same services – health, education and welfare - as the rest of the local population. Policies can also influence the use of public services. For example, where family reunification is restricted, as has been the case in Ireland, migrants will not have claimed child benefits, used paediatric care or sought medical treatment, pensions and social housing in retirement. This may imply that the current migrant population in Ireland is under-consuming social benefits.

## 8.2 Social Policy Context

Specific social policy issues that address migrants’ rights and entitlements can be located within several policy contexts, including those found in equality policies, anti-poverty policy and specific provisions in the National Action Plan Against Racism 2005-2008. In addition, the discussion paper on immigration and residence in Ireland, published in 2005 by the DJELR, highlights the need for a better integration of public policy relating to immigration, including the impact on services such as education, health and housing. Social policy considerations affecting migrants exist in a variety of policy documents that address social exclusion and poverty, most notably the National Anti-Poverty Strategy and the National Action Plan for Social Inclusion (NAPS Inclusion).

### 8.2.1 Equality Context

Underpinning much of the recent development of Irish social policy has been the progression of a multi-ground approach to equality covering both employment equality and equality in the provision of services. The Equal Status Acts 2000 and

2004, place responsibilities on providers of goods and services, including those in the public sector to promote equality, prohibit certain kinds of discrimination across nine grounds, prohibit sexual and other types of harassment, prohibit victimization, provide reasonable accommodation of people with disabilities and allow for a broad range of positive action measures. The Acts play an important role in improving access to health, care, welfare, education, employment, housing and other services. Equality in the provision and receiving of services means that services are provided on the basis that no one group, culture, value system or practice is dominant or considered the norm. In this respect services that are provided in ways that are responsive to and understanding of the diversity of the community to whom and with whom services are provided, have implications for the delivery of services, the awareness and understanding of migrants economic, social and cultural backgrounds (Pillinger, 2005).

### 8.2.2 National Action Plan Against Racism, 2005-2008

The National Action Plan Against Racism (NPAR) is a broad ranging approach containing some specific strategic social policy developments. However, there is no statutory basis nor a specific budget allocated for the implementation of the actions contained in the plan. It identifies a framework for the development of “a more inclusive, intercultural society in Ireland...based on policies that promote interaction, equality of opportunity, understanding and respect” (2005a, 27). The intercultural framework includes a range of social policy measures that focus on the integration of migrants within equality policy, anti-poverty policy and public service modernization. The five underpinning objectives have particularly important implications for social policy developments:

- ◆ Protection: effective protection and redress against racism;
- ◆ Inclusion: economic inclusion and equality of opportunity;
- ◆ Provision: accommodating diversity in service provision;
- ◆ Recognition: recognition and awareness of diversity;
- ◆ Participation: full participation in Irish society.

The methods to be used to achieve the aims of the framework are as follows:

- ◆ Mainstreaming an intercultural approach into policy-making processes and into all relevant policy areas, with reference to Ireland’s commitments to equality and human rights;
- ◆ Targeting of specific strategies to overcome the inequalities experienced by specific groups informed by an evidence-based approach to policy making;
- ◆ Benchmarking progress through targets and timescales and the development of statistical strategies to provide the necessary data to measure such progress;
- ◆ Engagement of key stakeholders and drivers to support the implementation of the plan includes policy makers, specialized and expert bodies, the social partners and local communities, including groups representing cultural and ethnic minorities.

This framework is important to engaging policy makers and other stakeholders, and raising awareness of social and economic issues facing migrants in Ireland. Specific social policy initiatives that are signalled for development through the plan cover the planning of services and mainstream and targeted policy initiatives in the areas of education, health, social services and childcare and accommodation. In the area of policy development there are specific mechanisms to integrate the needs of migrants into macro economic and social policy planning, although concerning migrant workers this is to be “consistent with the requirements of policy on immigration, employment and equality”. Overall the plan calls for the reasonable accommodation of diversity and positive action in the design and implementation of policies, programmes and organizational practices.

### 8.2.3 Social Inclusion Initiatives

Social inclusion initiatives have been introduced as a response to the potential for the marginalization, isolation and exclusion of migrants. These measures have not only been important to promote inclusion and integration, but they have been a crucial element of a broad approach to preventing racism.

A range of social inclusion initiatives have been introduced in Ireland in the last decade, which emerged from a concern about persistent poverty in Ireland and also from the greater attention given to combating social inclusion in Europe, most notably through the NAPS Inclusion. The plan provides a focus for social inclusion activities and a national coordination framework is provided through the Cabinet Committee on Social Inclusion. Ireland’s strong focus on partnership working has also provided a focus for targeting resources into marginalized communities, and through these into designated projects for asylum seekers and other minority ethnic groups, through the Local Development Social Inclusion Programme made up of 38 partnerships, 33 community groups and four employment pacts.

Other social inclusion measures have been introduced through the City and Council Development Board’s ten-year plans for economic, social and cultural development. The plans were equality proofed during their development and they contain specific references to the principles of equality and social inclusion and to the integration of policy and service delivery for migrants and other minority ethnic groups.

### 8.2.4 EU and International Policy Context

There is also a European (European Union and Council of Europe) and international policy (United Nations and International Labour Organization (ILO)) context that is driving social policy developments in this area of migration. For example, basic social standards have been established in the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Under Article 28 migrant workers and members of their families shall enjoy the same treatment granted to nationals; Article 28 of the Convention includes the right to all migrant workers to receive any medical care that is urgently required; and Article 30 provides for the basic right of access to education based on the principle of equality of treatment with nationals.

The ILO (2004) has also developed a non-binding multilateral framework for a rights-based approach to labour migration which takes account of labour market needs, with guidelines and principles for policies based on best practices and international standards. The NCCRI (2004) have argued that even if these conventions are not ratified and implemented they should still underpin minimum standards in Irish policy.

There is also an emerging EU social policy framework addressing migrants that will impact on Irish social policy. This is underpinned by the Lisbon guidelines, and mapped out in the Charter on Fundamental Rights, a recent (2006) Green Paper on managed economic migration which is likely to address some core social policy issues, and a Commission Communication for A Common Agenda for Integration Framework for the Integration of Third-Country Nationals in the European Union (2005). Other specific provisions are found in the Directive on family reunification,<sup>131</sup> social inclusion and equality policy initiatives.

The European Commission recommends that in implementing the Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification (OJ L 251, 3.10.03) that access to the labour market should not be restricted. Other recommendations concern the need to address the different situations and conditions faced by immigrant women and men in the integration process, give special attention to the double discrimination faced by immigrant women in the labour market, and ensure that Community funding is used to integrate a gender perspective into immigration and integration policies (European Commission, 2005).

## 8.3 Social Policy Provisions, Rights and Entitlements for Different Groups of Migrants

### 8.3.1 The Social Impacts of Migration

Measuring the social impacts of migration on the public welfare system will depend on the entitlement and access of migrant communities to such services as health-care, education, income support and housing. An attempt has been made to categorize these entitlements in Table 8.1. The categories exclude involuntary migration (trafficking, displacement, asylum seekers, and programme refugees).

The different legal status held by different groups of migrants influences social rights and entitlements and access to social, health, employment and other services for non-Irish nationals. Here we differentiate between migrant workers (work authorization/ working visa holders, work permit holders, citizens from the new member states, and working students) and refugees and asylum seekers.

### 8.3.2 Migrant Workers

The QNHS for the last quarter of 2005 suggests that there were an estimated 253,500 foreign nationals aged 15 years and over living in the State, of whom just over 171,000 were in employment. The fastest growing group of new migrant workers are nationals of the new EU member states, whose numbers increased from under 30,000 in the last quarter of 2004 to over 65,000 in the last quarter of 2005.

131. Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification, OJ L251/12, 3.10.2003.

**Table 8.1** Classes of Migrants Residing in Ireland  
Estimated Entitlement to Public Social Benefits and Services in 2005

<b>Class of Migrants</b>	<b>Right of Access to Services</b>
<b>Migrants within the Common Travel Area of Ireland and the United Kingdom (non-treaty arrangement)</b>	Right of access to employment and services equal to Irish nationals, confirmed in part by the Good Friday Agreement.
<b>EU-15 nationals plus EEA and Swiss nationals prior/post May 1, 2004</b>	Equal treatment in relation to employment and related insurance rights, access to education, housing and health services. Portability of many social protection entitlements for workers and their families.
<b>European nationals from 10 accession countries, May 1, 2004</b>	Employment insurance-based rights to income support, but not discretionary welfare provisions. Unclear entitlements in relation to other social, welfare, labour market or housing services, where the Habitual Residency Test is applicable.
<b>Non-EU national</b>	Limited rights of access to welfare services. Generally not entitled to public housing/rent allowances, but exceptions exist. Entitled to 1st and 2nd levels of education at present, not to 3rd level, unless able to pay “overseas” fees.
<b>Refugee status and humanitarian leave to remain</b>	Differences with other residents regarding right of access to social benefits, where the latter rely on length of residence, duration of social contributions, or length of time on Live Register.
<b>Regularized leave to remain – EU parents of Irish-born children in 2005</b>	Unclear status in relation to service entitlement when changing status from asylum seeker to regularized resident with leave to remain.

Source prepared by P. Conroy, Ralaheen, 2005

There are differences in status between migrant workers holding work permits and those holding work authorization visas/ working visas regarding family reunification and legal status. Limited attention has been given to issues concerning access to health, childcare, training and employment services, and other services supporting migrant workers integration into Irish society. These groups of migrants that are working can in time build up rights to social insurance related benefits through pay-related social insurance (PRSI), while access to GP, hospital and other health services is subject to nominal charges. There is also access to first and second level education for children of migrant workers. The Habitual Residency Condition (HRC) discussed below restricts access to certain social welfare benefits. Similarly, the limited duration of employment contracts makes long term planning for housing difficult.

### 8.3.3 Work Authorization Visa and Working Visa Holders

Greater employment security, possibilities to stay and the right to family reunification were introduced through the working visa and work authorization scheme (2000) to enable prospective employees with job offers from employers in Ireland to obtain immigration and employment clearance in advance from Irish embassies and consulates. Visas are held by the worker for two years. Sectors covered include information technology, professionals in construction, and registered nurses. Similarly, the Work Permits Bill (2005) seeks to extend entitlements to highly skilled workers including settlement and family reunification.

### 8.3.4 Work Permit Holders

In contrast work permits are held by employers for one year. Work permits are normally issued to lower skilled occupations in the horticultural, construction, social care and service sectors of the economy. There are no rights to family reunification or for spouses to work. As with work authorization / working visa holders, in most cases work permit holders are ineligible for medical cards and have to pay nominal charges for healthcare in the same way that Irish citizens do.

### 8.3.5 Migrant Workers from the New EU Member States

The government anticipates that there will be a sharp reduction in the number of work permits issued, as the numbers of workers from the new member states increases. Between May 2004 and June 2005 104,706 PPS numbers were issued to migrant workers from the new EU-10 member states. The impact of the HRC and planned changes to this policy is discussed below.

### 8.3.6 Working Students

Since 18 April 2005 new students granted permission to remain in the State will not be permitted access to employment unless they are attending a full-time course of at least one-year's duration and leading to a recognized qualification. Students are entitled to work up to 20 hours per week part-time and full-time during vacation times. Students carrying out preparation courses leading to a full-time course will not be permitted to work until they commence the full-time course.

### 8.3.7 Refugees and Asylum Seekers

Under the 1951 Geneva Convention, Ireland accepts an agreed number of programme refugees as part of its international obligations to protect people fleeing persecution, as well as more recently by responding to asylum seekers seeking to be recognized as refugees. In terms of social policies asylum seekers receive more limited entitlements to social supports and are unable to work, although refugee status brings with it similar rights to those held by Irish citizens, and refugees have the right to apply for citizenship. Government policy has been drawn up in the document *Integration: A Two Way Process* (DJELR, 1999). Support for asylum seekers is covered under a policy of Dispersal and Direct Provision.

Specific social policy issues concern the right to work, education and training, and supports for women asylum seekers with children. In particular, the Irish policy of dispersal, often locating people in rural areas and small towns, has raised a number of social policy challenges, concerning access to social networks, healthcare, language classes and interpretation services, childcare and other supports. In the areas of healthcare, for example, planning for additional resources such as GP services has not always taken place through a planned and adequately resourced approach and in some cases refugees have been left without access to GP and other healthcare supports.

In terms of accommodation and social support an Asylum Seekers Unit provides a community welfare service to non-Irish nationals and specific clinics with a dedicated service for refugees and asylum seekers have been established by the service. The Reception and Integration Agency operates seventy accommodation centres across the country for asylum seekers who are provided with full board and accommodation and pocket money whilst waiting for a decision on their status (this is discussed further below). Asylum seekers have a range of entitlements, including schooling for children between the ages of six and 16 years, English language and literacy supports provided within an adult education context and measures to include asylum seekers in local community and cultural activities.

Additional social supports were recommended under the NPAR and service providers in the health and education sectors have instigated additional services and supports for asylum seekers and their children in response.

Restrictions on citizenship and residency have also been put in place. The provision that allowed citizenship to be granted to Irish born children ended with the citizenship referendum in 2003. A similar provision allowing parents to have access to residency by virtue of an Irish born child was also ended following a decision of the Supreme Court. These provisions impact on both parents and children regarding access to social policy rights associated with residency and citizenship.

### **8.3.8 Gender and Migration**

Gender is a particularly important issue since it shapes channels of entry and access to services and benefits, work, asylum and family reunification. The HRC discussed below leaves many women in marginal and excluded situations; this is particularly the case for women who have childcare responsibilities and women who experience domestic violence and who are unable to claim services and benefits for themselves and their children. Female dependent spouses and women working in some sectors are particularly socially isolated and lack access to information in their local communities. Social isolation is enhanced because many women migrant workers do not have family networks to help them with childcare and other support.

### **8.3.9 Family Reunification**

The law does not provide a right to family reunification, although those migrants granted long term residency or permission without condition as to time are permitted to have their family members live with them in Ireland. However, the decision to grant family reunification is given at the discretion of the Minister of Justice and applications have to prove sufficient resources to support family members, since in many cases they will not be granted the right to work in Ireland.

Family reunification is dependent on the immigration category under which the primary working migrant enters the jurisdiction. Family reunification is a critical issue for many migrants. As the National Women’s Council of Ireland has stated (2005) “Family reunification is of immense importance to many migrants and in particular to migrant women who have been forced to leave their children and families behind when they emigrate to Ireland. This puts huge strains particularly on mothers of young children as well as on the children themselves.” There are also gendered assumptions underlying family reunification policies, which may be embedded in assumptions of women’s dependence in the family. A change in policy was necessitated by a potential drop in overseas nurse recruitment and other areas of skilled employment, attributed to a lack of rights to family reunification, as exists in other countries. Granting a spouse the right to work and to family reunification, under the work authorization and working visa schemes, has helped to maintain overseas nursing staffing levels in particular.

The continued requirement that spouses of work permit holders be disallowed from working has reinforced dependence of women on their husbands/partners, including a loss of financial independence for women. This creates an environment that can lead to abuse, domestic violence and an absence of personal autonomy. This situation creates dependence and inequality with particularly important implications for support systems for women who experience domestic violence, pregnancy or social isolation. In particular, a number of organizations have called for greater legal protection for women who experience domestic violence to be given independent legal status and the right to remain in Ireland, as exists currently in the United Kingdom. Without this women are tied into dependency on their spouses, legally, financially and in accessing services.

#### 8.4 Amending the Habitual Residency Condition and Access to Social Welfare Benefits

With the enlargement of the European Union on 1 May 2004, Ireland, along with the United Kingdom, provided general access to the labour market for workers of the new EU-10 member states, but put in place a number of restrictions regarding access to welfare benefits and other forms of social assistance. Following the imposition of restrictions to welfare benefits introduced in the United Kingdom, Ireland put in place the HRC<sup>132</sup> which restricted access to welfare benefits for all EU and EEA citizens. At the time the government was concerned that the system could be open to abuse and “welfare tourism”. The HRC applied principally to Unemployment Assistance, Old Age (Non-Contributory) and Blind Pension, Widower’s and Orphan’s Allowance, Supplementary Welfare Allowance and Child Benefit. In order to satisfy the HRC an applicant for social welfare has to demonstrate that they have lived in the State habitually for two years or more, and that there is an intention to live in Ireland in the long term.

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132. Introduced under Section 17 of the Social Welfare (Miscellaneous Provisions Act) 2004 and Schedule 1 to the Act.

Applying for social welfare requires an applicant to go through the HRC “test”, eligibility for which is made by one of seven HRC Deciding Officers based in the Department of Social and Family Affairs. One of the difficulties is that the increase in cases for adjudication has resulted in delays in making decisions. In contrast Supplementary Welfare Allowances can be claimed by people in emergency situations who have little or no means and the benefit can be provided for immediately by a Community Welfare Officer. The discretionary powers vested in Community Welfare Officers means that in some cases exceptional and urgent needs payments are granted on an ad-hoc basis. Exceptional needs payments can also now be issued to someone who has failed the HRC.

Although social welfare systems are the responsibility of EU member states, the European Commission contested the application of the HRC in 2005, based on Article 7(1) of EEC Regulation 1612/68 concerning freedom of movement of labour and the requirement of equal treatment for EU nationals concerning conditions of employment and work, and in the case of Article 7(2) equal treatment in respect of social and tax advantages. Of relevance to the Irish case, is that the European Court of Justice<sup>133</sup> has stated that the United Kingdom’s habitual residency provisions should not restrict access to the UK’s job seekers allowance. Similarly, in Ireland under the equal treatment principle EU/EEA workers should be equally entitled to Supplementary Welfare Allowance on the basis that this provides for a minimum subsistence benefit. In addition, the European Commission has stated that child benefit and one parent family benefit also apply, thereby rendering the HRC redundant in these areas, although not in the area of unemployment assistance.

These decisions have major implications for Irish social policy, which has been focussed on implementing restricted measures for new member state nationals. In particular, these measures are also associated with the Irish government’s policy that in the event of a down turn in labour market growth that they can apply EU rules allowing for transitional measures that resulted in restrictions in access to the labour market.

Indications from the review of the operation of the HRC, that was initiated on the request of the Minister by the Department of Social and Family Affairs in 2005, suggest that there will be some policy and administrative changes introduced to lessen the impact of the HRC on non-nationals, particularly from the new EU-10 member states. Indications are that the “test” would require habitual residence to be for a period of around six months, with access to emergency support through supplementary welfare for all migrant workers. At the time of writing the scope of this review had not been decided and whether it would apply to non-EU member state nationals and spouses of work permit holders. The terms of reference for the review include assessing the impact on different categories of persons, organization and administrative arrangements and opportunities, and addressing policy issues.

In a recent submission to the government on the impact of the HRC, the NCCRI<sup>134</sup> noted that confusion over the application of this rule has led to many migrants being wrongly refused welfare payments, not least because some deciding officers

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133. *Collins v Secretary of State for Work and Pensions*, 23 March 2004.

134. An independent expert body, which brings together government and non-governmental organizations, core funded by DJELR.

believed that work permit status was irreconcilable with habitual residence (NCCRI, 2005). In addition, evidence from the Homeless Agency suggests that application of the rule has rendered some migrant workers, unprepared for the cost of living in Ireland, homeless and destitute. If a new class of migrant is created, such as long-term residence of five years or more, this decision will directly impact on social provisions between migrants with different statuses. Migrants of long-standing residence will eventually obtain preferential treatment regarding the provision of public services, compared with short-term or temporary migrants.

The confusion caused by the HRC emphasizes the importance of adequate and appropriate information and orientation for new arrivals in Ireland as to their rights and entitlements. The Immigrant Council of Ireland has produced a 250-page handbook offering such information for migrants; yet, there is a lack of similar material on the website of the Department of Family and Social Affairs. Effectively determining entitlements is an essential element of the pre-departure migration decision, and migrants need to have a full understanding of what they can expect in terms of cost of living, social support, and access to health services.

In February 2006 press reports highlighted the eligibility of migrant workers from all EU member states to claim the child benefit (of approximately EUR 150 per month) and the new childcare subsidy (of EUR 1,000 to be commenced in 2006).<sup>135</sup> Evidence of a child's birth certificate and an Irish employer's statement is needed to enable a migrant worker to claim the benefits, even if their children are living in other countries.

## 8.5 Housing and Accommodation

A decision to recognize migration as a permanent feature of the Irish labour market will have a substantial impact on the housing market. If future policy opens the prospect of increased family reunification, preferences for more skilled or qualified migrants and the option of a long-term residence status, each of these either together or separately will impact on the demand for housing.

Analysis of the nationality of households in the 2005 Housing Needs Assessment shows that 6.7 per cent of households were from within the European Union (other than Ireland), 8.4 per cent from outside of the European Union, with 85 per cent of households being Irish. Although there has been an increase of non-EU households on the waiting list for social housing (from 2,700 in 2002 to 3,664 in 2005), these numbers have largely been offset by a decrease of Irish households on the waiting list for social housing. Relieving further pressures on social housing has resulted from a greater dispersal of non-EU households on housing lists, with a fall from 73 per cent to 54 per cent of those non-EU nationals on waiting lists, in the three Dublin councils and Kildare county council, between 2002 and 2005. Since 2004 local authorities have been responsible for accommodating recipients of social welfare rent supplements of eighteen months. Figures from November 2005 show that 25 per cent (13,815) recipients were non-Irish nationals, many of whom are married compared to a higher proportion of single females amongst Irish recipients of supplementary rent allowance.

<sup>135</sup> Carl O'Brien, "Little known entitlements takes centre stage", *Irish Times*, 1 February 2006.

There has been a significant increase in housing demand since the mid-1990s (Bacon, 1998) and there are some suggestions that migration could increase demand for housing in inelastic housing markets, and drive housing prices up (Barrett et al., 2005, 19). Home ownership has begun to slip beyond the grasp of many households as house prices rise and the share of home ownership fell from 80 per cent in 1991 to 77 per cent in 2002, (CSO, 2004). This is accompanied by lengthening waiting lists for public social housing, for affordable housing, and pressures on the supply of private rented accommodation (ICSH, 2005; NESF, 2000).

The significance of migration for the private housing market is recognized as driving the demand for housing, housing construction and related household consumption (Sherry FitzGerald, 2000). In the context of Ireland's rapid economic development, housing has been the subject of several policy reviews, including the comprehensive study on housing commissioned by NESC (2004).

The Irish National Spatial Strategy (NSS), a planning framework for housing, urban and rural development, conducted research into the likely population and housing demands in 2020 (<http://www.irishspatialstrategy.ie/docs/pdf/Population%20Labourforce%20Housing.pdf>). Based on the population and labour force estimates made by the CSO, the NSS projected that the number of households would rise by between 615,000 and 788,000 between 2000 and 2020, with migration accounting for 25 to 45 per cent of that growth. The study also predicted particular pressures in Dublin, with the share of the total population living in the region rising from 40 to 44 per cent by 2020. Available work permit data suggest that nearly half of migrant workers are employed in the capital. Research commissioned by the Department of Environment in 2000 suggested that "allowing for other migratory flows and the likely age patterns of people making up these numbers, the impact on housing demand from this source alone is likely to be around 8,000 to 10,000 units per annum" (Bacon, 2000).

### 8.5.1 Migrant Workers and Housing Choices

A large number of immigrants in Ireland on work permits are in low-skilled occupations, paid the minimum wage, and sometimes even less. The high cost of living in Ireland means that some migrants are renting shared accommodation of poor quality and which is often overcrowded to reduce costs: migrants have reported renting properties that are dirty, damp, infested with rodents and without proper heating (ICI, 2004). These can all be factors leading to poor health. Reports of homelessness among migrants underlines the links between migrants' social and working environment and their health status.

Currently, non-EEA migrant workers working in Ireland on work permits have to be renewed annually, or every two years in the case of people working on work authorization visas and working visas. The uncertainty of their temporary status makes it difficult to plan, particularly in purchasing property in Ireland, and they will choose to rent instead. Migrants in lower-wage employment also choose to share housing to reduce costs, which in turn reduces the number of individual households in Dublin (MRCI, 2004; Kelleher, 2004). If the proposal to create a new permanent residence status for some migrants (DJELR, 2005) were adopted, a new long-term resident status would confer social entitlements on some migrants similar to those enjoyed by Irish citizens, and could expand the number of persons seeking more permanent housing in Ireland. This could increase home ownership

among migrants, thereby accelerating integration and strengthen their stake in Irish society. It could also increase demand on the social housing sector as migrant families apply to join the waiting lists for public social housing. At present the assessment of the need of individuals for public housing does not require any specific migrant or immigrant status, but depends on the housing policy of individual local authorities (NESF, 2000: 18).

A significant proportion of immigrants arrive without family members as workers, as students, or student-workers, and their housing needs are similar to those of single persons rather than family units. Any decision to apply for family reunification may be related to the short-term nature of the current work permit regime, meeting the income requirements for reunification, and the difficulties faced by spouses in obtaining work permits in Ireland. This is a question for future research. As a result, the demography of immigration of non-nationals is skewed towards younger and economically active age groups. Changes in policy on family reunification are likely to be accompanied by migrants seeking to switch to other segments of the housing market, such as social housing.

As mentioned in earlier chapters, an important proportion of immigrants are Irish emigrants returning home. About 17 per cent of both male and female immigrants in 2003 and 2004 were Irish nationals (CSO, 2004: 8). This is lower relative to the patterns seen in 1999 to 2002, when one in four or more immigrants were of Irish origin. Returning Irish nationals impact on the housing market, although not necessarily in the same geographic locations as migrants holding work permits and work authorizations recruited into specific industries and services. They are more likely to settle outside Dublin. In contrast to working-age non-Irish immigrants, returning Irish migrants are also older. Those over the age of 60 are the subject of a special initiative called the Safe-Home Programme, which acts as a liaison between older Irish emigrants and Irish housing associations to accommodate older people without family or relatives.

Anecdotal evidence from migrants, and NGOs working with migrants,<sup>136</sup> indicates that an unknown proportion of work permit holders are living in their employers' households, or residing in caravans, portacabins, mobile homes, or on their employers' commercial premises, construction sites or farms. In some instances, migrant accommodation is a farm outhouse or barn. Some of these are to be found in detailed census categories on types of housing, where caravans and mobile homes are included. Migrants looking for work have been reported to be sleeping rough on the streets.<sup>137</sup> It may be that a perverse consequence of the Irish economic development is that standards of accommodation, which have generally improved for the population as a whole, are at risk of declining where migrant workers are concerned. Improved enforcement of employment conditions, and basic rates of pay, would ensure that migrants are not forced into poor housing conditions either by employers or their economic situation.

136. Information from trade union SIPTU and NGO Migrant Rights Centre Ireland, 2005.

137. Communications of and with SIPTU, Migrants Rights Centre Ireland, Crosscare.

### 8.5.2 Asylum Seekers and Direct Provision

Restrictions placed on Programme Refugees include the requirement that programme refugees have to remain in the accommodation allocated to them for up to one year, otherwise they lose their rent allowance. On leaving the accommodation, for example, to move to be near family or social networks, problems arise under the social assistance regulations that rent allowance can only be claimed if a person has been living in rented accommodation for a period of six months or more. This provision is seen to discriminate against refugees and asylum seekers who may wish to join family or social networks in Dublin and forces people to stay in one place even though it may not be a place of choice.

Asylum seekers are housed in groups or collective housing, such as converted hotels, hostels, reception centres, self-catering accommodation and mobile homes. At the end of 2004, there were 6,785 residents in Direct Provision of accommodation under the Reception and Integration Agency (2005). However, many received housing services and left Direct Provision, only to return at a later date. Only a small number are granted refugee status or leave to remain and thus settle or become eligible for local authority/public housing. Legal restrictions on rent allowances to pay for private rented accommodation were introduced to reduce the incentive to move out of accommodation provided by the Reception and Integration Agency. This reduces the capacity of asylum seekers to have subsidized private accommodation.

Local authorities in Ireland have had to take on new responsibilities for accommodating asylum seekers and refugees living within their areas, and this has thrown up new challenges for many local authorities. The Housing Unit of the Department of the Environment and Local Government (2003) has issued good practice guidelines in housing management for local authorities in housing refugees, covering the provision of information, interpretation and translation, staff training, tenancy support, anti racism and ethnic monitoring, and planning and strategic management issues.

Some organizations have expressed concerns about the vulnerability of asylum seekers and refugees to many of the crises that are recognized factors in contributing to social exclusion, poor housing and homelessness. The Irish Refugee Council has argued that the accommodation centres currently housing asylum seekers contribute to the institutionalization and deskilling of asylum seekers that arise from extended stays in direct provision. Adult asylum seekers are also restricted in the educational training they can access and are prohibited from engaging in paid employment while waiting decision on their application. Difficulties arise for those who get refugee status since it can be difficult leaving such sheltered accommodation and many have little experience of and information about finding accommodation, training and employment.

In response to this the Reception and Integration Agency has established 11 step down facilities to provide housing for those who experience difficulties in accessing private rented accommodation. Specific concerns are also raised about the provision of leave to remain on the basis of an Irish-born child (which will

affect some 30,000 estimated people in total) and the need to consider the future needs of this vulnerable section of the population. In particular, there are specific needs of separated child asylum seekers who are particularly vulnerable and at future risk of homelessness.

### 8.5.3 Homelessness and Access to Housing

The operation of the HRC has further disadvantaged migrant workers access to local authority and homeless services. In many cases a person's legal status affects their right to access a range of services, including housing and homeless services, whilst issues of racism can impact on access to rented housing, credit and other services. Homeless service providers have reported a significant increase in immigrant and foreign-born residents among their clients and particular issues of hidden homelessness have been raised by advocacy groups.

The Immigrant Council of Ireland (2005) have highlighted issues of access to housing for the new migrant communities in Ireland, the need for immigrant housing strategies and the need to address racism and access to housing. In particular, women immigrants are vulnerable to homelessness arising from domestic abuse and there is evidence of an increase in immigrants in women's refuge accommodation. Particular issues are raised about exclusion from homeless services due to lack of information, lack of actual services, legal barriers, or lack of cooperation between the public sector and NGOs. They argue that there is a need to consider homelessness beyond alleviation and emergency provision, in facilitating the integration of immigrants into appropriate transitional or permanent housing.

Research by the Homeless Agency (2000) and Pillinger (2006b) has revealed growing numbers of people from the new EU-10 member states who are principally homeless because of income and work related problems, including exploitative work situations, poor information concerning work opportunities and the high cost of living in Dublin in particular. It is estimated that at any one time between 35 and 85 new EU-10 member state nationals were accessing homeless services in Dublin in September 2005, although this was considered to be an under-estimation of the problem (Homeless Agency, 2006).

In particular, homeless new member states nationals are not included in the definition of who is homeless in Ireland. In addition, the HRC, although principally focussed on entitlements to social welfare benefits, has been applied broadly to include other services such as homeless related services, including temporary accommodation and local authority housing. In particular, homeless and housing providers are often unable to provide support services or have to restrict services because of ineligibility to rent allowance (which falls under the Supplementary Welfare Allowance regime) and which is generally provided to homeless people to pay for temporary accommodation.

Despite this, and in keeping with the traditions of Irish social policy, many of the church based charities that provide homeless services have continued to provide food, shelter and accommodation services to homeless non-nationals who are destitute and homeless. Despite this there continue to be confusions in relation to the application of the HRC as to whether the HRC is specific and exclusive in its application to benefit claims.

Specific policy initiatives emerging from the NPAR, include the building of an intercultural dimension into key housing and related policy instruments, with reference to equality and diversity policy; measures to address housing inequalities that impact on cultural and ethnic minorities and an equitable approach to the housing of asylum seekers; improved data and participation in consultations related to accommodation policy and provision.

## 8.6 Health and Social Care Services

Access to health for migrant workers, students and dependants in Ireland is on the same basis as for Irish nationals. Migrants who are “ordinarily resident,”<sup>138</sup> with a weekly income of less than EUR 138, qualify for medical cards entitling them to free healthcare and prescription medication. In reality, it is only the international student population who qualify for medical cards, as minimum wage work permit holders exceed the income threshold, at least in theory. Thus, migrant workers, along with the general population, pay a nominal charge for medical visits, emergency visits, and hospitalization (up to an annual maximum charge). While this is not excessive, some migrant workers on incomes above the medical card threshold have nonetheless been unable to afford medical treatment (MRCI, 2004: 29). Other migrants do not use health services because they are not aware of them, do not understand them, or feel they are “foreign” to their own cultural beliefs.

Special health provision has been made for asylum seekers and refugees, but not for migrants. Up to now, the health status of asylum seekers and refugees entering and residing in Ireland have been the object of specific health initiatives, such as specialized clinics, free health screening and treatment and the provision of hospital and community care. Migrant workers, students and their children and partners have specific health needs that are not included in the asylum and refugee health services. Migrants recruited into Ireland on short-term contracts from countries and regions with undeveloped or less developed health services may require additional health screening and treatment, and have different risks regarding ill health compared with the Irish-based population. These can range from differences in disease immunity, different susceptibilities to specific cancers and blood disorders, to mental health difficulties related to factors such as trauma, social isolation and cultural barriers.

More research is necessary to determine the real access to health available to migrants, and how far cultural, religious and language barriers are preventing non-nationals from exercising their right to health. Particular attention needs to be paid to migrants in low-income occupations who are less likely to access health services, though are more likely to require them.

### 8.6.1 Migrants and Utilization of Health and Social Care Services

There is currently a limited evidence base of both the experiences of migrants in utilizing services and of the provision of health services to an increasingly diverse population. This lack of evidence impacts on both the planning and provision of appropriate health and social care services and the extent to which full account is

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<sup>138</sup>. To be ordinarily resident, a migrant has to show legal status, and an intention to live in Ireland for at least a year.

taken of minority ethnic people's diverse health needs. The result is that health needs may go unmet and significant health problems may result at a later stage.

From the perspective of service users key issues include access to information, interpretation and translation, and an understanding of the complexity of the healthcare system. From the perspective of service providers key issues concern the development of culturally competent and appropriate services within a context of limited additional resources. There are additional significant challenges concerning the development of new perspective on social inclusion and equality in health service provision. Barriers in accessing and utilizing health services by migrants and their families can be affected by a person's culture, religion, language and legal status. Evidence from a number of European countries shows that services need to increasingly reflect ethnic diversity and take on board issues such as ethnicity, language, culture, religious beliefs and customs. A failure to do this and ignorance of the impact of these can result in discrimination, low levels of trust in public services and reduced quality and effectiveness of services.

In addition, a lack of knowledge, awareness and understanding, by planners and service providers, of the specific physical and mental health difficulties faced by migrants may result in further unnecessary barriers and unmet needs. Some migrants may not be accessing health services because of a fear of loss of rights or because their status is undocumented. Others may have limited knowledge of how the healthcare system works and of the rights and entitlements they may hold.

While emergency services would seem to be open to all, and free for many, it appears that resident non-nationals without a medical card will be subject to the nominal charge.<sup>139</sup> It is not clear whether irregular migrants in Ireland, unable to prove legal residence, are eligible for treatment and/or subject to charges. The unstable and marginal circumstances experienced by undocumented migrants increases the risks to their health. Many countries in Europe offer free emergency healthcare to patients, regardless of status and origin, though many are reluctant to access these services for fear of deportation.

### 8.6.2 Developing Culturally Competent Health Services

At the same time there is a growth of good practice and knowledge both within Ireland and internationally about cultural competence in the provision of healthcare services, for example, through community engagement and cultural mediation; advocacy and community based projects; awareness of providing services that can accommodate diversity; and the provision of health services within a framework of anti-discrimination and equality.

These issues are relevant to government policies that promote people-centred approaches in the planning and delivery of services and for enhancing and strengthening the capacity of the healthcare system to deliver these objectives. The policy context is currently being delivered through Sustaining Progress, The Health Strategy Quality and Fairness – A Health System for You (2001), Primary Care – A New Direction (2001), National Health Promotion Strategy, 2000-2005 (2000) Health Targets in the National Anti-Poverty Strategy, to name a few.

139. Some EEA nationals may be entitled to free treatment according to EU regulations.

In recent years the Health Service Executive (HSE), which provides both health and social services, has begun to respond to the challenges of providing services to an ethnically and culturally diverse population. A specific focus on equality and social inclusion has emerged from the 2001 Health Strategy *Quality and Fairness: A Health System for You*. In addition, the strategic focus given to equality in health by the Equality Authority has also resulted in a number of initiatives to promote equality in health through Equal Status Reviews of health services, the publication *The Equal Status Act and the Provision of Health Services*, and the development of a National Framework of Equality in Health. These initiatives have included measures to ensure that health services become “culturally competent” within a framework of equality and diversity, by taking account of the needs of migrants in the planning, delivery and monitoring of services.

Other specific initiatives have included the development of migrant friendly hospitals; incentives to GPs to include refugees and asylum seekers on their lists; and specific Performance Indicators requiring the development of services for refugees and asylum seekers. The HSE’s 2006 Service Plan makes provision for a national Intercultural Strategy and for the development of an ethnic identifier in order to monitor the uptake and provision of services to minority ethnic groups.

Some effort has been made by the Department of Health to reach out to ethnic communities. In March 2003, a Health Awareness Week was organized by the Islamic Cultural Centre of Ireland, in collaboration with three health boards, to raise awareness of health issues among Muslims, and strengthen networks.<sup>140</sup> However, there is no broader government strategy for raising health awareness among migrant communities in Ireland.

A recent ICGP members survey has identified specific issues raised by GPs which include communication and interpretation problems, poor health status and mental health difficulty experienced by some groups, particularly refugees, attitudinal barriers, language barriers and culturally inappropriate services (ICGP, 2005). In particular, specific health issues are raised by asylum seekers and refugees concerning social isolation of people living in direct provision hostels, trauma and post migration stress, racism, fear of deportation, lack of understanding of services and culture shock and language barriers. The ICGP recommends that better knowledge and understanding of culture and health beliefs and sensitivity around specific diseases is needed.

The development of the Intercultural Health Strategy, as provided for in the NPAR and the 2006 HSE Service Plan, builds on the former Eastern Region’s Ethnic Minority Strategy which highlighted specific needs in relation to interpretation and translation, community development and peer-led approaches to health information and awareness, anti-racist approaches, and better awareness and understanding of culture and minority ethnic groups by health service staff. Other provisions contained in the NPAR include building an intercultural dimension into health impact assessments, social services, family and childcare policies; improving data; and enhancing the participation of cultural and ethnic minorities in the health, social services and childcare sectors.

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140. Minister Lenihan Launches the Health Awareness Week at the Islamic Cultural Centre of Ireland, press release of 5 March 2003, Department of Health and Children.

Particular issues are raised concerning the provision of community based and culturally sensitive mental health services (Inspector of Mental Health Services, 2005). Although there are some developments in specifically targeted services, such as a dedicated refugee psychology service in St Brendans Hospital and the Spirasi counselling service, these are isolated examples which tend to be located in the Dublin area. These issues were raised at a national conference on the Challenges of Addressing the Mental Health Needs of Asylum Seekers and Minority Ethnic Groups in Ireland, held in Sligo in January 2006. The conference addressed how the recent increase in immigrant minorities, requires service providers to expand their knowledge-based cultural skills in order to provide appropriate support to people with different health beliefs and expectations. Specific interventions or support may be needed to ensure that these groups obtain equality in health outcome. In particular, the stresses experienced by new arrived migrants can result from cultural dislocation, language and cultural barriers, and previous experiences of strife and trauma. Key issues that will need to be addressed in the future will be the identification of mental health needs in an increasingly diverse population and plan for service provision and training needs.

In some areas specific supports have been put in place for refugees and asylum seekers. In the North West a coordinator for asylum seeker health has been appointed and across the country special clinics have been established in the Community Welfare Service for refugees and asylum seekers. A significant barrier in the health service is a lack of interpretation which remains a big problem, particularly for recently arrived programme refugees.

### 8.6.3 Childcare

Many organizations have raised the specific problems that migrant women face regarding access to childcare, particularly because they may also lack family and social support structures. In particular, childcare services can help women to integrate into social and economic life in Ireland, including accessing health services and taking up employment and training. Childcare has been highlighted as a strategic priority for Ireland and is currently being progressed through the national childcare strategy.

Specific social policy issues that have been raised by policy makers, service providers and migrant led community groups concern unaccompanied minors who require targeted support and interventions. The HSE has also expressed concerns that around 250 unaccompanied minors have gone missing and that some of them could be at risk of labour and sexual abuse, and exploitation and these concerns have been mirrored by the IOM who have assisted unaccompanied minors in the state. A particular problem has been the differential treatment given to unaccompanied minors who are largely housed in private hostels that are not subject to inspection by the Irish Social Services Inspectorate, in contrast to services for cared for Irish children. This has resulted in calls for additional resources and improved levels of services for unaccompanied minors by refugee support groups.

#### 8.6.4 Peer-led and Community Development Programmes

The growth of peer-led and community development approaches to migrant health is a response to policies to tackle health inequalities and social exclusion in health. Within the HSE the development of a national social inclusion framework has highlighted the importance of these local and community based approaches to health gain. Examples of this is the support organization for asylum seekers Spirasi's Health Information Programme (HIP), through a peer-led project which trains groups of asylum seekers and refugees in health issues and resources, using visual, multi-lingual and audio communication aids. Another example is Cáirde a voluntary organization providing support to minority ethnic women in Ireland who experience inequality because of difficulties accessing suitable services, poverty, unemployment, and negative experiences of health services. They have a women's health action development programme that is designed to address the health inequalities experienced by women and a key role is given to empowering women and to building their own capacity to address their own health needs.

#### 8.6.5 Mobility and Disease

Globalization and the international mobility of people, have generated new health challenges worldwide. The increasingly diverse health status of people entering and exiting Ireland makes population health, and the surveillance and management of infectious diseases, an extremely complex and specialized area. In 2004, people from Ireland made 5.4 million trips abroad, three million for holidays, 670,000 for business and 1.3 million to visit friends and relatives (CSO, 2004: 1). The internationalization of migration has also to be seen in the context of the international mobility of workers and the close relationship between Irish residents and Irish emigrants living abroad, accounting for one in four of the visits to Ireland in 2004. Visits to remote regions of the world, the growing financial capacity of individuals, including teenagers, to take overseas holidays, the falling cost of air travel, changing habits in relation to sexual relationships when travelling overseas, on holidays, marriages between Irish residents and citizens of other countries—these are just some of the lifestyle factors which have a bearing on exposure to infectious diseases in the resident Irish population.

#### 8.6.6 Public Health and Infectious Diseases

Effective management of infectious diseases is an integral part of securing public health in Ireland for both migrants and the host society. The National Disease Surveillance Centre has begun collecting data on the country of origin of Irish residents with certain infectious diseases, largely in response to moves to improve epidemiological surveillance at the European level. These data show that foreign-born residents in Ireland are over-represented as regards HIV and tuberculosis. Of the 304 HIV diagnoses made in 2004 where geographic origin is known, 130 patients were born in sub-Saharan Africa. Given the rates of this infection on the African continent, this is unsurprising. Of the 122 Africans who contracted the infection through heterosexual contacts, 85 were female (NDSC, 2004).

It is hard to determine whether the high proportion of foreign-born in this dataset demonstrates that surveillance of the health status of the migrant population is working, or whether this number is evidence of the urgency to focus on the needs of some migrant populations.

Despite high rates of infection in some parts of Asia and Eastern Europe, few or no cases have been reported among the migrant population from these regions. Rather, the high African caseload could reflect the screening programme available for asylum seekers and refugees, a significant proportion of who come from this region. Further research is necessary to determine whether there is sufficient awareness of the disease among migrants in Ireland, and access to screening. When health services fail to reach out effectively to people of a different language and culture, these people miss out on early detection and treatment (Haour-Knipe, 2000).

With respect to other infectious diseases, the most recent reports show that 30 per cent of reported cases of tuberculosis (TB) in 2002 were among persons born outside Ireland. The top three countries of origin were Pakistan, Nigeria and India. Though the total number of cases remains low – under 400 in 2002 – the number of foreign-born with TB in Ireland is increasing, while the number of Irish-born is decreasing. This trend is not limited to Ireland, but can be seen in developed countries across Western Europe and North America. The Chief Medical Officer has noted that incidence of tuberculosis in the United Kingdom, where foreign-born persons represent over 50 per cent of the caseload, is concentrated in urban, high-immigration areas, and levels in some London boroughs are comparable to those in developing countries (Department of Health, 2004).

Some countries with long histories of immigration, Australia, Canada and the United States, have medical screening programmes for refugees and selected migrants to detect a range of infectious diseases. Few European countries have screening policies and most are limited to refugees and asylum seekers. Despite these programmes, it would seem that there has been little effect on the foreign-born TB caseloads in developed countries. Entry screening policies are unable to address the public health concerns arising from those who make frequent trips home to countries with a high incidence of the disease. In addition, health screenings do not cover the irregular migrant population, who are least likely to access public health services for fear of detection.

Health screenings for migrants are more effective when they are part of a comprehensive migrant health policy, including accessible health services, culturally appropriate communication with different migrant communities, and partnerships with local non-governmental organizations to foster trust between health services and migrant communities. For example, a study on the effects of an agreement between a public teaching hospital and a non-government organization dedicated to aiding undocumented migrants in Madrid, Spain, led to the assistance and treatment of a large number of migrants who would otherwise not have sought medical help. Of the 988 immigrants included in the study, most of them undocumented, 44.2 per cent were found to have latent tuberculosis, 15.1 per cent had malaria, 8.8 per cent had hepatitis C, 7.5 per cent had sexually transmitted diseases, and 5.2 per cent were infected with HIV (Lopez-Velez et al., 2003).

## Methods of Improving Public Health Control (IOM, 2004)

- ◆ Capacity-building within public health systems of source and host countries to minimize cross-border transmission of disease.
- ◆ Partnerships between countries and regions to strengthen surveillance and information exchange.
- ◆ Training and education of healthcare providers, policy makers, health management planner and health educators on how to address migration health issues.
- ◆ Development of integration and prevention strategies to combat stigmatization, discrimination and the vulnerability of migrant populations.
- ◆ Facilitation of ethnic community participation in health services delivery.
- ◆ Improved access to healthcare for all migrants and mobile populations regardless of their immigration status.
- ◆ Culturally appropriate communication with migrant communities.
- ◆ Research on best practices, standards and risks relating to migrants.
- ◆ Ethical and human rights-based approaches to ensure acceptable standards of care for migrants.

### 8.6.7 Occupational Health

Migrant workers are being recruited into sectors and industries where they are exposed to specific and increased risks of accident or disease; in Europe, occupational accident rates are thought to be about twice as high for migrant workers as for native workers (Taran, 2003). The ILO recognizes construction, mining and agriculture as the three most dangerous occupations in the world.<sup>141</sup> In Ireland, construction and agriculture report the highest number of work-related fatalities. A significant number of work permit holders from Turkey, Ukraine, Brazil and the Philippines work in these occupations in Ireland, as well as a large number of workers from the new EU accession states, particularly Poland. The construction industry (Ukraine and Turkey) has the highest risk of industrial accidents and fatalities, while the meat processing industry (Brazil) risks potential exposure to the occupational disease of Brucellosis, and the care sector workers (Philippines) exposure to musculoskeletal injuries and other health risks.

The 2005 Safety, Health and Welfare at Work Act has requirements for information in a range of languages. The dangers of work-related injury are compounded by language barriers, where safety signs and instructions are not properly understood. The high number of fatal accidents registered in the construction industry in recent years,<sup>142</sup> has led the Health and Safety Executive in Ireland to produce

141. ILO's In Focus Programme on Safety and Health at Work and the Environment, Especially in Hazardous Sectors.

142. The Health and Safety Executive has registered a 40 per cent rise in work-related fatalities during the first four months of 2005.

largely pictorial translations of the Safe System of Work Plan for Polish and Turkish workers to ensure communication of safety controls regardless of literacy or language.<sup>143</sup> These initiatives should be extended to other high-risk sectors of industry employing large numbers of migrant workers. A national media campaign began in 2005, including radio, television and newspaper advertising, providing information about health and safety in Polish and Turkish.

Exploitation in the workplace, where migrant workers are required to work long hours in poor conditions, is also a factor in increasing the risks to migrants' health. Improved enforcement of health and safety regulations and employment rights could reduce the risk of injury and ill health.

## 8.7 Education

Education is an important element in effective integration (See Chapter 10 for more on integration policies), be it primary or secondary schooling for migrant children, tertiary-level learning for international students or vocational and language training for adult migrants. Irish education policy has incorporated the principles and provisions of equality and anti-discrimination legislation, and a number of government papers and policy statements have been published over the past decade, concerning the growing need to address the particular needs of a multicultural classroom. In addition, specific equality initiatives have been developed with the Equality Authority. In response, the Department of Education and Science has set up a working group to coordinate development of interculturalism and racism across the education system (Joint Committee, 2004), and the National Council for Curriculum and Assessment has reviewed national curricula to ensure the promotion of intercultural education.

Specific education outcomes were also highlighted in the NPAR. Measures that are identified include the development of a national intercultural education strategy, with reference to equality and diversity policy; a more inclusive and intercultural school environment and curriculum; measures covering youth work and enhancing participation in education for unaccompanied minors and refugee and asylum seekers up to 18 years old, and for those with leave to remain to have improved access to further and higher education. Other measures concern improved data systems, enhancing the provision of English as a second language and to enhance participation of key stakeholders in policy developments.

### 8.7.1 Educating Migrant Children

The numbers of migrant children in primary and secondary education are not known, and mechanisms for collecting information on the ethnicity and nationality of pupils in the Irish education system still need to be developed. Media reports suggest that some schools have become very diverse, particularly in the Dublin area, where primary schools are teaching children from more than 100 different nationalities, and in some schools non-nationals account for over 40 per cent of

<sup>143</sup>. See the HSE website for sample documents.

pupils.<sup>144</sup> Data from the NCCRI suggest that there are up to 10,000 non-nationals in secondary education in Ireland, over one-third of them students from the United Kingdom (Joint Committee, 2004). Other large cohorts include Nigerian (775), American (580), Spanish (547) and German (541) students.

In order to fully participate in the Irish education system, many migrant children need to acquire English language competence. Currently, the Irish schools system provides 1.5 hours a week for each student, up to a maximum of 44 hours per school. This limit means that should more than 28 students enrol in a particular school, they cannot obtain full language support (Joint Committee, 2004). In addition, training and support for primary and secondary school teachers responsible for teaching English as a second language are limited. The Integrate Ireland Language and Training (IILT) initiative, supported by the Department of Education, offers a training programme for teachers based in Dublin, but there is no national programme. In 2003, the IILT programme organized seminars for 531 primary school teachers, and 89 secondary school teachers (Joint Committee, 2004).

In addition to practical language skills, migrant children require support while settling into a new cultural and social environment, while schools need to adapt to the cultural and religious diversity of their students. It has been noted by non-governmental organizations that the vast majority of schools are managed and owned by the Catholic Church: multi-denominational schools account for less than one per cent of primary school enrolment.<sup>145</sup> This has led some ethnic communities to set up their own educational facilities to suit their religious and cultural needs.<sup>146</sup>

Finally, some requirements are specific to the nature of migration itself. The temporary work permit system in Ireland means that migrants are frequently entering and leaving the country; as a result, their children are also entering and leaving the school system more frequently and at irregular periods during the academic year. Aside from the disruption in the classroom itself, research in the United Kingdom has noted that this can lead to educational under-achievements for the students (Dobson et al., 2000). “Pupil mobility” is an issue which requires extra resources: identifying gaps in education, language difficulties, social isolation and possible trauma related to the journey to Ireland can be a time-consuming process, drawing teachers away from the rest of the class, albeit an essential support for migrant children.

### 8.7.2 International Students

As has been noted elsewhere in this report, the number of international students has grown considerably over the past few years, and they are an important source of income for higher-level education in Ireland (See Chapters 2 and 6). The diversity of experience and knowledge introduced by international students is welcome in the university environment and can add value to the learning experience. However, it has been noted that there is very little provision at the university level for the special needs of non-national students. The Union of Students in Ireland

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144. *Catholic Schools Promote Multiculturalism*, 18 June 2005, Kieran McDaid, *Irish Examiner*, *Classroom Revolution: The changing ethnic mix in our schools*, 12 April 2005, Paul Cullen, *Irish Times*.

145. See the shadow report made to the UNHCHR CERD Committee on Ireland.

146. Discussion during a Workshop on the Social Implications of Migration to Ireland, 26-27 April 2005.

has recommended the implementation of a mentoring system for international students to help them adjust to their new environment, and greater sensitivity to particular cultural differences.<sup>147</sup>

Overall, it is too early to establish whether policies to address the needs of migrants in education have had an impact, and if so, to what extent. Only once migrant children have progressed through the schools system and into employment is it possible to compare their educational attainment with that of Irish nationals. In addition, given the level of temporary migration in Ireland, it may be impossible to ascertain the long-term impact of migration, as educated non-nationals return home or move on to other countries. However, it is clear that migration to Ireland will create new demands on the education system and introduce new skills and the diversity of culture and faith encountered by all children in Ireland.

## 8.8 Employment and Training Services

The need for vocational training has been addressed elsewhere in this report. However, the lack of free language training for migrants to Ireland is worth noting. Integrate Ireland Language and Training has provided free education for adult asylum seekers and refugees since 2001, yet does not have the resources or mandate to offer the same to the wider immigrant community: in 2003, 549 adults were tutored under the scheme (Joint Committee, 2004). Though language schools have proliferated in recent years, most of these are fee-based and not affordable for migrants. In order for the migrant population to participate in Irish life and society, basic language proficiency is a prerequisite.

FÁS provides a range of information about jobs, including web-based information about coming to live and work in Ireland, and through the EURES website in providing information about living and working conditions in Ireland. FÁS has also launched Europe's first information campaign to help workers from EU member states to find work and integrate into life in Ireland. This includes a series of DVD programmes in the languages of the new EU-10 member states. A pilot language line is provided through Employment Service offices. This provides an interpreter on the telephone to give information about job vacancies and training opportunities. Specific training courses for particular sectors are also planned in sectors such as construction and information technology, and English language training for non-Irish nationals.

The Labour Inspectorate and the Rights Commissioner (based in the DETE) deals with breaches of labour legislation and workers rights, such as wages and working conditions. However, there are no systematic records of breaches of labour legislation by national origin and there have been problems associated with the limited resources available to proactively track breaches of legislation and exploitation of workers (Ruhs, 2005). These issues came to a head in 2005 and legislation was introduced to increase the resources available to the Labour Inspectorate.

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<sup>147</sup> *Needs of Foreign Students Not Addressed*, 30 March 30 2005, The Irish Times.

## 8.9 Information, Advice and Language Services

Beside the confusion caused over entitlements, migrants face other, more general barriers to access. Foremost among these is language. A number of government bodies have undertaken to translate essential documents for migrants into some of the principal languages of origin. For example, the Labour Inspectorate has translated their guide to Employment Rights Information into a number of languages, including Polish, Lithuanian, Latvian, Russian, Romanian, Czech, Hungarian and Portuguese.<sup>148</sup> However, more care and attention is needed, as separate government information for Chinese nationals has sometimes been printed in Cantonese, when the targeted population were predominantly readers of simplified Mandarin.

Other barriers are cultural. Migrants may mistrust government agencies, or be unfamiliar with the procedures involved in making a complaint or seeking social welfare compensation. Currently, a number of organizations, such as the Migrant Rights Centre, are acting as go-betweens in Ireland, and communicate with government agencies on behalf of migrants. The trade union SIPTU has noted that, while some migrants have been able to change employer, following abuse of their employment rights, none has been able to do so without the representation and support of a non-governmental organization.

Accessing information has been shown to be a major problem for migrants in Ireland. Ireland's network of Citizen's Information Services report on the poor use made of information and advice provision. This has resulted in guidelines to improve the accessibility of information for those groups that experience the greatest barriers, including refugees and asylum seekers and migrant workers (Comhairle, 2005). This has highlighted the need for the provision of information in languages other than English, particularly to improve information provided to Ireland's new minority communities. The Oasis website, providing information about government services, already provides information in English, Irish, French and Romanian, and there are plans to provide this in a wider range of languages in the future. Comhairle written leaflets are provided only in English and there are some suggestions emerging from the research about the need to provide summaries of information and more targeted information in a range of languages other than English, including French, Spanish, Romania, Russian and Chinese, as well as the languages of the EU's member states.

In practice information about social policy rights and entitlements has tended to take place through dedicated information providers and projects developed to improve information accessibility to groups that experience barriers in accessing information. This approach in Irish social policy has sought to use the resources of minority ethnic communities through information and advocacy projects, community development approaches and peer-led programmes. As a result, grants for information and advocacy projects have been funded through Comhairle and a number of organizations have produced specialist information about specific groups. For example, the Immigration Council of Ireland have produced (2003) *Immigrants' Rights and Entitlements*.

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<sup>148</sup>. Interview with representatives from the Labour Inspectorate, April 2005.

In recent years there has been a significant increase in support organizations for migrants. Many of these organizations are migrant-led and provide accessible information, advice, advocacy and community development programmes. Examples include the Polish Information and Advice Centre, the Migrant Rights Centre and Akida (for African women).

### 8.10 Migrant Workers: An Important Source of Labour for Social Services

Ireland's social services are becoming increasingly dependent on both professionally-qualified migrant workers and those prepared to take up unskilled or minimum wage jobs. This is the case for home care workers for people with disabilities, hospitals in relation to medical staff (doctors and nurses), and in the field of nursing home care (see Table 8.2 below and Chapter 10 for more on the migration of healthcare workers). In the field of personal social services, by 2001 10 per cent of social work occupations in the country were held by non-nationally qualified social workers (NSWQB, 2002: 19).

**Table 8.2 Work Permits/Authorization Issued for Healthcare and other Care-related Professions**

	2003	2004
<b>Health Professionals<sup>1</sup></b>	206	627
<b>Associate Health Professionals</b>	284	161
<b>Health/childcare workers &amp; related occupations</b>	2,026	1,880
<b>Total</b>	2,916	2,668

Source: DETE

Notes: Occupations set out by job classification, as used in the QNHS

The need for care work, care services and care employment, such as caring for young children, the elderly and people with disabilities, has grown substantially since the mid-1990s. This resulted in the increased demand for women workers, one of the factors contributing to the growing feminization of migration towards industrialized countries (Ehrenreich and Russell Hochschild, 2003). Childcare, care of the elderly and disability care are each provided by a mixed public/private marketing of social provision.

The care work of young children is related to the growth in the labour force participation of women. Ireland now has an above average labour force participation rate for women compared with other EU member states. The labour force participation of young women aged 25 to 34 stood at between 75 and 77 per cent between 2002 and 2004.

The demand for childcare associated with young dual-working households has soared: 23,000 families are currently using unpaid relatives to meet pre-school childcare needs; and about 6,400 families with pre-school children would like to have a childminder/paid carer (CSO, 2003). At present, work permits are not supposed to be issued to nursery workers, crèche workers, childminders or nannies.<sup>149</sup> Nevertheless, the category “domestic workers” continues to report successful applications for new and renewed work permits. The conditions of work for some domestic workers fall well below minimum standards of decent work (MRCI, 2005).

Regarding the care of the elderly, the expansion of nursing homes has led to an expansion in the demand for care attendants, nursing aid and related workers. Nursing home workers are recruited typically by recruitment agencies from both inside and outside the European Union. The pay negotiated by trade unions for care attendant grades in public facilities is around EUR 11 to EUR 12 per hour. Care attendants in public facilities will soon have a training or promotion opportunity to become healthcare assistants. The pay for care attendants in private nursing homes is EUR 8 per hour, or 0.25 cents above the minimum wage.<sup>150</sup>

## 8.11 Concluding Remarks

Although policy makers are beginning to respond to the social policy challenges of increasing population diversity brought about by migration, they nevertheless have limited knowledge, data and understanding about the social situations of migrants, which in turn has implications for economic and social policy planning. These are critical issues if policies on settlement, social inclusion and integration are to fully take account of the diversity of migrant’s lives in Ireland today.

To date, most migrants have been young and single and in the case of accession state nationals and some categories of work permit holders their access to welfare entitlements were restricted until changes were announced in early 2006. Generally speaking, it is likely therefore that migrants have contributed more in taxes and social insurance contributions than they have received in welfare payments in recent years. Unlike other countries in Europe few immigrants in Ireland are unemployed or claim social assistance benefits. Migrants have also helped to reduce skill and labour shortages in the health and social care sectors of employment. And Ireland’s health sector has even actively sought to recruit health workers from countries like the Philippines, India and China, in recent years to meet shortages in skilled labour.

However, the pattern of immigration to Ireland may change and this may pose new challenges for social policy in the future. For one thing, it is likely that an increasing proportion of immigrants to Ireland are EU nationals and following the reform of the HRC will provide full access to Ireland’s social services and benefits. Furthermore, although the non-Irish migrant workforce is still predominantly composed of young people without dependants, the experience of other countries suggests that this pattern may change as more migrants choose to settle in Ireland

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<sup>149</sup>. Ineligible occupations for work permits, Department of Enterprise Trade and Employment.

<sup>150</sup>. Communication with SIPTU.

and are joined by their family members. It is also likely that a growing number of migrants will wish to settle in Ireland and that temporary migration will become permanent migration for some. Long-term migrants will need to be given wider access to social services and government departments dealing with social policy issues will need to be more sensitive to the impact of this change on Irish society.

Migration policies can substantially affect the costs and benefits felt by migrant and host communities in society. Public policy up to now has concentrated on the short-term benefits. The longer-term impacts of migration, in such areas as housing, have not yet been explored. The decision to exclude migrants from some welfare categories because they were not habitually resident in Ireland was a short-term policy, which will eventually have to be replaced by one which allows some migrants to establish long-term residence in Ireland. A decision to actively attract more professionally-qualified migrants to Ireland and/or to reduce the number of minimum wage jobs filled by migrants will have corresponding implications for Ireland's welfare system in terms of filling jobs and the consumption of welfare "goods." Measuring these impacts should be part of the future migration research agenda.

It is clear that for government departments not directly involved in the administration of immigration policy, the needs of migrants have not been mainstreamed into policy development. All social services, whether involving health, housing, education, or social welfare, will have to recognize that Ireland has become a much more diverse country because of immigration. Most importantly, for migrants to be able to contribute fully to Irish society, they need to be informed about their rights, entitlements and the functioning of the public welfare system. Comprehensive orientation services should be offered to all migrants arriving in Ireland for work, to join their family or to study, in order to ensure their ability to participate in Irish society and prevent their exclusion. Preparation for migration could begin in the migrant's home country, by providing them with more information about their rights and entitlements in Ireland.

Many migrants living and working in Ireland experience poverty, poor living conditions, social exclusion, racism and poor access to employment, particularly well paid and secure employment. The vulnerability of certain groups, for example, unaccompanied minors, spouses of work permit holders, and migrant workers who do not fulfil the HRC, raise important challenges for Irish social policy.

# 9

## Fostering Integration

## 9.1 Overview

This chapter focuses on the integration of newcomers in Ireland. Integration is a relatively new concern and its prominence at the policy level marks a transition in official thinking. Until recently, the migration debate was taken up almost entirely by discussions of growth and asylum. Now, there is a growing realization that economic modernization will need to be accompanied by social adaptations if Ireland's transformation is to be sustained.

Policies imply choice, either between alternatives or among multiple options. In an ideal world, these would be evaluated using precise calculations, and decisions would be based on scientifically determined cost-benefit ratios. This, however, does not reflect the realities of the world of migration. Policy makers do indeed face choices that are fundamentally important to Ireland's future, but they are not well defined and remain controversial. Unfortunately, however, they cannot be avoided, since inaction as much as action generates consequences that then have to be dealt with.

Earlier chapters of this report traced the parallel trends of economic growth and rising migration to Ireland. This comparison is illuminating, but it also tends to present migration as an exclusive choice between development, on the one hand, and stagnation on the other; or, more benignly, as a choice between faster economic growth with higher levels of migration, and slower growth with fewer migrants. The present chapter does not dispute this link, but addresses a different and arguably more fundamental issue, which is the choice between integration, coupled with cultural accommodation, and segregation, coupled with a manning of cultural defences. Either case assumes, albeit implicitly, that migration will continue and that the migration bottle once opened, cannot be stopped, though migration can, and will, need to be managed. What exactly this implies for policy is the subject of this chapter.

## 9.2 Lessons for Policy Development

For the past two decades, Europe has looked to Canada, the United States and Australia for inspiration on how to manage both immigration and integration. With their long tradition of welcoming newcomers, the so-called "countries of immigration" have provided the European Union with a handy "test-bed" with which to assess the likely efficacy of measures aimed at coping with the fall-out of guest worker programmes and a sharp increase in refugee numbers. More recently, European interest in North American migration programmes has been driven by demographic concerns: by population ageing and predicted labour force contraction and population decline.

The gradual convergence between Europe and North America/Australia in terms of migrant intake and population diversity offers policy makers valuable opportunities to exchange knowledge and to learn from each other.<sup>151</sup> For Ireland, this will be especially helpful. Given the rapidity with which immigration has positioned itself as a central policy issue, the country has had scant opportunity to develop experience and to build capacity in the area of immigration management and integration. Tapping into the experience of states with a long history of managed migration will afford Ireland a running start and allow it to steer clear of the more egregious mistakes that other countries have made – provided that care is taken in transferring the lessons. Comparative learning is possible, but it is rare that policies can be imported in their entirety from one regime to another.

The policy topics addressed below do not concentrate extensively on theory. Instead, they focus on extracting practical policy lessons and directions, employing academic insights and analytic work, as needed. The choice of items is based on the anticipated interests and needs of the policy community and the projected utility of the measures proposed, nor does the material draw extensively on Irish studies and makes only limited reference to Irish policy developments, except to comment on major, recent policy announcements and to draw on insights obtained in the course of two workshops, held in April of 2005, dealing with integration and multiculturalism.<sup>152</sup> As discussed in the previous chapter, the reasons for the paucity of specifically Irish material are straightforward. There are virtually no empirical data concerning the social, or even economic, integration of minorities in Ireland, and scant academic analysis of the social impacts of migration. Most academic work, while recognizing the importance of social issues, has focused on economic impacts or on asylum. Even the recently-announced immigration and residence policy measures do not contain specific directions that could be analysed. Instead, they establish an overall framework and create a legislative capacity to develop and to flesh out a variety of admission and integration policies at some future date.

In the absence of Irish material, most of the policy lessons have been drawn from North America, particularly Canada, from Australia and, in several instances, from pan-European studies conducted on behalf of the European Union. A noteworthy feature of these lessons is their focus on areas where policy thinking has been evolving because of a change in understanding, or because policies have not achieved the intended results.

### 9.2.1 General Remarks Concerning Policy Coordination and Context

Since 2002, Ireland has witnessed considerable activity on the immigration front. Concept papers, legislative proposals and amendments have been introduced by the government and by important non-governmental organizations. Among the more noteworthy are “Labour Migration into Ireland” and “Voices of Immigrants”, by the Immigrant Council of Ireland; the NPAR and the “Immigration and Residence in Ireland: A Discussion Document”, by the DJELR; “the Internationalisation of Irish Education Services” Report by the Department of Education, and the Irish Nationality and Citizenship Act 2004.

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151. Europe is no longer far behind North America in terms of the total numbers of migrants living in each of these territories. Even on a per capita basis, the proportions are rapidly aligning (especially vis-à-vis the United States). Indeed, in European microstates such as Lichtenstein and Luxembourg, the proportion of foreign-born exceeds the proportions found in North America.

152. The workshops were organized by the IOM as part of a larger policy study commissioned by NESCC. See the summaries in Annex A to this report.

What these measures reveal is the pressure that Ireland has been under to develop an effective response to migration (solicited and unsolicited), and to the domestic interests concerned with migration. More difficult to gauge is the extent of coordination and the degree to which unified strategic thinking has informed this response. The impression created by a series of workshops organized under the mantle of the NESC is that a good deal of policy development has occurred in silos, as might be expected in the early stages of a transformation, but that coordination is rapidly improving. Coordination is essential for effective migration governance.

No migrant-receiving state can ignore the fact that migration does not respect jurisdictional boundaries. The issues being raised by migration and integration cut across divisions of power between different levels of government (national, state and local) and, within governments, they cut across the mandates of individual departments. This fact is recognized in the NPAR, which calls for action on migration by half a dozen state ministries.

For Ireland to produce a viable integration strategy, these ministries (and others not explicitly mentioned) will need to realize how their actions on migration contribute to integration, and how they support one another. Based on this understanding, they will have to create effective joint planning mechanisms. For reasons elaborated below, this can prove to be challenging.

Immigration, and specifically integration, is a process that unfolds over generations. Unfortunately, governments are not particularly adept at managing horizontal issues that play out over such extended periods. That is why, in both the United Kingdom and Canada, immigration has been the subject of special inquiries by central agencies concerned that cross-cutting, strategic issues are not getting their due.<sup>153</sup>

Beyond this, the ability of governments to execute integration strategies successfully is constrained by their own limited role in the process of integration. For the most part, it is not governments that integrate migrants, but the general public, especially the residents of large cities, such as Dublin, where the majority of migrants settle. The role of government concentrates on providing essential core services, ensuring that these services are accessible, and creating the necessary frameworks to help shape a welcoming environment. In this regard, it is important for governments to appreciate the profound interactions among different policy spheres; for example, between citizenship legislation and long-term integration, or between admissions policy and public acceptance of immigrants. These points are revisited below.

While migration and integration policies will always pose complex challenges, Ireland is fortunate (and wise) to be tackling these issues under the present economic circumstances. There is considerable analytic and historical evidence correlating public acceptance of migration and tolerance of diversity with a strong economy. Two decades of public opinion polls in Canada have shown that public support of immigration is inversely related to unemployment. The higher unemployment rises, the more immigration is seen as a zero-sum game – the idea of a fixed

153. Governments are increasingly aware of the difficulties in dealing with strategic, cross-cutting issues. The formation of the Strategy Unit in the United Kingdom and the Policy Research Initiative in Canada represent explicit attempts to address horizontal concerns and to force government policy and research units to abandon their silos. Both the United Kingdom and the Canadian entities have undertaken immigration projects because of a perceived incapacity on the part of the mainstream agencies to address critically important issues.

pool of jobs and that immigrant gains occur at the expense of employment of the locally-born population (Palmer, various years).

The Canadian context is, obviously, different from the conditions prevailing in Ireland, but the seminal point (i.e., that migration must not be perceived as a threat) would seem to hold. There appears to be a fairly substantial constituency at the moment that supports immigration to Ireland and believes it to be a good thing, with a nearly identical proportion believing that immigration contributes to Irish prosperity. It is worth noting, however, that support wanes further down the socio-economic spectrum where the perceived competition for jobs is stronger.<sup>154</sup>

### 9.2.2 Policy Horizons and Focus

Immigration policy can never remain still because there are no durable solutions in immigration, only trajectories. These are shaped by history and context, but also by strategic choices, responses to situations that arise spontaneously, and by the economic, social and institutional capacities that exist, or that society is prepared to create.

Across Europe, the public debate on migration has been changing. Policy horizons have been lengthening as demographic and social concerns have supplanted economic ones. In particular, horizons have been expanding in line with the realization that social, cultural and, especially, religious differences will somehow need to be accommodated or contained as a matter of socio-economic necessity, or to prevent socio-economic disruption. It is understood that this will require sustained, long-term social investments; however, there is as yet no agreement across EU members on the form that these investments should take. Some countries, such as the Netherlands and Finland, are devising separate, special programmes for migrants while others, such as Italy and Spain, are emphasizing adjustments to mainstream measures (MPI, 2004).

The means will have to be found to develop effective integration strategies. This will require profound changes in several policy aspects: the level of expenditure for migrant integration will need to rise; more profoundly, the organization of mainstream and targeted services will need to be rethought, and governments will need to invest more heavily in the creation of symbolic and legal frameworks, such as citizenship laws, in order to establish the terms of social integration and foster inclusion.

Above all, policy must seek to avoid creating an excluded social underclass. Once this develops, public support for remedial interventions declines, while the cost of intervening rises. This requires a long view. As noted above, immigrant integration can span two, and even three, generations. This means that the success, or failure, of integration policies cannot be fully gauged by their impact on the first generation of migrants alone. At a minimum, it will also be necessary to assess the integration of the second generation, the children of immigrants. School outcomes, labour market performance, interactions with the justice sphere and

<sup>154</sup> These observations are derived from a number of recent polls. The Lansdowne Market Research poll conducted in 2004 shows that around two-thirds of the population feel that Ireland is better for having immigration (Lansdowne, 2004). Roughly similar results appear in a May 2005 poll conducted on behalf of the *Sunday Tribune*. The Tribune poll shows 80 per cent agreement with a statement that it is good for children to grow up in a multicultural society, and over 50 per cent agreement that non-nationals are good to have in the community. In addition, a Special Eurobarometer poll carried out for the EU situates Ireland well above the EU mean in viewing immigration as positive and not a threat (Eurobarometer, 2004, [http://ec.europa.eu/public\\_opinion/archives/eb/eb62/eb62\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb/eb62/eb62_en.htm)).

attitudes are all vital indicators of integration success. In fact, some analysts maintain that the success of immigrant children (both those who entered at a young age and those who were born to immigrant parents) is of greater importance than the success of their parents.

Typically, migration policy occupies itself with individuals. However, a strong case can be made for policy to focus on family units and communities. Migration decisions tend to be made by families who send their “strongest” applicants ahead in order to establish a foothold. Other members then follow within a period of some five years. Research also confirms that the family is the principal medium that newcomers rely on for information about jobs, location and services (Ruddick, 2003).<sup>155</sup> This suggests that, in some instances, the family rather than individual migrants is the more appropriate unit of analysis for gauging the success of integration policy. Beyond this, there have been recent suggestions that policy should target communities as a whole rather than individuals or even families. This point will be dealt with below under the discussion of social capital.

### 9.2.3 Integration - Theory and Practice

Throughout this report, the term “integration” is used to refer to the adjustments that result from interactions (or their lack) between immigrants and mainstream Irish society. But what exactly is integration and does it, for policy development purposes, need to be distinguished from other closely related terms, such as adaptation, acculturation, absorption, assimilation and incorporation? These terms differ in subtle ways from integration, emphasizing different features of the adjustment process, such as its character or its origins (individual or structural; endogenous, originating in the group, or exogenous, the result of changes in the opportunity structure of society) (Alba and Nee, 1995). Rather than getting embroiled in the theoretical debate, this section merely samples the academic literature, noting some of the ideas and distinctions that have a bearing on policy development.

The research literature converges on the notion that immigrant integration is a process that is multi-dimensional, extends over several generations and is bi-directional – that is, it affects not only immigrants, but also their hosts. The process is shaped by many factors, notably the characteristics of the migrants – their skills, language abilities, education, religion and so forth – and the characteristics – economic, social, cultural and political – of the milieu they are attempting to enter.

Policy matters. Immigration and integration policies, as well as the prevailing ideology of the state – pluralist, multicultural or rigidly cohesive and conformist – affect integration and the perceptions of who is or is not integrated. The prevailing ideology also plays a large role in determining the institutional arrangements that immigrants encounter, whether the services they receive are organized on a universal basis or are targeted and particularistic (McAndrew and Weinfield, 1996).

While the integration process tends to be seen, especially in North America, as inevitable, cohesive and universal, with each successive, post-immigrant generation moving a little closer to the mainstream in terms of their social,

<sup>155</sup> Comments by Professor Sue Richardson, of Flinders University, on this research suggest that similar results had been obtained for Australia.

economic and cultural values and behaviours, the academic literature tells a more ambiguous story. There are questions as to the certainty of assimilation in the light of the sustained nature of modern immigration and the fact that attitudes and ties are being constantly refreshed by newcomers. Also, the growth of ethnic communities and their access to new communication technologies that allow unbroken contact with friends and family in the country of origin are, in some instances, slowing the velocity of integration (Levitt, 1999).

Research is also revealing that integration is not a smooth process. It operates fitfully, in stops and starts, across different domains and often proceeds in a segmented manner (Zhou, 1997). Immigrants do not immediately assimilate into the mainstream but into ethnic communities, either their own or other “subordinate” communities. The most obvious expression of this can be seen in the spatially concentrated ethnic neighbourhoods and ethnic economies that operate in every major city in Europe and North America.

Nor is the uncertainty regarding immigrant integration confined to the first generation of arrivals. Questions have arisen about the unidirectional nature of integration; witness the tensions that appear among the second and subsequent generations (Zhou, 1997). Other questions with important policy implications concern the relationship among various forms of integration that are associated with different policy spheres: are these different “forms” of integration causally related? Does economic integration, for example, precede social and cultural integration? Is it an essential first step?

Conceptually, integration can be broken into three spheres of measurement, each one emphasizing a different aspect of the integration process. These can be classified as:

- ◆ measures relating to socio-economic performance and civic behaviour that focus on egalitarianism and equal opportunity, essentially measures of conformity, comparing immigrant and minority outcomes with those of “mainstream” residents;
- ◆ measures of structural integration that focus on the extent to which people live together in a common civic space, and whether they rely on common or parallel institutions; and
- ◆ measures of values, attitudes and behaviours that compare migrants with members of the host society in order to determine the degree of social cohesion and solidarity that exists in society.

Countries emphasize different measures depending on their ideological and political orientations. They also configure their institutions and services according to these preferences, offering varying degrees of accommodation and targeting.<sup>156</sup> Recently, in response to concerns that social cohesion is being undermined, there has been a shift away from particularistic models of assistance towards greater universalism and a common civic culture (Entzinger, 2004; Joppke, 2003).<sup>157</sup> This agrees with the current orientation under the NPAR in favour of “mainstreaming”.

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<sup>156</sup> In assessing these differences, McAndrew and Weinfeld (1996) propose examining the professionals who deliver the service (the ethnic match between clients and producers), the organizations they work for (universal or particularistic), and the services or programmes that are delivered (general or targeted)

<sup>157</sup> In particular, note the discussion of the Dutch “minorities policy” and the shift towards integration.

The close interrelationship among the three spheres of measurement means that policy interventions cannot be uniquely assigned to one or another of the spheres. Nevertheless, different interventions produce different footprints and the focus of this particular section will be on the first sphere of socio-economic and civic behaviour and on policies that promote equality of opportunity and institutional access. The remaining two measurement spheres will receive more attention in subsequent sections dealing with admissions policy, social capital, multiculturalism and citizenship.

The smattering of policy concerns and lessons enumerated below are both generic (touching on general aspects of delivery) and specific (directed to particular areas of policy).<sup>158</sup> These agree well with the programme areas identified by the NPAR.

#### 9.2.4 General Policy Lessons

At a minimum, social and economic integration require that immigrants:

- ◆ be able to communicate well in the language of the host community;
- ◆ be economically independent and able to find work commensurate with their abilities and qualifications;
- ◆ have access to adequate housing and transportation;
- ◆ have access to critical services, especially health and education;
- ◆ obey the law, respect democratic institutions, pay taxes and participate in the political process.

At present, Ireland's few integration programmes are largely confined to refugees. In order to serve the broader immigrant and minority population, the programmes and services will need to be expanded in three ways:

- ◆ extend beyond refugees to include all classes of immigrants;
- ◆ reach beyond the head of household to include other members of the family, and
- ◆ extend beyond immigrants to address issues confronting second-generation migrants.

Reconfiguring policy in this way, especially coupled with the changing distribution of immigrants and the consequent need to pay more attention to integration, will cause programme expenditures to rise. This notwithstanding, the increase in costs should not alter the fundamentals which point to positive benefits from immigration. Macroeconomic studies generally agree that, over the long run, immigration is fiscally neutral, though there are distributional consequences with areas of higher concentration absorbing a disproportionate share of the costs.

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<sup>158</sup>The discussion that follows draws on the above-mentioned paper by McAndrew and Weinfeld (1996), MPI (2004) and the Issue Paper for 23-24 June 2004 NCP Seminar by the Migration Policy Group.

## Integration Policy in the European Union

Since 1999, the European Union's competence with respect to integration issues has been enlarged. At the request of the European Council, the European Commission reviewed policy options for an EU integration strategy in its Communication on Immigration, Integration and Employment (European Commission, 2003), and produced its first Annual Report on Migration and Integration (European Commission, 2004). This report mapped the integration policies of member states and found that, despite diverse policies to tackle integration, member states faced common challenges and needs, including:

- ◆ lack of access to employment;
- ◆ language skills and the improvement of educational attainment;
- ◆ civic education or orientation for new immigrants;
- ◆ participation in the political decision-making process;
- ◆ risk of poverty and social exclusion;
- ◆ affordable housing;
- ◆ discrimination and racism, and
- ◆ gender considerations.

Some of these issues are already being addressed at the EU level. For example, the European Employment Strategy recognizes the importance of immigration in filling labour shortages, and has called for action to better integrate immigrants in the labour market. Immigrants and ethnic minorities were highlighted as one of six critical priorities in the drive to reduce poverty and social exclusion in the European Commission's 2003 Joint Inclusion Report.

Most recently, the European Council announced a new five-year programme (2005-2010) of work towards Strengthening Freedom, Security and Justice Within the European Union, known as the Hague Programme (European Council, 2004).

Integration is one of five migration-related areas of work, and calls for the "creation of equal opportunities [for migrants] to fully participate in society". In addition, the Hague Programme set out six common basic principles for a European framework on integration (European Council, 2004: 19). According to these, integration

- ◆ is a continuous, two-way process involving both legally resident third-country nationals and the host society;
- ◆ includes, but goes beyond, anti-discrimination policy;
- ◆ implies respect for the basic values of the European Union and fundamental human rights;
- ◆ requires basic skills for participation in society;
- ◆ relies on frequent interaction and intercultural dialogue between all members of society within common forums and activities in order to improve mutual understanding;
- ◆ Extends to a variety of policy areas, including employment and education.

Whether this new five-year programme to develop a comprehensive and coherent approach to integration at the EU level involving stakeholders at the local, regional and national levels will be successful, remains to be seen. Spencer has noted that fear of public resistance to migrants (and EU control over their conditions of stay), the difficulties involved in coordinating a large number of directorates-general, committees and national ministries, and the diverse strategies being employed by member states at the moment, are all potential barriers to agreement on a common strategy (Spencer, 2003). However, the Hague Programme does provide impetus and direction for national governments to focus on integration as part of an overall migration policy.

### 9.3 Integration Policy in the European Union

Integration was recognized at the European Council in Tampere in 1999 as a necessary part of comprehensive immigration and refugee strategies. The Tampere Programme set out by the Council requested a “more vigorous integration policy” under the heading of “fair treatment of third-country nationals”. In the same year, the Treaty of Amsterdam gave the European Union a mandate to address racial and religious discrimination. (See box, opposite.)

### 9.4 Policy Fields

#### 9.4.1 Language Training

There is a broad, international consensus that the value of language training has been seriously underestimated (MPI, 2004). In Europe, many countries now see language as a key instrument to address structural integration and social cohesion, while in North America and Australia, additional language training is seen as essential for improved labour market integration. Among the critical lessons pertaining to delivery, are the following: language training should not be limited to the head of household; the number of hours of training should be maximized; language training should be vocationally specific; and more flexible delivery is required in terms of when and where language training is offered. Current thinking favours training in work settings and delivery by employers and NGOs. Training capacity issues arise outside of major cities.

#### 9.4.2 Skills Utilization

The failure of western labour markets to recognize the educational and professional credentials of immigrants is a significant barrier to the utilization of their skills and constitutes a huge economic loss.<sup>159</sup> In order to remedy this situation, countries such as Canada and Australia have been working with domestic professional associations and with universities and colleges to help educate employers and to certify immigrant credentials. Australia requires the process of credential assessment to be initiated and concluded prior to entry. (The charges for this service are borne by the applicant.) Other methods that have shown promise include additional language training, which helps overcome the critical job barriers that keep immigrants from being employed in the jobs for which they trained. Relatively small investments in language acquisition have been shown to yield large gains. In addition, a variety of elaborate mentoring programmes, some of them paid by employers, others requiring government subsidies, have met with some degree of success.

#### 9.4.3 Education

Education is considered a key area for promoting socio-economic advancement and combating social exclusion.<sup>160</sup> It is especially important that the second generation be given access to high quality schooling and advanced education. Beyond this, education policy should be broadly conceived and not limited to children or to

159. Loss estimates for Canada as a result of non-recognition of immigrant credential have ranged from CAD 6 billion (Conference Board of Canada) to a recent estimate of CAD 2 billion (World Education Services). The wide range indicates the reliance of such estimates on assumptions, but the seminal point remains: the losses are substantial.

160. The workshop on social integration that preceded this report emphasized the importance of secularizing Ireland's education system and making it more accessible to newcomers.

formal, school-based curricula. Education policy for migrants should embrace adult education, continuing education, and citizenship education. Particular attention should also be paid to gender and to the performance of visible and religious minorities. Also, in addition to the areas noted in the NPAR, intercultural training should be provided to teachers in certain areas.

#### 9.4.4 Health

In the health domain, a variety of issues arise for both migrants and hosts. The major issues include access to the health system; how well the health system is equipped to deal with mental health concerns (especially important for refugees); how well it is equipped to deal with gender issues (this refers to cultural sensitivities regarding treatment); and how well it is equipped to deal with public health and safety issues (immigrants travel to and from exotic locations). This last item raises the question of preparedness by the health authorities to diagnose and deal with various transmitted diseases. A final point concerns population health and the manner in which immigrant health is affected by environmental and socio-economic conditions and stresses. The issue is health, but the remedies lie beyond the health field.

#### 9.4.5 Justice and Discrimination

Issues in the justice domain involve immigrants as victims of discrimination, and crime or as perpetrators. As in the case of health, many of the causes and remedies lie outside the justice domain.

In terms of victimization, anti-racism and anti-discrimination legislation provide a valuable means for attacking overt racism in the workplace and classroom. Their value in addressing more concealed forms of discrimination is, however, limited. The persistence of significant income differentials between immigrants (especially visible minority immigrants) and native-born residents - lasting into the second generation - notwithstanding legislation requiring equal pay for equal work, clearly demonstrates the limits of legislated solutions to social and economic problems.. Ultimately, inequalities will need to be addressed through public education and, if this fails, through the use of affirmative targets (not quotas). Such instruments have proven broadly successful across issues ranging from the equitable provision of bank loans to the recruitment of minorities for executive positions.

In terms of the justice system per se, and how it deals with migrants and minorities, the situation is troubling. There is robust empirical evidence from various jurisdictions, including Canada, showing that at every step of the way, initial interception, laying of charges, conviction and sentencing, visible minorities tend to fare worse (Wortley, 1994). Despite this, immigrants in Canada, unlike Ireland (or Europe), are under-represented in prisons.<sup>161</sup> This suggests that crime in Europe may be related to the exclusionary conditions under which migrants live. (Organized crime is excluded from this point.)

The final point concerns relations between the justice system and migrant communities. Often, these are a major source of friction, especially in the area of

<sup>161</sup>. It is interesting to speculate on possible explanations for the discrepancy in immigrant criminality between Canada and Europe. In the absence of compelling evidence showing that European immigrants are more criminally inclined, the explanation is likely to be found in the treatment of migrants and the access they are given to mainstream institutions (Thomas, 1993).

policing. Remedying this will require particular attention and investments in training, in recruitment (of co-ethnics) and in community relations. Numerous “best practice models” exist, though the area is likely to remain troublesome.

#### 9.4.6 Housing

Housing is an issue in its own right as well as being a cross-cutting area with important ties to health, justice, welfare, labour markets and integration. One of the major problems that migrants face upon arrival is the lack of affordable housing and the mismatch between immigrant needs (often for larger units) and current offers in the housing market. Homelessness is another issue that resonates on both sides of the Atlantic (FEANTSA, 2002).<sup>162</sup>

Of widespread concern is the issue of immigrant concentration, especially where concentration intersects with low income and visible minority status in metropolitan areas, such as Dublin. Public housing strategies, such as Sweden’s, which deliberately created concentrations of immigrants, are now judged to be failures.<sup>163</sup>

The final point on housing refers to the widespread resentment that arises when immigrants “jump the queue” for housing lines and are rewarded ahead of citizens. As a general policy rule, it is better to channel support to migrants in the form of investments in human capital, or even subsidies allowing them to compete on the market, rather than allocating them public goods, such as housing (especially housing), that are perceived as being in short supply.

#### 9.4.7 Connecting Admission Programmes and Integration

The relationship between integration and admission programmes is complex, reciprocal and complementary. Integration begins with a country’s admission strategies that, typically, shape both the volume and composition of incoming migration. This, in turn, affects integration outcomes, related public costs and receptivity by the host society.

In the case of Canada and Australia, admission (referred to as selection) is based on criteria that variously include age, education, occupation, experience, language ability, association with the country of destination, and demand, including job offers by employers. There is extensive research linking these criteria to improved integration outcomes, including stronger labour market performance (i.e., higher starting wages and steeper income trajectories), lower unemployment and reduced social assistance.<sup>164</sup> By comparison, non-selected migrants, such as refugees and sponsored family members, do not perform as well.<sup>165</sup>

<sup>162</sup>. See also the special session of the Metropolis Interdepartmental Committee (October 2005) dealing with housing and homelessness.

<sup>163</sup>. Sweden’s Million Homes Programme renewed Sweden’s housing stock, but also produced concentrations of disadvantaged ethnic populations. See case studies of Stockholm and Malmö conducted under the Neighbourhood Housing Models programme. See also Jederlund (1998).

<sup>164</sup>. Recent research comparing Australian and Canadian immigration policies and labour market integration shows that recent migrants to Australia are doing significantly better than recent migrants to Canada (Richardson and Lester, 2004). For example, six months after arrival, the unemployment rate for migrants to Canada was 26 per cent, while the unemployment rate for comparable Australian migrants stood at only 10 per cent. The study attributed the superior Australian outcomes to key features of Australia’s selection system. These included Australia’s greater emphasis on youth, skills, work experience and especially on pre-arrival, formally assessed qualifications and elevated English language requirements. The report discounted the influence of prevailing economic conditions in the two countries.

<sup>165</sup>. Anecdotal evidence suggests that the families of highly qualified labour applicants outperform the families of non-selected migrants.

Of course, a critical element of the Canadian and Australian systems is their focus on high-end migration and integration. This differs from Ireland, where admissions have focused on temporary entry, and most recently at the lower end of the occupational spectrum. As a result, many of the positive features evident in Canada and Australia would not normally manifest themselves in Ireland, except perhaps in regard to high-skilled migrants, recruited by employers. Recently, a number of restrictions governing the mobility of such migrants have been relaxed in relation to designated, high-demand occupations. This change can be expected to have a salutary effect on Ireland's ability to meet critical skill shortages and on long-term integration prospects. It will also help Ireland's migration programmes to more closely emulate the programmes of traditional immigrant-receiving countries, making them more competitive internationally. (The changes will also help skilled migrants to protect themselves against exploitation.)

The main point above is that integration outcomes are closely linked to the character of the incoming population, which is a function of policy design. Integration costs in Canada and Australia are reduced and labour market outcomes are better than those obtained elsewhere, because the admission systems of both countries are tuned to domestic integration requirements. In contrast, Ireland's entry "filters" are unlikely to produce such "payoffs" because they are designed to admit migrants into low-wage employment.

A point worth noting about the Canadian and Australian selection systems is their relationship to literacy. Language and education (in other words, literacy) are both privileged in the selection process, resulting in significantly improved integration outcomes. Importantly, immigrants can also "invest" in these factors prior to applying for entry. This tends to shift the burden for settlement (i.e., the cost of public and private integration programmes) from the host country back to the would-be immigrants, and shifts the locus of the adjustment from the country of destination back to the country of origin.

Of course, integration policy cannot concern itself exclusively with economic entrants. Family migrants must be served as well. (Refugees are not dealt with in this chapter.) This occurs because immigration is fundamentally a chain activity and the decision to admit migrant workers (permanently or, in Ireland's case, for an extended period) is tantamount to admitting family migrants, albeit with time lags. The volume and composition of these flows are determined by the configuration of admission programmes which shape the timing, the number and the relationships of migrants granted entry.

Because family migration is generally less skilled and less educated than (high-end) labour migration, more generous family sponsorship provisions tend to raise the overall costs of integration and dilute the economic benefits produced by the original labour entrants. (Note that the bulk of family migrants are sponsored by other migrants.) Empirical work in both Canada and Australia shows significant differentials in economic performance and social assistance between labour market and family-based migration. Similar results appear to underlie the arguments propounded by George Borjas in his comparisons of Canada and the United States. Immigration advocates have suggested that the presence of family

has a positive, stabilising influence on migrants, facilitating their integration and supporting investments in human capital, but there are no solid empirical studies to support these claims.<sup>166</sup>

In addition to accelerating and easing migrant integration, selective admission policies also produce important, indirect effects. The first of these concerns the contribution that immigrant communities are able to make to the integration of new arrivals. Established members of immigrant communities, having been in the country for some time, are aware of local conditions, have amassed physical and social capital and have established ties with the native population.<sup>167</sup> These assets are important for integrating new arrivals. Canadian longitudinal research shows that migrants rely on friends and family above all other sources, in choosing their destinations, locating housing, securing jobs, obtaining information about educational opportunities and accessing healthcare (Ruddick, 2003). Similar results have been obtained in Australia.<sup>168</sup>

The reliance on family and friends is reinforced by the tendency of immigrants to settle in areas of high migrant concentration. This increases interactions among migrants and creates a situation wherein integration is carried out by other migrants and not by members of the native-born population. This is especially pronounced in cities like Toronto, where more than 50 per cent of residents are foreign born. Similar patterns can be expected to develop in Dublin, which is already home to roughly one-third of the country's foreign-born residents.

The point this analysis makes, is that policies favouring immigrants with higher education and better skills also produce communities and urban settings that are better endowed with human and social capital. This, in turn, improves the integration capacity of society and the prospects of migrants. Not because the state invests more, but because immigrant communities are better able to assist their members to settle. The upshot is that investment in skilled labour selection produces not only immediate benefits in the form of lower integration costs, but also an elevated capacity to settle future entrants.

A related argument draws on the fact that the settlement and integration “infrastructure” of virtually all countries relies heavily on migrant organizations for service delivery, advocacy and representation. Consequently, there is an interest by the state in the capacity of these organizations to serve their constituencies. Communities that are rich in human capital tend to produce more effective settlement organizations than do poorly endowed communities. This has implications for Ireland. At present, migrant organizations are still underdeveloped, a function of community size (migrant groups are still small) and the short length of time that most groups have been in existence. Nevertheless, interviews with various NGOs in Dublin indicate that the NGO sector is rapidly becoming more sophisticated and more effective in its dealings with government.<sup>169</sup>

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166. Immigration data generally focus on individuals rather than households. Over the next few years, it will be possible to test a variety of family and household propositions using new data sets and reconstructed family files. For a recent assessment of family investment strategies see Cobb-Clark and Crossley (2002).

167. The development of links between the immigrant and host population is referred to as linking or bridging social capital and is viewed by social capital theorists as particularly important to integration. This subject is treated in greater depth below in a separate point.

168. Comments by Professor Sue Richardson at the conference “The Opportunity and Challenge of Diversity: A Role for Social Capital?” sponsored by the OECD and the Privy Council Office in Canada, November 2003.

169. Conducted in April 2005.

The final point regarding the connection between admissions policy and integration arises from the relationship between migrant composition and public attitudes. It is not by accident that Canada is a remarkably tolerant society at a point in history where tolerance and cross-cultural understanding constitute a strategic resource. Nor is it because of legislation or programmes promoting human rights or multiculturalism. These programmes have a contributory but, by no means, a definitive role in determining attitudes. Canada is, in large part, tolerant because of its immigration programme and the attitudes it engenders.<sup>170</sup>

The connection between immigration and tolerance is not simply the result of having immigration. It is the result of having a particular kind of immigration. Canada's skilled worker programme is unanimously viewed as being in the public interest, because skilled immigrant workers are widely believed to contribute to domestic prosperity. And because immigration, particularly skilled migration, is seen as benefiting Canadians, integration policy tends to be viewed as a public investment rather than a public drain.

The critical determinant of integration is what goes on in the private sphere where most interactions occur, in settings over which governments have little influence. These are the daily exchanges taking place in schools, in jobs, in nightclubs and on the streets. What is critical is not so much the quantity of these interactions as their quality. Face-to-face contact, under favourable circumstances, is the engine that generates tolerance and promotes integration in Canada. The fact that Canada's immigration programme selects individuals who are visibly successful, economically self-sufficient, who value education for their children and who aspire to owning their own homes and cars reassures Canadians that their values will be respected and their communities enhanced. It is this that produces support for the essential integration services that benefit not only those arrivals who are selected for their skills, but also those who are sponsored by their families or who arrive spontaneously and find some way to remain in the country.

The arguments in this section have focused on the links between integration and the admission of skilled workers. A less positive trajectory results from the admission and settlement of low-skilled labour. At a minimum, integration needs would be higher and the likelihood of public support lower. What is not known is whether low-skilled migration also creates active resistance to migrants and, as a result of stigmatization, intolerance. If so, this would establish a link between admissions policy and social exclusion. Combating social exclusion is a difficult and drawn-out process that is best dealt with through prevention.

#### 9.4.8 Managing Economic Integration in a Changing Landscape

Economic and social research in Canada and the United States, but not Australia, has identified substantial declines in the economic performance of immigrants who arrived in the 1980s and 1990s, compared with immigrants who arrived during the 1960s and 1970s. These declines revealed themselves in lower starting wages, higher unemployment, lower participation rates and slower income growth rates (Parent and Worswick, 2004).

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170. The arguments in this section were originally prepared for a workshop sponsored by the Washington-based Migration Policy Institute and the Greek Ministry of Foreign Affairs in 2003 during the Greek presidency of the European Union.

Many of the differences were quite pronounced. Over a 15-year period between 1981 and 1996, immigrant entry earnings (relative to the Canadian born) dropped by more than 20 per cent, while the proportion of recent immigrants (who had been in Canada for less than three years) living in families whose incomes fell below the poverty line, nearly doubled. Without social assistance, more than one in three recent immigrants would have been poor in 1999.

What is especially problematic about this decline in immigrant economic performance is the fact that it coincided with a change in migrant composition, away from Europe and North America to sources in Asia, the Middle East, Africa, the Caribbean and South and Central America.<sup>171</sup> This has produced an unhappy association between visible minority status, on the one hand, and poverty and low income, on the other. Given that this intake pattern is likely to persist, the coupling of migration with poverty constitutes a significant threat to the long-term viability of Canada's immigration programme and, potentially, to migration programmes in other countries. Trend figures for Ireland (see the section on migration trends) reveal that non-EU migration has been rising sharply, suggesting that similar challenges may be in store.

Explanations for the decline in economic outcomes have focused on three sets of factors: economic restructuring; the business cycle, and changes in migrant composition. These explanations have implications for the management of Ireland's migration programmes.

The difficulties experienced by recent immigrants are similar to those experienced by other new labour entrants in the eighties and nineties. This lends credence to arguments that the declining fortunes of new entrants resulted from massive, global economic restructuring. But, whereas the economic fortunes of native-born entrants have improved in recent years, the recovery by immigrants has been uneven.<sup>172</sup> In particular, immigrants from English-speaking countries (e.g., the United States, Australia and New Zealand) and from Western Europe have not experienced the same difficulties as have immigrants from non-western backgrounds.<sup>173</sup> The former possess several advantages, including English fluency, and the fact that their education and experience credentials are more familiar to employers than those of immigrants from non-English speaking backgrounds and from countries with different educational and labour market systems. Canadian labour markets tend to assess the value of foreign education and experience at close to zero when those credentials originate in non-English speaking countries (Green and Worswick, 2002). Racism and discrimination are likely to play some role in determining market outcomes, though evidence regarding their importance is mixed.<sup>174</sup>

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171. In 2003, only 20 per cent of migrants to Canada came from Europe and the United States, with more than 50 per cent of arrivals coming from Asia. Before 1961, the proportion of immigrants not from the United States or Europe was less than five per cent, and in the 1961 to 1971 period still accounted for some 75 per cent of total entrants..

172. The recent improvement in the catch-up rates of many migrants supports the structural hypothesis.

173. The fact that, unlike Canada, Australia did not experience a decline in the proportion of English-speaking immigrants and, consequently, did not experience a decline in immigrant economic performance, adds weight to arguments that point to language as the principal culprit. See Richardson (2004).

174. The influence of source country confounds discrimination with local business practices and social norms. There is widespread agreement that discrimination exists against black and Muslim immigrants in Canada.

Current research suggests that approximately one-third of the decline in immigrant economic performance can be attributed to declining labour market conditions. Immigrants who were unable to find work in their field at the time of entry because jobs were scarce, found that their skills were no longer recognized when economic conditions picked up. This “scarring” was especially pronounced for those with high levels of education. Similar results hold for social assistance. The incidence of social assistance has remained high for those who arrived during recessionary periods (CIC, 2004).

Two conclusions from this analysis have strong implications for Ireland: the first concerns composition; and the second overall flow management.

#### 9.4.9 Composition

Ireland currently relies on the EU accession states for low-skilled labour and is planning to limit intake from outside the European Union to highly skilled migrants. This chapter is silent on the feasibility of this policy and whether the desired volume of low-skilled EU migrants can be sustained; however, insofar as recruitment from outside the European Union is concerned (whether high or low-skilled), there is a compelling case for introducing language requirements or seeking commitments from employers to provide language training. There will also be a need to invest in systems to evaluate foreign educational and professional credentials.

#### 9.4.10 Macro-management

There is a definite requirement to manage immigration flows in a counter-cyclical manner, so as to prevent “scarring” and facilitate integration. This, in turn, requires management machinery that is able to regulate entry volumes over the business cycle. This means that the immigration management system cannot be exclusively rights driven or entirely family based. There are a number of “models” to choose from that offer various degrees of control over volumes, including the systems employed by Canada, Australia and the United States. A second reason for managing migration in a counter-cyclical fashion has to do with the relationship between immigrant economic performance and public support for immigrants and integration. Favourable public attitudes and public support go hand in hand with favourable economic performance which requires contra-cyclical flow management.

#### 9.4.11 Social Capital Policies

According to Michael Woolcock, a key proponent of social capital policy, “Social capital refers to the norms and networks that facilitate collective action”. More expansively, the OECD defines social capital as “... the networks, norms, values and understandings that facilitate co-operation within or among groups” (OECD, 2001). Based on this, immigrant integration can be thought of as a process whereby new networks and new attachments to the host community are formed, while old attachments to the country of origin and to domestic immigrant and minority groups are weakened.

Social capital advocates argue that government policies are needed to promote this process of coupling and decoupling, paying special attention to the formation of ties that bridge immigrants to mainstream groups and mainstream institutions. Among the claims made for such bridging policies are that they greatly facilitate social and economic integration by producing:

- ◆ better health and education outcomes;
- ◆ improved labour market outcomes and a reduction in poverty;
- ◆ more effective policing and justice-related service provisions;
- ◆ better communications, and
- ◆ a reduction in welfare expenditures.

It is also argued that investments in social capital stimulate individual investment in key mobility determinants, such as education.

While there is a fair degree of interest in social capital policy, governments have been reluctant to intervene extensively in private associational life. As a result, they have shied away from major new initiatives directed expressly at the formation of social networks. This being said, many existing programmes already contribute to the development of social capital, including educational investments, community services, sports programmes, arts subsidies and cross-cultural communication initiatives (APC, 2003). Also germane for integration are tax incentives that stimulate the voluntary sector, investments in community leadership and in bridging structures (e.g., interfaith religious councils), school bridging programmes that teach immigrant and minority youth how to operate in different cultural contexts,<sup>175</sup> and mentoring programmes (e.g., Canada's Host Program, which connects refugees with established Canadians, or Ireland's MORE refugee resettlement project).

Social capital depends heavily on local behaviour and practices. It is not just policies, but the means used that are important.<sup>176</sup> The creation of task-oriented groups that draw together individuals from different networks is among the best ways to build bridging social capital. People are most inclined to help those they feel are in the same boat (Breton, 1997). This should be of particular salience for Ireland, given the country's emigration history and the large numbers of returning expatriates who retain a family memory of the difficulties encountered.

Social capital advocates extend their promotion of networks to include not only the connections formed among individuals, but also the links that develop between immigrants (and immigrant groups) and institutions, both public and private. The creation of such institutional links can be problematic and time-consuming when faced with long-standing disadvantage and social exclusion (Ray, 2003). Two reasons for this are, first, that social capital cannot replace investments in physical and human capital, and, second, that not all groups are equally capable of sharing resources, as this will depend on sufficient levels of trust and bonding (intra-group) social capital.<sup>177</sup>

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175. US school desegregation policies are an excellent example of programmes that create bridging social capital.

176. Michael Woolcock and Xavier de Souza Briggs, both prominent social capital researchers, have emphasized the importance of local action and face-to-face relationships in their writings.

177. Bonding social capital refers to connections and relationships between members of the same group.

The final point on social capital concerns the role of government. Among the instruments available to the government is a capacity to create framework policies, such as multiculturalism, anti-discrimination measures and citizenship provisions. These measures have symbolic force and define standards of fairness according to which public and private actions are judged. This point is taken up below.

#### 9.4.12 The Role of Non-governmental Organizations

As this chapter has already indicated, state support is often secondary to the actions of local migrant organizations and other non-governmental agencies in welcoming immigrants and helping them to integrate, i.e., to find work, to learn to speak the language of the host community, to register children for school and so forth. This is because technocratic solutions by government are not always appropriate or effective in dealing with the particularistic nature of integration. Devolution of settlement services to the local level tends to achieve better results. For this reason, one of the main tasks for the government in the area of integration is to facilitate community action.

Generally, NGOs tend to have superior knowledge of local conditions, are better equipped to communicate with migrants and, because they have a vested interest in the results of their actions, are more highly motivated than government agencies to successfully integrate migrants. Unfortunately, they also face significant constraints, particularly financial.

Though immigration to Ireland is of recent origin, Ireland's tradition of voluntarism and community action has strong and well-established roots. There also exists a considerable amount of latent sympathy for migrants as a result of the country's recent, and harsh, experience with emigration. It remains to connect this latent empathy with local action in the service of immigrant integration. As it stands, Ireland's integrative capacity is still fairly rudimentary: NGOs have shown themselves to be adept at advocacy, but their capacity to deliver assistance and services to migrants is still weak, especially outside Dublin and other major urban centres. This weakness has revealed itself in respect of Ireland's policy of dispersing migrants to avoid aggravating the housing shortage in Dublin. The policy has stumbled due to a lack of language training capability and other integrative capacities outside major cities. This has resulted in delayed integration and extensive secondary migration (Kelly, 2002). This will raise downstream state expenditures as well as "scarring" the migrants who will, in future, find it much harder to obtain good employment commensurate with their original, but by now depleted, skills.

If community organisms are to play a larger role in migrant integration, their capacity to consult, to plan, to implement ideas and to deliver services will need to be expanded. This will require sustained support by government and the development of a more mature working relationship across the sector, characterized by better coordination among NGOs and more effective ties with government ministries (RTI, 2002).

NGOs should not be treated by governments as mere third-party service deliverers. Instead, they will need to be treated as independent actors and allowed to exercise their own "voice". This will require a degree of tolerance on the part of the

government (eschewing coercive financial measures in order to control NGO behaviour) and restraint on the part NGOs so as to allow the partnership to operate effectively.<sup>178</sup> It will also require transparency and the creation of accountability mechanisms, since public moneys would be involved.

One further question worth asking is whether governments can, or indeed should, concern themselves with creating strong community leaders.

#### 9.4.13 Multiculturalism and Inter-culturalism

Multiculturalism and integration are frequently invoked together as if the one implied the other or, indeed, required it. The confusion originates in the use of both terms as descriptors – multiculturalism as synonymous with a diverse society, and integration as the process of accommodation that inevitably accompanies this diversity. When both terms are used normatively to refer to policy, it becomes evident that the terms are not necessarily coherent and, indeed, come into conflict when integration policy shifts in the direction of assimilation.

Multiculturalism is a term that has come to be associated most closely with Canada and, perhaps, Australia. However, for quite some time multiculturalism had considerable influence over the policies adopted by a number of states including the United Kingdom, Sweden and, especially, the Netherlands. This advance would appear to have come to a halt. The European debate around integration and social cohesion, provoked in large measure by the perceived challenge of integrating religious diversity,<sup>179</sup> has shifted public opinion (along with political rhetoric and action) in the direction of assimilationist models of incorporation. This, together with the reintroduction of identity into the discussion, has led to a considerable distancing by countries, such as the Netherlands, from their former embrace of multicultural ideals.<sup>180</sup> Replacing those ideals is a new emphasis on civic pluralism, or interculturalism, which has, in turn, affected the strategic aims, priorities and choice of instruments used by states to deal with cultural communities and migration.

Even in Canada, where multiculturalism enjoys uniquely high levels of support,<sup>181</sup> some cracks have begun to appear. These have been accompanied by a series of unresolved policy debates around social cohesion, shared citizenship and, most recently, rights and obligations. One of the main problems with these debates is the difficulty of specifying the obligations and responsibilities of membership in society and, then, translating those obligations into actionable policies. This is especially so when the responsibilities centre on liberal democratic principles but the instruments used to promote them are, in fact, illiberal and involve sanctions. Sanctions is not a path for which Canada has shown much appetite but it is one that is increasingly being experimented with in Europe, the main focus being on language and citizenship education (see the earlier discussion on integration). Whether this will succeed is, ultimately, an empirical question and one that carries

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178. The shared interest in migration policy was addressed by Sarah Spencer of COMPAS in a presentation entitled “Impact of NGOs on Migration Policy in Ireland.”

179. The concern is, specifically, with groups that reject liberal, democratic ideals.

180. Under a multicultural model, it is difficult to specify into what identity immigrants are being asked – or told – to integrate.

181. The explanation for this according to Will Kymlicka (one of the main thinkers on this issue) is part geographic, part historical, and part serendipitous. He argues that what is unique about Canada's multicultural policy is not the instrument per se, but the support it enjoys. And this he attributes to Canada's remoteness from large, potential migrant pools and the fact that multiculturalism evolved at time when immigration to Canada was largely white and Christian, consisting of people with values and behaviours similar to those of their hosts. See Kymlicka (2004).

a degree of risk as a result of its reliance on sanctions. It may also be premature, as alternative options have not been exhausted. Rather than tying citizenship to migrant incorporation and homogenous values, which narrows national identity and the scope for belonging, governments should focus on inclusion and enhancing the capacity for collective action. This develops through people living, working and playing together, particularly on projects in the public domain – which is where the state operates.

The main policy focus suggested by this line of argument does not deviate much from the NPAR. It emphasizes the creation of a common civic culture based on democracy and the rule of law, and it seeks to implement this through policies that promote language and citizenship education, tolerance, anti-discrimination and mainstreaming of services. The emphasis is on universality of treatment. Less emphasis is placed on multicultural policies that promote particularistic, ethnic activities and ethnic languages.<sup>182</sup>

As a final point, there has not been much empirical study of the effects of multiculturalism on such concepts as integration, social cohesion and identity. Some work has been done showing that, apparently, diversity depresses trust. But when multiculturalism is examined, it does not appear to erode support for the welfare state or for welfare expenditures. This is good news because it suggests that multiculturalism, and its close cousins, can be used to promote belonging without damaging key policies used to maintain social cohesion (Banting and Kymlicka, 2004).

#### 9.4.14 Citizenship and Naturalization

Citizenship is fundamentally an instrument defining membership in a society. It does this by allocating the benefits, burdens and rights that are accorded to citizens, to other residents and to non-citizens (Feldblum, 2000; Klusmeyer, 2000). Included in this allocation is the access that different classes of members are given to a variety of policy domains. These include employment, health, education, mobility, politics, sponsored entry of family, and the ability to include family in the package of benefits and rights.

Citizenship is also about the rules of incorporation. Citizenship is a powerful device for facilitating inclusion and for signalling national preferences regarding the future “shape” of the population and the preferred terms of allegiance.

If citizenship were regarded as an asset in a stock portfolio, its value as a state instrument would have declined steadily over the last two decades. Among the changes eroding the value of citizenship have been:

- ◆ the acceptance of dual and even multiple citizenships;
- ◆ the expansion of the European Union and the elaboration of the Charter of Fundamental Rights;
- ◆ the ratification of various conventions limiting state sovereignty as regards entry and protection;
- ◆ the activation of new governance structures with authority to create and to manage new forms of citizenship, and

<sup>182</sup>. Interestingly, in a survey of public attitudes in Canada (Ekos, 1996) the most important perceived dimensions of multiculturalism were tolerance and integration while the least were promoting and preserving diversity. Similarly, the preference for future directions centred on the promotion of tolerance and the elimination of racism while the promotion of minority rights was seen as the lowest priority. This said, diversity was judged by 75 per cent of the population as enriching Canada and making it stronger.

- ◆ the development of treaties and related instruments that define entry rights and (limited) benefits accorded to non-nationals.

In particular, the extension of privileges and protections to long-term residents has created alternative modes and vehicles for working and living in the European space.

In the last few years, spurred partly by events and by populist sentiment, states have begun to rethink the potential value and uses of citizenship as an instrument of policy. In Ireland's case, consideration of the links between citizenship and immigration has taken place chiefly in connection with asylum. The use of naturalization as a strategic policy instrument and its relationship to the proposed long-term residence provisions put forward in *Immigration and Residence in Ireland*, a Discussion Document, have not been extensively explored and debated.<sup>183</sup> There are at least three good reasons why this should be remedied and the instrumental uses of citizenship rethought.

The first reason has to do with social inclusion and the anticipated structure of Ireland's labour migration policies. Ireland's long-term residence provisions are not directed at low-skilled workers from within the European Union, but to highly skilled workers outside the EU's boundaries. Many of these workers will be members of "visible" minorities and a significant proportion (workers and students) will remain in Ireland. The lack of clarity and certainty regarding the acquisition of citizenship will delay their integration and incorporation into Irish society. This is not only so because the workers are themselves unsure about their position, but also because Irish citizens and institutions are unable to form clear expectations regarding their role and the value of "investing" in their future.

The second reason for revisiting citizenship concerns the international competition that is developing for the most talented, "creative" workers. Ireland is competing not only with other EU countries, but also with North America and Australia for the best and the brightest. Citizenship, and the certainty it affords, is a valuable asset in this international competition.

The final reason for rethinking citizenship and residence concerns integration and the welfare burden that immigration imposes on the state. A recent study of the immigrant and foreign resident population of the European Union shows that while naturalization has no effect on EU citizens or on American, Canadian and Australian citizens living in Europe, for immigrants from other parts of the world, naturalization is associated with lower unemployment rates, higher skill levels, and a higher proportion of persons working in skilled jobs. In other words, the naturalized population tends to be more economically and socially integrated (Munz and Fassman, 2004).

## 9.5 Strategic Goals and Considerations

Immigration is both a matter of choice and of fact. But irrespective of whether it is planned or imposed, immigration has consequences and those consequences can be shaped by policy interventions and by the actions, purposive or otherwise, of

<sup>183</sup> Irish citizenship law provides for citizenship to be acquired through birth, descent, marriage, and naturalization. Naturalization may be applied for, providing the applicant has legally resided in Ireland for a period of at least five years. The newly proposed *Immigration and Residence Bill* also provides for long-term resident status to be granted to persons who have resided in the country for over five years.

stakeholders. It is this possibility of shaping the consequences of migration that makes it so important to adopt a strategic approach.

Until recently, Ireland's immigration strategies were quite rudimentary. They were shaped by a desire to maintain orderly labour markets, to offer protection to refugees and to prevent discrimination, but they were essentially reactive and accommodative. This is beginning to change. Both the NPAR and the DJELR's discussion document on immigration and residence hint at the fact that broader strategies are being contemplated, though neither document sets out a bold vision for integrating immigration management with integration and with a larger set of high-level strategic objectives.

The absence of approved, high-level strategic goals means that the policy and analytic lessons set out earlier in this chapter must be viewed with caution. This said, the lessons were chosen for their relevance to the extensive policy and advocacy material that has emerged in Ireland over the past few years.<sup>184</sup> A close reading of this material suggests three overarching (implicit) strategic goals that are closely tied to integration.<sup>185</sup> These are briefly described below.

*Goal One: To develop a robust capacity to manage conflict and to create a sense of common purpose and cohesion*

Social change invariably creates discomfort. It is hardly surprising, therefore, that the profound changes introduced by immigration and growing ethnic, racial, cultural and religious diversity generate conflict and reduce overall levels of trust within society, trust being a key ingredient of social cohesion. Coping with these changes and with their effects constitutes a major policy challenge for all multicultural societies, a club that Ireland is in the process of joining.

A recent article pertaining to conflict resolution and appearing in *Optimum*, a Canadian policy magazine, argues that "Plural societies are characterized (not only) by diversity, but also by an explicit recognition that individuals and groups are motivated by different values and...can legitimately have different value systems...Plural societies...deny that there is any constantly overriding value. This entails the inevitability of conflicts and the need to develop reasonable and effective conflict resolution mechanisms based on some credo that the disputants might share." (Paquet and Reid, 2003)

According to the authors, pluralistic societies must evolve machinery that enables different groups to learn from each other. Social learning is essential for creating shared goals and for developing (or retaining) a capacity to mobilize both public and private resources, to achieve national interests and to fend off threats. Research indicates that governance can play a vital role in developing this capacity

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<sup>184</sup>. Among the more important reports are: "Labour Migration into Ireland"; "Voices of Immigrants"; the "NPAR; Immigration and Residence in Ireland", a discussion document; the Internationalisation of Irish Education Services Report and the Irish Nationality and Citizenship Act 2004.

<sup>185</sup>. A related version of these goals was originally proposed in a paper prepared for the Intergovernmental Consultations Committee on behalf of the Government of Canada. The aim of that paper was to explore whether member states – essentially, EU countries, Canada, Australia and New Zealand – were prepared to broaden the Committee's agenda to include issues related to integration. The listed goals are fully consistent with the principles of integration of third-country nationals enunciated by the European Council under the Hague Program, see section on Integration in the European Union. .

for social learning—attenuating conflict, increasing social interaction, increasing tolerance and trust, and boosting productivity.<sup>186</sup>

The ultimate policy goal of social learning is to foster a sense of belonging and of common purpose. However, social learning can only take place in an atmosphere of mutual respect. Governments can foster this atmosphere by creating the possibility of full societal membership and citizenship under the umbrella of an inclusive national identity.<sup>187</sup> The resulting sense of belonging is essential for creating solidarity between newcomers and established residents, together with a capacity to marshal public and private investments for the common good.

In the absence of a capacity to manage differences and to achieve common purpose, it is difficult to understand how support for integration could be sustained. In particular, it is difficult to see how immigration could be linked to nation building and why immigration would be seen as operating in the public interest.

*Goal Two: To create prosperity and to improve international competitiveness*

A predominant concern for Ireland is to maintain the conditions that have contributed to international competitiveness and domestic prosperity. This will require that more attention be paid to migrant integration as demographic change begins to impact significantly on labour force and population growth.<sup>188</sup>

The role that integration plays in Ireland’s economic development will depend on the mix of competitiveness strategies that is adopted. Until recently, the focus has been on low-skilled labour but, increasingly, there is interest in promoting the entry and retention of highly-skilled workers. This has taken the form of programs to attract skilled migrants (and students) to particular industries and locales in order to fill critical vacancies and to attract investment in knowledge-intensive, internationally competitive sectors.

The role of integration in these strategies is both accommodative and instrumental. In respect of low-skilled migration, there is sufficient international experience to know that temporary, low-wage, guest worker programmes “leak” and result in a gradual build-up of permanent populations. In this context, integration is essential to prevent the formation of a social underclass with all that this entails.

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<sup>186</sup>. These conclusions are based on empirical work presented by Robert Putnam and John Helliwell at a joint OECD-Canada conference, “The Opportunity and Challenge of Diversity: A Role for Social Capital?” held in Ottawa in November 2003. This is also supported by APC (2003).

<sup>187</sup>. The creation of an inclusive national identity does not mean that everything is negotiable. All parties must, however, feel that the exchange is fair and reasonable. At a minimum, most observers would argue that a bottom line, non-negotiable condition is the respect for liberal democracy and the rule of law.

<sup>188</sup>. The demand this creates for migration will depend on how the Irish economy and education sector respond to demographic change. Economies adjust to labour shortages by abandoning labour-intensive industries in favour of capital-intensive production processes and adopting technology in favour of capital-intensive production methods; by relying on international trade to import labour-intensive goods; by moving production offshore to countries where labour is cheap; and by increasing labour supply, drawing inactive workers into the labour force and importing workers from abroad. In practice, all these adjustments occur simultaneously and continually, though technological constraints, political preferences and the desire to prevent short-term labour disruptions create an important role for public policy.

Integration policy also plays a critical and complementary role in respect of admissions policy and recruitment. For countries or individual employers to realize a return on their investments in recruitment, skilled migrants must be given the opportunity to capitalize on their education and experience.<sup>189</sup> Countries must also be cognisant of the fact that many skilled migrants, even if their entry was designated as temporary, will remain in the country and acquire citizenship. Apart from the obligation this places on the state for the welfare and prosperity of its newest citizens, there is a public policy interest in successfully integrating these newcomers. Successful integration creates support for remedial immigration programmes; it serves to leverage private resources for settlement and it creates a favourable climate for interpersonal exchanges.

The final strategy cited above links not only integration but also multicultural diversity to economic growth and competitiveness. This is part of a wider analysis linking social policy to investment and productivity. The main argument is that competitiveness will increasingly depend on human and social capital, in particular human capital associated with creativity and innovation, as opposed to physical capital and raw materials. The key proponent of this view, Richard Florida,<sup>190</sup> has coined the term “creative class” workers to describe these highly educated individuals whose jobs involve the transformation of ideas and concepts (Florida, 2002).

In addition to these arguments, there is a substantial body of opinion, that links multicultural diversity and integration to economic growth and competitiveness. This has produced a flow of creative talent to cities that are characterized by “quality of place”, of which diversity – including multicultural diversity – is a major component. Businesses seeking to capitalize on these concentrations of talent channel investment into such diverse, multicultural cities, thereby creating more jobs, further inflows of talent and further rounds of investment. The result is a virtuous circle of mobility, investment, more mobility and so on.

A critical question for policy makers is how to initiate this virtuous circle. Florida has a number of answers but his main idea is that creativity and innovation need to be seen as part of an “ecosystem” that requires nourishing and investment. A key element of this ecosystem is investment in diversity, including cultural diversity, which equips cities and regions to compete internationally.<sup>191</sup>

*Goal Three: To promote personal and state security and to build public confidence in governance structures*

Modern migration can pose threats to personal security as well as to the security of public and private institutions. If members of the receiving society feel threatened by migrants, the capacity of the state to address economic challenges

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189. In the case of niche recruitment, one of the main goals is retention. Niche recruitment is associated with maintaining industries that require highly specialized skills that are not available domestically, or with contributing to the sustainability of rural communities and smaller towns that depend on specialized services, such as medical services, to remain viable.

190. His ideas have found favour with a number of Canadian academics. In a recent report prepared for the Government of Ontario's Ministry of Enterprise, Opportunity and Innovation, and for the Institute for Competitiveness and Prosperity, Meric Gertler, an economist at the University of Toronto, has found that the relationships claimed by Florida for the United States hold even more strongly for Canada. According to the report, “there appears to be a strong set of linkages between creativity, diversity, talent and technology-intensive activity that are driving the economies of Ontario's – and Canada's – city regions ... this work underscores the importance of immigration and settlement, as well as the nurturing of arts and creativity”.

191. An interesting idea that has been advanced is to link Irish return migration to Florida's virtuous circle. In other words, what prompts skilled expatriates to return is not just the booming Irish economy but the prospects of a richer, multicultural life.

through migration or to foster an inclusive identity and support for diversity, is compromised. Integration and multicultural policies can play an important role in mitigating these risks and dampening the reactions they elicit.

While sound border control and screening policies are necessary, along with effective internal policing, they cannot, on their own, produce safe societies without severely impinging normal commerce and day-to-day transactions across community ‘boundaries’. The resulting climate of mistrust may produce a ‘cure’ that is worse than the original threat.

Ultimately, authorities must rely on intelligence to fight criminal and terrorist threats, which means that the state will need to depend on migrants for information, for denying criminals and terrorists a safe haven and for resisting the urge to recreate and express homeland conflicts. For this to happen, migrant communities will need to identify with their hosts as opposed to identifying with the perpetrators (potential or actual), a process that depends on the welcome they are accorded - the willingness of society to invest in integration and the creation of an inclusive, multicultural environment. The main focus of these policies will need to be on children and young people. Investments in community leadership and intercultural dialogue may also limit the opportunity for threats to take root in society (see goal one).

## 9.6 Concluding Remarks: Five Critical Recommendations

The topic of integration spans an enormous body of theory and practice, one that crosses scientific, jurisdictional and bureaucratic boundaries. Both the size and complexity of this landscape are profoundly disorienting to policy makers having to navigate difficult decisions. The five recommendations below are intended to help with this process by serving as strategic guideposts. They draw on the earlier discussion of ideas and practices derived from research and from policy experience.

### ◆ *Create a strategic vision to mobilize society*

The need to establish a clear strategic vision for immigration and integration derives from their complexity and from the fact that governments hold only some of the strategic cards to be played. Private interests (i.e., business, unions, non-governmental organizations, churches and the public at large) hold the rest. These interests, individual and institutional, need to be mobilized for integration to succeed since integration takes place in settings that are not under government control. Put somewhat differently, integration cannot remain a “government project”. To be successful, it must become a fully national undertaking.

The requirement to mobilize interests across the board dictates the need for a compelling rationale that is able to cut through complexity and resonate with numerous, diverse groups. Such a rationale has yet to be constructed in Ireland, though a number of important new initiatives indicate that the process has begun: The NPAR expands the integration debate to the critical areas of housing, health, education and justice, while the new Immigration and Residence Bill will offer a machinery for the reconfiguring of the admission system to address a broader set of strategic interests. The manner in which these instruments are wielded will determine Ireland’s integration policy.

Ultimately, for integration to succeed migrants will have to be seen as potential assets and not as charitable works or temporary aids to facilitate labour adjustment. This will require going beyond the NPAR's asylum-inspired approach. Anti-racism measures can, at best, produce tolerance, which is undeniably important. But such measures are unlikely to produce integration, which cannot be compelled or achieved through sanctions. For integration to occur, support will need to be built on a widely-shared vision of how integration might contribute to a dynamic, secure and socially cohesive Irish future. The creation of such a vision would provide a basis for stakeholder alliances and would permit the development of coherent plans. In the absence of such a vision policy will inevitably remain fragmented and integration will be impaired.

◆ *Integrate policies as well as people*

There is a pressing need to integrate not just migrants but a portfolio of complementary policies that are directly and indirectly implicated in migrant integration. The range of such measures reflects the conceptual span of integration and the correspondingly broad horizontal and strategic nature of integration policy.

Integration policy is best conceptualized as an ecosystem for nurturing the relationship and inspiring the transactions that occur between migrants and their hosts. Migrants will need to receive assistance and access, institutions will need to be reformed and made more accessible, tolerance will need to be promoted, private resources will need to be mobilized, and frameworks will need to be constructed in order to modulate the exchanges between newcomers and long-term residents. Not to put too fine a point on it, the NPAR will need to be integrated with the Immigration and Residence Bill, with the envisioned secondary legislation that breathes life into the Bill's statutory possibilities, with citizenship legislation and a host of integration-related measures in the fields of health, education, housing and justice. The complementarities inherent in these policies must be exploited for Ireland to get the most out of its integration investments.

Horizontal policy development requires horizontal coordinating machinery. This is gradually being developed. A new, combined service delivery agency is nearing completion (the Integration Unit) and several high-level committees have started to operate. A sense of urgency will need to be injected into the work of these structures and their mandates will need to be framed more clearly and more publicly. Consideration should also be given to a single migration agency that could exercise leadership and drive the combined enterprise.

◆ *Act locally through horizontal partnerships*

Integration takes place at the level of neighbourhoods, worksites and schools. It results from day-to-day contact between newcomers and residents and it depends on the capacity and willingness of public and private institutions to respond to migrant needs. It is these characteristics, the inherently local nature of integration and the particularistic nature of integration services, that create a compelling logic for integration programmes and services to be planned, coordinated and delivered locally through broad, horizontal partnerships among local service providers and community agencies.

The most critical issue associated with local delivery and engagement is capacity. The capacity of local government agencies and non-governmental stakeholders to plan, organize and deliver integration services will need to be expanded for a strategy of horizontal partnership and local action to succeed.

The main role of national or state governments in respect of integration should be to exercise policy leadership. This involves creating the vision that informs local partnerships, supplying resources and expertise, monitoring outcomes, and transferring knowledge.

◆ *Privilege social interaction over common values*

Integration ultimately requires the formation of common values and norms. But to focus on this misses the point that integration is a process and not static. The manner in which this process is conducted is as important as its results. Implicit in this is the idea that values are by-products and not ends; the result, and not the precursor, of living, working and playing together, particularly on projects in the public domain.

Rather than focusing exclusively on such questions as “how do we become the same?” or “how similar do we need to be?” – questions that lead in the direction of social engineering – the government needs to pay attention to the question of “how might we best live together?”.

National governments have a critical role to play in addressing this question through the creation of overarching and symbolic frameworks that set out the rights and responsibilities of societal membership. It is these frameworks that create the boundaries and rules that allow complex, diverse societies to manage conflict and to negotiate differences. The critical policy instruments for shaping these exchanges are citizenship policy, multiculturalism and inter-culturalism policy, broad social inclusion strategies, as well as anti-discrimination and human rights policies. Measures that directly target interactions between newcomers and hosts, for example, policies seeking to create “bridging” social capital, can also play a role in fostering integration.

◆ *Focus on the long term*

The process of social, cultural and economic integration is characterized by complexity, fluidity and exceptionally long-time horizons. To address these challenges on an ongoing basis requires the development of not one, but many capacities.

The essential capacities that must be developed within the private and public spheres in order to be able to respond to the needs (and demands) of both migrants and hosts include the following: a capacity to mobilize public support; a capacity for political action; a capacity to coordinate policies and programs at both the national and local levels; a capacity to leverage non-governmental support; and a capacity to evaluate policies and to transfer lessons from one locale and sector to another.

Rather than starting with the present and analysing the effect of incremental improvements in the status quo, the better strategy would be to imagine a future state and to investigate the capacities that would be needed to sustain it. Many of these essential capacities are already latent in Irish society and could be developed progressively as opportunities arise, as resources are located and as stakeholders are mobilized.

# 10

## Migration to Ireland: the Implications for Developing Countries

## 10.1 Introduction

Unlike earlier chapters, this section looks at the impact of migration to Ireland on countries of origin, especially the developing countries. It looks briefly at the size and scope of emigration from poorer countries and whether these outflows are having an adverse effect on local human resources. The paper explores the role of migrant associations and expatriate groups in the development process, the significance and cost of migrant remittances to their home countries, and draws some preliminary conclusions on the management of Ireland's migration and development aid policies.

The relationship between development aid and migration cuts across a range of government departments in Ireland, such as Foreign Affairs (aid), Enterprise, Trade, and Employment (employment strategies and migration policies), Health and Children (employer of professional and non-professional staff in health services), and Education and Science (policies to recruit international students).

As noted in Chapter 2, a significant and rising proportion of immigrants in Ireland originate from developing countries. Despite this, the relationship between development and migration has not to date been articulated in public debate in Ireland. A rare exception is the recent DJELR discussion document which notes the relevance of ensuring that migration does not contribute to "brain drain" from developing countries (DJELR, 2005: 71). Conversely policy documents dealing with Ireland's development policy have paid little attention to questions relating to migration.

## 10.2 Extent and Nature of Migration from Developing Countries

Many migrants from developing countries have come to Ireland through specialized employment agencies working on behalf of both private and public sector employers or employer groups. Recruitment strategies have been pursued in the following countries:

- ◆ The Philippines for nursing, care work, seafarers and domestic workers;
- ◆ Brazil for jobs in the meat industry, especially butchering and boning;
- ◆ India and the Arab world for temporary medical professionals such as doctors and nurses;
- ◆ China for low-wage jobs in restaurants, shops, garages and retail outlets; and
- ◆ Turkey – including Kurdish workers – for the construction industry.

Migrants from developing countries include a variety of migrant statuses, ranging from worker students, temporary work permit holders and the longer-duration professional visa or work authorization holders to refugees and asylum seekers. Though these represent only a minority of the overall inflow into Ireland, they form a significant portion of work permit holders, refugees and asylum seekers, and a growing proportion of the international student population.

Table 10.1 shows the proportion of work permit holders from low and lower-middle income countries. Though a small proportion came from the poorest countries, a majority of work permit holders originate from lower-middle income countries, which are still considered as falling within the developing country bracket. As employment growth continues to expand in Ireland, demand for migrant workers, including from the developing world, is likely to continue despite policy adjustments targeting workers from the new EU member states. A number of industrial or service sub-sectors show evidence of their reliance on developing country migrant workers, such as the meat processing industry and the private nursing home and acute hospital sectors.

**Table 10.1 Work Permit Holders Ireland 2004 by Country Income Classification (US\$)**

Proportion of work permit holders	Country income classification per capita
13.7 % (4,602 persons)	Low income: less than US\$ 765 per capita
54.3 % (18,509 persons)	Lower-middle income: US\$ 766-3,035
19.3 % (6,578 persons)	Upper-middle income: US\$ 3,036-9,385
12.7 % (4,378 persons)	High income: more than US\$ 9,386

Source: Extracted from World Bank Income Country Classification and Irish work permits data for 2004 by nationality

Indian and Pakistani nationals accounted for close to 6 per cent of the international student body in the 2003/4 academic year, while the number of students from China is also rapidly increasing. As noted in Chapter 3, in 2004 there were 21,270 registered non-EEA students in Ireland, about half of whom came from China. Regarding asylum, as noted in Chapter 2, the vast majority of asylum seekers and confirmed refugees are from developing countries.

### 10.3 Relationship Between Overseas Development Assistance and Migration to Ireland

In order to determine the existence of a relationship between Irish overseas development assistance (ODA) and migration to Ireland, the principal beneficiaries of ODA and source countries of migration were compared in respect of poverty indicators. The UN Human Development Index (HDI) and the World Bank's Income Country Classification are indicators of development "need".

The results of this exercise are reproduced in Table 10.2 below. It shows that there is no relationship between less-developed countries and the home countries of work permit holders (column 2). None of the most important migrant sending countries is among the poorest UN countries, though many display low per capita income levels. The top ten migrant source countries accounted for almost 19,000 of the 34,000 work permits issued in 2004. Only 34 migrants from the ten countries ranking at the bottom end of the UN HDI received work permits in 2004. This suggests that relatively few migrants from the world's poorest countries migrate to Ireland.

However, the picture looks a little different for asylum seekers. The five most important countries of origin of asylum seekers in Ireland during 2004 were Nigeria, Romania, Somalia, China and Sudan (UNHCR, 2005).

At first sight, Table 10.2 does not suggest a relationship between migration to Ireland and the top receiving countries for Ireland's ODA—only South Africa features in both columns. However, a number of significant sending countries are in the lower-income brackets (column 4). Migration to Ireland could thus complement official development assistance in countries where poverty, though of concern, is less acute, through the economic contribution made by migrants themselves, mainly in the form of remittances. This is explored further in the next section.

**Table 10.2** Developing Countries of Origin of Migrants in Ireland ranked by Deprivation Indices, Recipient Countries of Irish ODA and Migrant Workers Source Countries

Top ten receiving countries of ODA from Ireland	Top ten countries of permit holders in Ireland (2004) <sup>1</sup>	UN HDI ranking	World Bank Country Income Classification
1	2	3	4
Uganda	Philippines	Medium	Lower-middle
Mozambique	Ukraine	Medium	Lower-middle
Ethiopia	Romania	Medium	Lower-middle
Tanzania	Poland (EU)	High	Upper-middle
Zambia	South Africa	Medium	Lower-middle
South Africa	Brazil	Medium	Lower-middle
Lesotho	China	Medium	Lower-middle
Afghanistan	India	Medium	Low
Palestinian Admin Area	Lithuania (EU)	High	Upper-middle
Kenya	Latvia	High	Upper-middle

Source Extracted by Helen O'Leary, Ralaheen, from Department of Foreign Affairs, UN Human Development Reports, OECD data gross bilateral ODA 2002-2003, and DETE statistics.

Note World Bank Income Classification: Low: < \$765 GNI per capita; Lower-Middle: \$766-3035; Upper-Middle: \$3036-9385.

UN HDI ranking is based on a number of factors including life expectancy, adult literacy, GDP per capita and educational enrolment.

The true impact on sending countries of these migration flows to Ireland is unknown. The departure of educated and skilled migrants raises concerns over “brain drain” in developing countries (Pieke et al., 2002: 8). While some countries have seen little brain drain in the form of emigration among professionals, others have felt the impact more strongly. Up to 40 per cent of African countries experience brain drain, as over one-third of their college educated nationals leave to work and reside abroad (World Bank, 2004a, 4) representing a direct loss of investments made in their education and in their forgone professional contribution to the local economy.

As noted above, few migrants come from the poorest countries and the only major sending country receiving development aid from the Irish government is South Africa, thus redressing the contradiction that would arise from simultaneously investing in and draining the resources from developing countries. Moreover, many sending countries have large populations – notably China, but also Brazil and India – so the overall loss of skills may be small relative to the total local skills base. Some migrants are also from countries that are intentionally geared towards the export of labour as a mechanism for economic growth. India and the Philippines are examples of this, particularly in the information technology and health sectors, respectively. Both countries train a surplus of workers with the explicit intention that many will then emigrate.

However, some sectors, such as healthcare, are vulnerable to and weakened by the loss of their skilled professionals and attention is needed to ensure that Ireland does not further exacerbate existing human resource shortages in some developing countries.

## The Recruitment of Overseas Health Professionals

Over the last ten years, an important part of the growth in employment in Ireland concerned professional or specialist jobs for which there was an insufficient supply or retention of Irish graduates or skilled workers. The greatest shortfalls were in three employment segments: construction, medical and healthcare and the IT sector. In response to these labour shortages, Ireland adjusted its migration policy by fast-tracking the applications of professionals seeking to enter and work in Ireland, granting additional rights, such as family reunification, which are not ordinarily given to migrants holding work permits for manual or minimum wage jobs (see Chapter 3 for a more detailed description of this policy). One of the more controversial issues between developed and less

developed countries is the recruitment of the skilled human resources of the developing world to fill shortages in the labour markets of the northern hemisphere.

The recruitment of nurses from outside the European Union began in earnest in 1999. Recruitment for public sector hospitals initially started in the Philippines with the support of recruitment agencies. Recruitment focused on skilled nurses with experience of large-scale hospitals. It has since expanded slightly to include migrant Indian nurses in the Arab Gulf States, and South African, and Zimbabwean and Nigerian nurses. These countries were chosen because their training is conducted in English and the medical model conforms

to that of Ireland. This allows for a relatively easy recognition of professional qualifications and registration with the Irish Nursing Board.

Nurses from developing countries rarely come to Ireland outside the framework of groups specifically recruited by an Irish health employer or group of health employers (Conroy and Taguinod, 2003). Of the 1,098 working visas issued in 2004 for professional or technical workers, 285 were issued to Filipino nurses, 487 to Indian nurses, 45 to Indian doctors and 92 to Indian ICT professionals: thus 909 visas went to professionals from just two countries.<sup>192</sup>

Overseas nurses from the developing world fill part of the deficit in nursing staff created by young Irish nurses who have left their nursing jobs, often after less than five years as a practising nurse. In 1999-2000, for every 1,600 overseas nurses registered in Ireland, 800 Irish nurses left or intended to leave Ireland (OECD, 2005). Thus, a part of the deficit in nursing staff in Ireland can be viewed as staff retention failures in the Irish health services. Alternatively, the movement of nurses in and out of Ireland can be viewed as part of the international mobility of health professionals.

Some overseas nurses are in specialized, well-paid posts with prospects of advancement in academic teaching hospitals. Others are in less popular posts with less chances of promotion in residential centres for the intellectually impaired, psychiatric hospitals and private nursing homes. Research conducted by IOM in the United Kingdom found that migrant health workers from Zimbabwe are experiencing occupational downgrading after migration and are frequently unable to use the full range of their skills (Bloch, 2004). It is likely that similar lack of professional development and “brain

wastage” is occurring in Ireland. Unlike other countries, it has not been the practice in Irish nursing schools to offer nursing scholarships for basic training to nurse trainees from the developing world. Yet, such scholarship programmes can offset some of the costs to the developing countries of training and subsequently losing their nurses.

Overseas nurses from the developing world are now set to become a permanent feature of the Irish health services – both in the public and private sectors. The number of registrations from overseas nurses of all origins is now equal to those of Irish nurses. A large proportion of overseas nurses are members of the Irish Nurses Organisation (INO) or are part of national associations of, for example, Filipino or Nigerian nurses. The Overseas Nurses Section of the INO itself has noted that “health professionals in Ireland, and the INO itself, should not shy away from issues and developments arising from Ireland’s and other more developed nations’ continuous reliance on overseas-trained staff”.<sup>193</sup> However, there have been few developments at government level.

In the United Kingdom, the aggressive recruitment practices of health employment agencies in the developing world have prompted accusations of asset-stripping countries in need of health professionals. In response, the UK Department of Health has developed a code of conduct for healthcare employers. The Code of Practice for the International Recruitment of Healthcare Professionals sets out guiding principles and best practice, and encourages the use of government-to-government agreements as a strategy to manage the migration of healthcare workers. Most importantly, the code states that employers should not target developing countries for recruitment, and has published a list of

192. Data supplied by DETE (2005).

193. Fidel Taguinod, Head of the Overseas Nurses Section of the INO, speaking at a recent meeting of the Overseas Nurses Section in Limerick. <http://www.ino.ie/DesktopModules/Articles/ArticlesView.aspx?TabID=519&ItemID=5029&mid=8264>.

over 150 countries where employment agencies should not “actively” recruit.

The two main source countries for Ireland’s healthcare workers, the Philippines and India, were originally on this list. Though the Philippines deliberately trains a surplus of nurses to supply the global demand for health workers, the health system in India suffers from a lack of qualified staff, particularly nurses and support technicians

(Chanda, 2003). However, in the United Kingdom, both the Philippines and India<sup>194</sup> have been removed from the list following informal agreements to facilitate and monitor the recruitment process. The use of informal agreements and bilateral cooperation as a method of managing the global shortage of healthcare workers was encouraged at the World Health Assembly in 2004 (WHO, 2004).

#### 10.4 The Contribution of Migrants to Development in Their Home Countries

Research and the activities of international development agencies in the developing world have rendered migrant remittances more visible, and the huge contribution made by international migrants to their home countries through their remittances is widely recognized.

The role of migrant remittances is as important today as it was to the Irish economy after the establishment of Ireland. In 1938 remittances to Ireland from Irish emigrants amounted to 1.9 per cent of national income and this increased to 2.5 per cent in 1952. That same year, Irish exports were valued at GBP 99.1 million, while emigrant remittances amounted to GBP 9.9 million, or 10 per cent of the value of exports from Ireland (Commission on Emigration, 1955: 54-57). Today, many households in the developing world are as dependent for their survival on the remittances sent home by their family members abroad as Irish households were in the last century.

The literature and knowledge base on migrant remittances is growing worldwide. The research and analysis of the World Bank has captured widespread attention in this regard (see World Bank, 2005).

Using very detailed analysis of balance of payments data for over 100 countries, Ratha (2004) reveals that migrant remittances to the developing world are growing annually, often outstripping official development assistance as a source of external finance. In other countries, they are second only to foreign direct investment. In 36 out of 153 countries examined by Ratha, remittances were larger than all inward public and private capital flows. He notes that, while lower-middle income countries receive the largest share of remittances, the significance of remittances is actually higher for low-income countries. There, remittances as a percentage of GDP account for a much larger share than in the lower-middle income countries. This is extremely important for governments intending to concentrate on or prioritize their official development aid to the poorest countries in the world. For example, in Lesotho remittances made up 26.5 per cent of GDP,

194. With the exception of four Indian states (Andhra Pradesh, Madhya Pradesh, Orissa and West Bengal).

and 8.5 per cent of GDP in Uganda in 2001, both of which are priority countries for Ireland Aid.

In addition, it has been observed that both the Philippines and India have proactive policies as regards remittances. In India, 74 per cent of the trade deficit is financed by remittances, while the Philippines has encouraged the US\$ 7 billion coming into the country as remittances through offering purchase privileges, tax breaks, and investment options for migrants (DFID and World Bank, 2003). Both countries have been significant sources of labour for Ireland over the past decade.

The largest portion of remittances is sent from the United States. Migrants based in the USA sent home US\$ 28.5 billion in 2001 (Ratha, 2004: 160). In addition, ten of the top 20 source countries are EU countries, in particular Germany and France.<sup>195</sup> Besides their continuing growth, migrant remittances are a more stable source of foreign exchange than foreign direct investment. When corporations in the developed world cut back their investments in the developing world, worker remittances tend to continue to flow into the country. Naturally, expatriate workers remain loyal to their families back home, and as such their remittance flows are less volatile and subject to political and economic considerations than are investments by multinationals. Thus, migrant workers can be a dynamic factor in improving the well-being of their families, and the development of their regions of origin.

#### 10.4.1 The Impact of Remittances

Remittances that are used to improve the livelihood and well-being of the family back home and to invest in their future, create positive forward and backward socio-economic linkages that, if properly harnessed, can offset the loss of human resources caused at the individual and community level by emigration and brain drain. Besides reducing poverty and diversifying income flows for families, remittances contribute to economic growth through a multiplier effect generated by rising local demand for goods and services, and investments in the home country. It is also found to be a more stable form of income for developing countries and more evenly distributed than other capital flows. However, it has also been argued that since it is the wealthier workers who emigrate, it is the wealthier families who benefit from remittances, which might actually increase socio-economic inequality in a developing country. Undoubtedly, the outcome will depend on the particular case and local conditions, and the degree to which remittances can act locally to lift communities as such out of poverty. Finally, there is evidence that migrants respond altruistically to events in their home countries, sending more in times of individual need and national crisis.

The UK House of Commons International Development Committee Report entitled *Migration and Development: How to Make Migration Work for Poverty Reduction*, offers some useful insights into the role of migrant remittances in poverty reduction. The report states that remittances do not always make their way to the poorest countries, nor the poorest families. Therefore, efforts and money spent maximizing the beneficial effects of remittances generally will be ineffective to lift the poorest out of poverty and policies aimed at remittance-driven socio-economic

<sup>195</sup> This finding may be somewhat skewed by the measurement of remittance origins via the clearing bank or currency of origin, which inevitably favours those banks/currencies which have large-scale monopoly positions in the global market.

development must not become a substitute for aid. This is not to deny the considerable potential of remittances in their own right. The report recommends that development agencies ensure “that lessons are learnt, and best practices disseminated widely...” as regards policies and programmes aimed at remittances (UK, House of Commons, 2004: 58).

#### 10.4.2 Measuring Remittances from Ireland

In an updated note of July 2004, the CSO points out that international balance of payments data now include the remittances sent abroad out of earnings of immigrant workers in Ireland (CSO, 2004: 14). Remittances have also been included in “compensation to employees”, although strictly speaking, this category should only apply to short-term temporary workers.

As countries use slightly different methods to determine their balance of payments and, considering the considerable margin of error, its usefulness for comparing relatively small amounts of data is limited. In the Philippines, for instance, at least 42 per cent of total remittance flows elude balance of payment statistics, as remittances are either carried by hand or arrive as in-kind transfers. An alternative approach, therefore, would be to assess remittance flows through surveys in the receiving countries, with particular attention to developing and low-income countries (as detailed in Table 10.2 above). This is done, for example, by regular annual special detailed household surveys carried out by the Philippines National Statistics Office (PNSO, 2003).

Alternatively, remittances can be assessed through an operating “model” from the destination country, Ireland, based on a number of assumptions about remittances, inserting proxy data for a one-year period and obtaining an estimate of remittances for indicative purposes. This was the approach adopted here for Ireland. Assumptions were made using a conservative perspective to avoid over-estimation. The model was based on 11 assumptions:

- ◆ All regular migrant workers send remittances home;
- ◆ Remittances from European, Australian and US nationals are excluded;
- ◆ Migrants send home 5 to 10 per cent of their income;
- ◆ All migrants earn minimum wages or less;
- ◆ Different income groups and migrant profiles send different volumes of remittances;
- ◆ All migrants pay tax and social contributions;
- ◆ All migrants pay income tax as single persons;
- ◆ Migrants’ working hours are those determined by law or collective agreements;
- ◆ Overseas student workers send smaller remittances than other migrants;
- ◆ Overseas student workers work only 20 hours per week;
- ◆ Migrants pay a fee to send the remittance whether using banking or non-bank channels; and
- ◆ Asylum seekers working regularly or irregularly do not send remittances home and are not included in the model.

**Table 10.3** Estimate of Total Remittances sent from Ireland 2004 (in EUR)

Category of migrant workers	Estimated Yearly Total 2004
Remittances from full-time manual workers paid by the hour (excluding migrants from industrialized countries)	22,266,709
Remittances from part-time student workers	9,828,000
Remittances from salaried professionals	11,784,102
<b>Estimated total remittances from Ireland</b>	<b>43,878,811</b>

Source specially prepared data/calculations by Ralaheen.

Based on these assumptions, three “profiles” of migrant remittance senders were developed for the “model” that correspond to three broad occupational categories. These were then combined to produce an estimated total of remittances from Ireland in 2004. The results are presented in Table 10.3.

The “model” generated migrant remittances from Ireland of nearly EUR 44 million annually for 2004.

Remittances from overseas professionals in Ireland were estimated at EUR 1,785 per migrant per year in 2005 after currency transactions. This is higher than the average remittance payments recorded in the Philippines from Filipino professionals working in all overseas locations in 2002, which amounted to an average of EUR 1,000 (PNSO, 2003). However, this lower average includes Filipino professionals working in both low and high-wage countries, such as those of Western Europe.

Estimated remittances sent from Ireland in 2005 are the equivalent of 12 per cent of ODA, however, only a portion of remittances are sent to developing countries as many migrants in Ireland originate from EEA countries, although the total amount of remittances sent home by migrant workers from Ireland is likely to be much higher than these calculations suggest. Nonetheless, even our conservative estimates suggest that approximately EUR 100 million over a two-year period was sent from Ireland to developing countries.

#### 10.4.3 The Costs of Sending Remittances from Ireland

The transfer costs of remittances are of interest to both the individual migrant worker and the receiving country. Transfer costs are controlled either by private financial services providers, by informal operators or by migrants carrying cash-in-hand when returning home. A question on the use of banking facilities for remittances in Ireland was included in a 2002 study (Conroy and Brennan, 2003, 38-39) and the results showed that some migrants had difficulties opening accounts, and some operated without bank accounts. During the course of the study, the authors observed the operation of a banking facility which was not registered with the Irish Financial Services Regulatory Authority, and an informal remittance-sending arrangement.

To test remittance costs in 2005, some services were contacted and asked to indicate their fee for the transfer of EUR 200 outside of the European Union to two named countries – the Philippines and Nigeria. The amount of EUR 200 presumed that a low-paid migrant might save EUR 50 a week and remit the total on a monthly basis. The following table shows the results from four providers. Other providers who indicated fees used either Western Union or MoneyGram.

**Table 10.4** Cost of Sending Eur 200 from Ireland to Africa and Asia, March 2005

Service	Total Fee (Eur)
Western Union Money transfer to Philippines	10.00
Bank of Ireland (MoneyGram) to the Philippines	16.00
AIB to the Philippines	20.00
Permanent TSB to the Philippines <sup>196</sup>	31.50
Western Union to Nigeria	20.00
Bank of Ireland (MoneyGram) to Nigeria	16.00
AIB to Nigeria	20.00
Permanent TSB to Nigeria	31.50

Source specially prepared data/calculations by Ralaheen..

Price variations between money sending institutions depend on the country of destination. Excluding the TSB Bank, transfer fees for the Philippines ranged from 5 to 10 per cent of the amount being sent, while for Nigeria prices varied between 8 and 10 per cent of the sum to be remitted. The costs are substantial for some migrant workers who send money home on a regular basis. The loss of even EUR 100 a year is equivalent to the school fees for a child, or food for a large family for a few weeks. It is not surprising, therefore, to learn that migrant workers explore and use a number of methods for transmitting money home to avoid transaction charges.

In relation to the transfer cost for remittances, the UK House of Commons International Development Committee argued that reducing transaction costs offered great potential for increasing the flow of remittances and, in turn, increasing resources in countries of origin. The report states that:

Put simply, the transaction costs of remittances are high because the market for remittance services is not working efficiently. There is too little competition and a lack of information; remittance agencies can charge high fees without

<sup>196</sup> An account with Permanent TSB is necessary to send a money transfer. The bank does not deal in the currencies of the Philippines and Nigeria, and would, for instance, have to use a German bank to undertake the transaction. The EUR 31.50 is a flat rate regardless of the amount being sent.

losing all of their customers. In sectors of the market where there is competition, such as between the United Kingdom and Somalia, fees are much lower. If transaction costs are to be reduced, then the market for remittance services needs to work better so that service providers compete harder to offer better and cheaper services, to more informed customers. (UK House of Commons, 2004: 58).

There is clearly scope for research into quantifying and examining the transfer systems and costs of migrant remittances from Ireland. Such research would be a prelude to determining whether there is a role for specific policies regarding remittances as an instrument of development for migrant sending countries.

## 10.5 Diasporas in Ireland

The extent to which remittances might have an aggregate collective development function in sending countries involves discussion and debate with diaspora communities. Such a dialogue depends in turn on the strength of diaspora communities in Ireland. If they are strong and maintain durable ties with the countries of origin, the development of development-oriented remittance strategies is feasible or likely. Though some diaspora communities have been present in Ireland for half a century or since the nineteenth century, mass immigration to Ireland is of quite recent origin. The strength of newer diaspora communities appears to be related to the presence of specific features, such as the size of the migrant community, the support provided to migrant community populations, the level of education or entrepreneurship and the historical continuity of the diaspora population.<sup>197</sup>

### 10.5.1 Diaspora Communities

Among the largest diaspora communities in Ireland are those of Chinese origin, which, in fact, comprise several communities. These include the smaller long-settled Hong Kong Cantonese-speaking community and the more recent mainland communities from distinctive sending regions, such as Fujian province, and speaking versions of Mandarin. The Cantonese community has been instrumental in establishing information centres, welfare services and developing links with mainstream Irish business, social and local government institutions. Besides the thriving restaurants, shops and wholesale sector, there are also weekend play-groups operating in Dublin where Irish-born and Chinese-born Chinese children can learn their mother tongue.

The Islamic community embraces Muslims from the Middle East, North Africa, India, Pakistan, Singapore, Malaya and converts from many countries. The religious community of Muslims has benefited from support from Middle Eastern States such as Kuwait, from Sheikh Al-Maktoum and from the considerable efforts of their own communities. The Islamic Foundation of Ireland established in 1959 is now a major provider of educational, social, cultural and spiritual activities. At the Mosque in Clonskeagh, Dublin, there is a national school for 250 pupils, meeting

<sup>197</sup> This section is based on the author's meetings, conversations and visits. Postgraduate researchers in the Department of Race and Ethnic Studies of Trinity College Dublin have undertaken a number of diaspora studies, as have postgraduates at the Dublin Institute of Technology Transcultural Media Centre.

hall, shop, restaurant, Mosque and administration. There are extensive weekend activities, Koranic classes and family events in both Clonskeagh and the mosques in Dublin city, Galway, Cork, Limerick, Cavan, Waterford, Ballyhaunis and elsewhere.

Africans have been in Ireland since the eighteenth century (Ugba, 2004), though their number has increased substantially over the past two decades, with at least 20,000 resident Africans in 2002. Research into the strength of this diaspora in 2000 found that, while there is little sense of community in African terms, there is an effective network offering support and solidarity for new arrivals (Smith and Mutwarasibo, 2000). Despite the lack of facilities and funding for community programmes, the Dublin-based African Solidarity Centre was established in order to reach out to the diaspora, facilitate integration and links to Ireland, and promote community development projects. There is also a monthly Africans Magazine, focused on Africans in Ireland.

Finally, there is the Filipino community in Ireland. Predominantly female, they are highly concentrated in nursing, social care and domestic work. While most are actively engaged with the Catholic Church, linguistically they are divided into many communities and often use English as their common language. The Filipino community quickly established a presence by integrating into Irish trade unions, forming a league of Filipino Irish workers, organizing their own national festivals, and other events. Pressure from the Filipino nurses through their trade unions has been one of the factors leading to a reconsideration of the ban on labour market participation by the accompanying spouses of nurses. This was reversed to allow nurses to bring their husbands to Ireland and that the latter could take up jobs without requiring a work permit, as has been the case in the United Kingdom.

### 10.5.2 Working with the Diaspora

The UK House of Commons International Development Committee report of July 2004 outlined a number of ways in which governments and the UK Department for International Development (DFID)<sup>198</sup> might work more closely with the diaspora, including policy consultation, schemes for the channelling of remittances for poverty reduction, and the promotion of temporary return of skilled nationals. Most importantly, the committee recommended that the government encourage and support initiatives to create migrant associations, and promote their activities.

The creation of diaspora development projects for their home regions has been successful in the United States, primarily with Mexican workers. Significant amounts of remittances, running to millions of dollars, have been collected inside the United States through hometown organizations or associations and directed to specific village and urban or rural projects in the home country. In this organized support chain, migrants themselves contribute to the selection and direction of projects in their home areas. These developments in the United States have been facilitated by the Mexican authorities by providing undocumented migrants with temporary and simplified identity cards that suffice to open a bank account. Mexican representations in the United States, the US Inland Revenue and the banks have organized joint “fairs” where undocumented migrants can be

<sup>198</sup> DFID is the agency of the UK government managing UK aid to poor countries and working to eliminate extreme poverty. This is similar to Development Cooperation Ireland of the Irish Department of Foreign Affairs.

documented with a simplified identity card, bank account and register to pay taxes in an afternoon.

In 1977, The United Nations Development Programme introduced the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) Project, in which IOM is involved. The project aims at transferring some of the skills and knowledge of expatriate professionals back to their country of origin. The project maintains that proficiency in the language, a strong motivation to serve the home country and a demonstrated success in the participant's profession have been factors in the project's success.

A similar programme is IOM's Migration for Development in Africa (MIDA). As noted earlier, Africa suffers huge losses of skilled labour each year, including medical doctors, nurses, accountants, engineers, managers and teachers. Therefore, IOM set up MIDA as a capacity-building project to mobilize expertise acquired by African nationals living abroad, making it possible for African nationals to contribute directly to the development of their countries of origin.

A third IOM programme, the EU Return of Qualified Nationals Programme, was set up in order to support the rebuilding of Afghanistan after more than 20 years of conflict and instability. Qualified and highly qualified Afghans living in EU countries and wishing to return to their home country to work in the public or private sector were sought to help rebuild the country and offered comprehensive assistance packages. The programme focused on the development of critical sectors, including private businesses that offer goods and services in the domestic market, civil and social services, public infrastructure and rural development.<sup>199</sup>

## 10.6 Concluding Remarks

A significant proportion of migrants, including professionals, who arrived in Ireland since the 1990s are from countries at medium to low levels of development. Though we do not know the impact that migration to Ireland specifically has had on sending countries, the potential for brain drain in the light of increasing globalization and international mobility cannot be ignored. Thus, the deliberate recruitment of qualified graduates from developing countries should be monitored to ensure that scarce human resources are managed for the benefit of both sending and receiving countries. Possible policy responses include the promotion of the return of qualified nationals, and informal agreements in cooperation with sending countries to operate training and exchange programmes for professionals and other skilled workers.

Migrants from developing countries in Ireland could be sending as much as EUR 44 million back to their countries every year, remittances that can foster development. However, the cost to migrants of transferring remittances can be substantial and it is likely that informal transfer systems are being resorted to. This issue requires further exploration to further reduce formal remittance sending costs. The Financial Services Regulatory Authority should also ensure that migrants do not face insurmountable or disproportionately burdensome obstacles to opening bank accounts that effectively exclude them financially.

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199. All the information on IOM diaspora development projects is available from [www.iom.int](http://www.iom.int).

However, it is clear that the potential for migrants to become a resource for development remains largely untapped by aid agencies in Ireland. The relationship between overseas development aid from Ireland, and migration into Ireland from the developing world, should be further explored in research and policy. In addition to strengthening the capacity of NGOs to integrate migrants in Ireland (see Chapter 9), the government should also try to support migrant associations that could become partners in development. The positive experiences of those involved in hometown associations and other projects with migrants to channel remittances for development purposes suggest that the diaspora is a significant source of development support, and this chapter has highlighted a number of burgeoning community networks in Ireland.

Despite policy changes in Ireland to promote the recruitment of workers from central and eastern Europe, migration from outside the European Union, including from developing countries, is likely to continue. Ireland should aim to attract the brightest and best from around the world, while guarding against negative impacts on countries of origin, and ensure that migration becomes a net contributor to development.





This report has discussed some of the social and economic effects of recent migration, especially non-Irish immigration to Ireland, and reviewed current policy responses. In this last chapter, we discuss what might be Ireland's overall approach to migration and its policy objectives in relation to migration, given the rapid increase in non-Irish immigration flows in recent years. How can Ireland develop and promote policies that maximize the benefits of migration and minimize the costs? We begin by summarising some of the key points from the earlier chapters.

## 11.1 Key Trends

The impact of migration in Ireland, and the policy challenges posed by migration, will vary according to many factors, the most important being the scale and composition of the migrant population. In earlier chapters, we noted several key trends:

- ◆ *Net immigration has risen quite recently and very rapidly*

In the year up to April 2005, over 70,000 people moved to Ireland, resulting in a net immigration of just over 53,000, more than double the level in 2000. After EU enlargement, there was a 4 per cent increase in the Irish labour force due to immigration. In 2005, the Irish workforce grew by an additional 58,000 people, of whom 40,000 were migrants.

- ◆ *The profile of migrants has changed*

While historically the bulk of migration into Ireland consisted of returning Irish nationals, a distinctive feature of immigration in recent years is the growing proportion of non-nationals among migrants. Already by 2000, the share of non-nationals in inward migration had increased to 50 per cent. In 2004, this proportion jumped to nearly 75 per cent. In addition, there has been a substantial increase in the share of non-national migrants coming from outside the European Union and the English-speaking world.

The bulk of immigration into Ireland, over the 1990s was skilled labour. More recently there has been a substantial influx of less-skilled migrants with work permits granted for semi-skilled or unskilled work predominantly in agriculture and the services sector. Approximately 75 per cent of work permit holders in 2003 were in unskilled jobs.

- ◆ *Migration is expected to continue to increase although the profile of migrants may change*

Net immigration is projected to continue at current levels for the next five to ten years, and then to decline, with migrants contributing 40 to 50 per cent of expected labour force growth in the decade to 2016. The non-Irish migrant workforce is still predominantly made up of young people without dependants, but the experience of other countries suggests that this pattern may change as more migrants choose to settle in Ireland and are joined by their family members.

## 11.2 Policy Context

The growth in immigration to Ireland was very much influenced by Ireland's economic boom and subsequent policy responses that facilitated immigration and the return of Irish nationals living abroad.

Economically motivated migration to Ireland and other countries is generally explained by demand-pull factors in the destination area, supply-push factors in the origin area, and network factors that link them. The first migrants are often recruited with government encouragement or toleration, setting labour migration flows in motion. However, labour migration can then take on a life of its own, as e.g. the demand for migrants becomes "structural" as employers adapt their supervisory systems to migrants, leading them to prefer migrants to available local workers. This means that a policy shift to stop recruitment may not actually stop the influx of migrants if supply push and network factors have become relatively important and sending countries are not creating sufficient jobs that prompt potential migrants to stay at home.

There are three basic immigration questions: how many; from where; and in what status should newcomers arrive? Ireland has answered these questions primarily by letting employer requests set the number of migrants, by expressing a preference for EEA nationals when employers seek additional unskilled workers, and by allowing most foreigners to be probationary immigrants – after five years of legal residence, foreigners can apply for naturalization.

The government itself has acknowledged that in recent years Ireland has had the most open economic migration system in Europe (DJELR, 2005). Until April 2003, Ireland's labour migration policies were almost entirely "employer-led". Few restrictions were imposed on the recruitment by employers of non-EEA workers, apart from a "labour market test", aimed at encouraging employers to fill existing vacancies with local workers before looking for migrant workers. In addition, until recent changes in policy introduced in 2005, large numbers of foreign students were able to come to Ireland to take advantage of opportunities to work part-time in low paid jobs with very little regulation of the education sector.

Separate administrative measures in 2003-04 made it more difficult for Irish employers to obtain work permits for unskilled non-EEA workers, and jobs in some sectors were barred to non-EEA workers. Ireland was one of only a few countries in the European Union that decided in 2004 not to impose restrictions in relation to the free movement of labour from the ten new EU accession countries. As a result

of this change, Ireland will have a declining influence over the scale and composition of a significant portion of immigration flows in the future. Therefore, it is important to keep in mind the distinction between immigration from within the EEA (EU-25 plus the three EEA countries (Iceland, Norway and Liechtenstein) which takes place almost without restriction and immigration from outside the EEA. Ireland today has large numbers of EEA nationals who have the freedom to live and work in Ireland, and the Irish government has declining influence over their movements as barriers to travel and work have fallen in the enlarged EU. This means that it is likely to become increasingly important that migration is managed effectively within Ireland, in order to reduce the risk of potentially negative effects on migrants or Irish workers.

The government has accepted that there is now a need for a change in policy towards a more comprehensive, transparent and managed approach. As explained in Chapter 3, recent policy proposals/developments provide evidence of this new approach (see p. 48). Furthermore, on 29 June 2005, the government announced that it would publish new legislation to help prevent the exploitation of migrant workers. A new Employment Permits Bill is expected to give overseas workers the right to change employers in case of abuse or exploitation. It will also increase penalties for employers in breach of the law.

In discussions about the case for a more managed approach to migration in Ireland, there has been relatively little explicit dialogue about the costs and benefits of migration and what might be the impact of certain policy measures on different groups such as migrants, employers, the local workforce, the social welfare system and countries of origin, etc.

Indeed, there has been little recognition in recent policy documents that migration brings both benefits and costs and these impacts are sometimes interrelated and potentially conflicting. For example, a policy to hire unskilled immigrants may bring benefits to employers but may not benefit native workers; a policy to recruit highly skilled workers may benefit the Irish economy but may potentially harm the economy of a developing country by encouraging a “brain drain”.

As one of the authors of this report has commented “left on its own, migration is unlikely to automatically create a win-win outcome from which all sides benefit” (Ruhs, 2005b). The problem is that these effects are not always easily discernable, making it difficult to define, select and then adopt an appropriate policy response(s).

### 11.3 Understanding the Effects of Migration

#### ◆ *The international evidence*

Migration has a complex set of economic, social, political and cultural consequences for the receiving country, for migrant workers and their countries of origin. Just as the causes of international migration are complex, so too are its effects. Such impacts cannot nor should not be characterized as purely “good” or “bad”.

The actual impact of immigration is much disputed, and in most industrialized economies there is considerable public anxiety about the potential negative effects of migration. These include concerns that migrants take jobs away from local workers, depress wages, and become a burden on the educational and welfare systems. Much research, however, does not bear this out. While the consensus is that migrants who move voluntarily from lower to higher-wage areas are the major beneficiaries of migration, receiving or destination countries also benefit from immigration as it expands employment, lowering (the growth in) wages and creating additional income.

Many well-cited studies of the general economic effects of migration have been conducted in the United States, which has a long history as a major net immigration country. The major conclusion from this varied work is that immigration expands the size of the economy but has little or no impact on average living standards of the population. Therefore, the most important effect of immigration in the United States has been found to be distributional. This work has also generally found relatively little significant wage depression or unemployment increases among local workers. However, as the bulk of recent US immigration has been shown to be increasingly unskilled, this has resulted in some increase in earnings inequality particularly affecting the least skilled and educated US workers.

Research carried out in 15 European countries between 1991 and 1995 found that every 1 per cent increase in a country's population through immigration increased its GDP by 1.25-1.5 per cent. In the United Kingdom, increased immigration has been shown to be associated with higher wage growth in the currently resident population. Other simulation models indicate that the impact of immigration on a country's output can be substantial if the skills of the migrants complement those of the native population. Indeed, in the case of Israel, research concluded that the arrival of highly skilled migrants did not reduce wages or the employment of local workers because the immigration wave was accompanied by more capital investment, which maintained the capital-labour ratio. The benefits can also be sector specific, as migrants have become an increasingly important source of labour, for example, in the social and healthcare sectors in many countries.

Another finding from a number of studies is that on average migrants tend to pay more in taxes than they receive in benefits over their lifetime. For example, recent research in the United Kingdom suggests that the contribution of immigrants to public finances is both positive and growing. By 2003-2004, immigrants accounted for 10 per cent of government tax receipts and only 9.1 per cent of government spending. Total revenue from immigrants grew by 22 per cent in real terms from 1999-2000 to 2003-2004. This compared quite favourably with the 6 per cent increase seen over the same period for the UK-born.

Most of the international research on the effects of migration has focused on the economic impact of migration, while the social and cultural benefits of migration tend to be overlooked. Migrants undoubtedly make significant positive contributions to social and cultural life in the arts, literature, sports and science. Though these impacts are likely more pronounced than any economic effect, they are more difficult to quantify. At the same time, migrants can introduce new religious, cultural and other perspectives that affect schools, residential areas, and

other social spheres. Failure to integrate migrants into society and to offer them access to public services can lead to their social exclusion. Immigrants in OECD countries tend to remain concentrated in particular regions and cities, and may remain socially excluded even after they and the second generation have become citizens of the host country. There is international evidence of disadvantage on all the key indicators of integration: legal rights, education, employment, criminal justice, health, living conditions and civic participation.

◆ *The Irish evidence: benefits*

International labour migration to Ireland is relatively new, and consequently there are fewer data sources and studies that evaluate migrant characteristics, performance and effects. Nonetheless, new research has emerged which suggests a variety of outcomes resulting from recent immigration to Ireland.

Research from a variety of sources generally shows that Ireland has benefited from immigration particularly owing to the fact that the labour market profile of immigrants has shown them to be a young and highly educated group. For example, as the bulk of immigration to Ireland over the 1990s was skilled labour, about half being returning Irish emigrants, migration played a key role in expanding the productive economy, allowing the economy to grow more rapidly and helping to reduce long-term unemployment and easing significant skills shortages. Furthermore, Ireland's booming economy has attracted many former emigrants to return home. This return flow of migrants also had a number of positive effects on the economy. For instance, some research shows that returnees were relatively more highly skilled than the domestic population, and that the inflow, because of its skilled nature, contributed to a reduction in earnings inequality.

Overall, it is agreed that immigration in recent years has increased economic growth, eased labour market shortages, improved output and reduced earnings inequalities. While economic studies show that immigration tends to contribute positively to Irish GNP, these analyses are less definitive on its impact on GNP per capita, which is broadly used as a measure of the standard of living. It is clear that the skills composition of the migrant population has been an important determinant of the overall economic impact of immigration on national income: the more highly skilled the migrants, the greater the positive impact on GNP.

Immigration has also brought other benefits, as it has fuelled population growth—the population currently stands at its highest level since 1871 (4.04 million). It is also reasonable to generalize that employment in Ireland leads to a financial gain for the individual migrant which may not have materialized if that worker had stayed home. Even when employment in Ireland is at or near the minimum wage, the wages earned by migrants are still likely to be significantly higher than the wages they would be earning in their countries of origin, regardless of their skill level.

It is possible that Ireland's openness to admitting migrant workers for employment, including for low-skilled jobs, has helped to avoid the large-scale irregular immigration and/or irregular working of migrants as seen in, for example, the United States. There may be significant irregular employment of foreigners in Ireland, but there has been little systematic research to confirm this.

Another distinctive feature of the rapid growth in immigration to Ireland has been the huge increase in the number of foreign students. A total of 18,608 international students were pursuing higher education in Ireland in 2004, of which 15,000 were from non-EU countries. It has been estimated that international students generated revenue of EUR 275 million during the year 2003/2004.

In addition to the benefits to receiving countries and the individual migrant, migration also results in benefits for the migrant's country of origin. This is especially important for the economies of developing countries as migrants living in Ireland regularly send money back home. This study estimates, for the first time, the value of remittances sent from Ireland and suggests that, during the last two years, migrants sent home more than EUR 100 million through formal channels. However, the cost of transferring money from Ireland is high and the development impact of these transfers in countries of origin could be enhanced if transaction costs were lower.

Migrants in Ireland come from more than 100 different countries. The resulting greater cultural diversity could boost Ireland's trade with other countries. Migrants' language skills and their knowledge of business practices in Ireland and their own countries may stimulate the development of new trading relations. Immigration and increasing diversity are likely to spur investment into Ireland, particularly in Dublin, where the majority of migrants are concentrated.

◆ *The Irish evidence: costs*

Overall, there is less evidence that the sharp increase in migration has resulted in extensive or significant negative economic or social effects, but there are some negative aspects. As in many other countries, most of the concern over the labour market status of immigrants is mainly in respect of migrants in low-paid jobs. Irish employers argue that non-EEA migrants are filling jobs shunned by local workers, sustaining local industries and earning far more than they could at home. However, unions and NGOs stress that some migrants are subject to low wages, poor treatment and poor housing, and there are recurring media reports of such conditions. Although, as this study has shown, there is little research to suggest that migration is systematically lowering wages or raising unemployment among local workers, there have been some recent high-profile cases where native workers' wages and employment opportunities may have been negatively affected.

When an economy is growing, the capacity to absorb and benefit from new workers can be considerable. Unrestricted international migration means that employers may choose among a larger number of prospective employees and offer lower wages than they might offer to attract workers in a tighter labour market. The result could be lower wages, longer working hours and fewer benefits. The actual effects of migration will vary depending on broader economic trends in the country and policies chosen by the Irish government to facilitate or restrict the hiring of non-EEA nationals.

Recent Irish research conducted after the bulk of this report was written, suggests that there is little solid evidence to assess the extent to which displacement of Irish workers may be happening. A study of non-nationals in the labour market

based on an analysis of the third quarter 2005 Quarterly National Household Survey concluded that “the case regarding displacement remains unproven”. The authors went on to comment:

“By the very nature of the intensity of international competition, it is very likely that some non-national workers have displaced Irish workers as companies seek to remain competitive. However, actual statistics on this issue are not available so it is difficult to ascertain the scale on which this may be happening” (AIB, 2006: 1).

As discussed in Chapter 6, there is some research using economic models which suggests that low-skilled immigration might create negative effects in the future, if economic conditions change in Ireland. Theoretical simulations conducted by the Economic and Social Research Institute suggest that a substantial influx of less-skilled migrants into Ireland, while relieving unskilled wage pressures, if continued indefinitely could push unskilled wage rates down further and lead to an increase in unemployment among the unskilled. Although an immigrant inflow that is largely unskilled would still increase GNP, the impact on unskilled labour could be very negative. As GNP per head would fall, this also suggests a possible decline in living standards.

However, to date there is little evidence to suggest that the recent sharp rise in immigration to Ireland has increased unemployment among Irish workers. The most recent analysis concludes that: “[d]espite the increase in non-national employment in Ireland, employment among indigenous Irish workers has continued to grow and the unemployment rate for this group has remained close to full employment” (AIB, 2006: 2). The same report states that the scale of non-national employment in Ireland is not particularly large by international standards.

Not all migrants find economic success and migrant workers may sometimes become victims of discrimination and/or exploitation, including trafficking. It is important to emphasize that the currently available information is too limited to draw conclusions about the extent to which the extensive rights and protections offered to migrant workers under Ireland’s equality legislation are implemented and enforced in practice. In the absence of systematic evidence, the suggestion that the exploitation of migrant workers may be fairly widespread can be neither supported nor refuted. What can be said, based on the anecdotal evidence, is that at least some migrant workers employed in Ireland do experience limitations of their rights that exceed those provided for by Ireland’s labour immigration policies.

There were only 21 inspectors to monitor compliance with labour and immigration laws, and there were 300 cases of possible employer violations pending in March 2005. Since the introduction of employer sanctions, only three employers have been convicted of hiring unauthorized foreign workers. This is cited by unions as illustrative of a growing “culture of lawbreaking” among certain employers. The Minister for Enterprise, Trade and Employment has recently increased the number of labour inspectors from 17 to 31, partly in response to allegations of such abuse of migrant workers in particular industries.

There are also some signs that Ireland is not making the best use of migrants’ skills and that this is resulting in “brain waste”. One study estimates that if immigrants were in jobs that fully utilized their educational abilities, immigration would have

increased Irish GNP by 3.3 per cent in the five years to 2003, rather than the actual 2.6 per cent. Though the causes of this “underemployment of skills” have not been fully investigated, it is suggested that the lack of English language skills, the non-recognition by employers of non-Irish qualifications, or the inability to search for jobs efficiently may be among them.

Between 1995 and 2004, Ireland granted refugee status to 6,800 of the over 55,000 asylum seekers. Only those recognized as refugees are given work permits. Although there are only few data and studies on the labour market status of refugees in Ireland, it has been reported that some refugees have qualifications and experience that are not recognized by Irish employers.

## 11.4 Managing the Costs and Benefits of Migration in Ireland: Some Key Policy Issues

As pointed out in Chapter 6, immigration is often characterized as “good” or “bad”. Such an approach is often misleading because immigration, like many other public policy choices, is more often a contest between competing goods. Immigration has benefits and costs, and thus the proper approach is to analyse and debate these benefits and costs and then discuss which benefits get higher priority and how best to minimize costs. As the number of immigrants in Ireland increases, discussions about the competing goods involved in immigration are likely to become more common.

Some of the key questions and issues that policy makers are likely to have to address in the future are outlined below. These questions and issues are drawn from the IOM team’s discussions with stakeholders in Ireland during four days of intensive discussion at two workshops held in Dublin in 2005, and our analysis of the evidence relating to the likely short-term and long-term effects of migration in Ireland as presented in this report.

### 11.4.1 A statement of strategic goals?

Similar to many other countries, the question facing Ireland is no longer whether to accept migration, but rather how to manage migration more effectively to enhance the positive while minimizing the negative. Left on its own, migration is unlikely to produce equitable benefits for all.

To that end, policy makers need to identify the essential components of a viable migration policy that are consistent with national objectives and other elements of public policy, and to balance these elements against each other and integrate them into a cohesive strategy. Indeed, no simple task.

Immigration has consequences and those consequences can be shaped by policy interventions and by actions, purposive or otherwise, of stakeholders. It is this possibility of shaping the consequences of migration that makes it so important to adopt a strategic approach. Until recently, Ireland’s immigration strategies were quite rudimentary. This is beginning to change, but Ireland’s strategic goals in regards to migration have not been fully articulated. During the course of our discussions with government officials and other stakeholders in Ireland, the IOM team posed the question—what are Ireland’s main goals in regards to migration

policy? Many different objectives were mentioned, but there was no clear answer or common consensus.

Given that immigration is likely to remain a structural feature of a growing Irish economy, the Irish government should consider, therefore, developing an explicit policy statement that provides guidance for employers, unions and civil society regarding Ireland's overall approach to immigration. The government should lead a balanced and informed public debate about the reasons for migration, and explain how it will manage the costs and benefits of migration.

As discussed in Chapter 7, any policy recommendation on labour immigration has to be preceded by separate discussions about the impact of migration and the objectives of labour immigration policy. There has been little discussion about which of the multifaceted and interrelated impacts of migration should be assigned most importance in the design of Ireland's labour immigration policies, and why. As a result, a number of important questions about the overall objectives of Ireland's labour immigration policies remain unanswered. For example:

- ◆ To what extent, if at all, should Ireland's labour immigration policies prioritize the interests of Irish citizens over those of migrants and their countries of origin?
- ◆ To what extent, if at all, should concerns over the potentially adverse effects of immigration on local workers limit the level of labour immigration demanded by individual employers?
- ◆ What role should non-economic considerations, such as potential impacts of migration on national identity and social cohesion, play in shaping Ireland's labour immigration policy?

As we have shown, migration brings both benefits and costs and these effects are often interrelated and potentially conflicting. Explicit discussion of these types of effects needs to be central to thinking about future directions for migration policy.

#### 11.4.2 Who will manage migration?

Ireland today has large numbers of EEA nationals who have the freedom to live and work in Ireland, and the Irish government will have declining influence over their movements as barriers to travel and work fall in the European Union. At present, the majority of immigrants originate from other EU countries and this situation seems unlikely to change in the near future given Ireland's policy in favour of restricting the recruitment of less-skilled migrants from non-EEA countries. This suggests as mentioned earlier that there will need to be an increased emphasis on the effective management of migration within Ireland.

Given that migration impacts on the work of many government departments and stakeholders, it will be necessary to develop a comprehensive and coordinated approach. Ireland's overall policy framework for regulating immigration since the late 1990s has given employers relatively easy access to a large pool of non-Irish workers of all skill levels. However, if migration is to be managed successfully, strategies will have to be developed to manage the costs and benefits of migration in the interests of a broad range of interest groups.

Informal discussions with stakeholders during the course of this study suggest that there is currently no clearly defined lead agency to develop migration policy and coordinate efforts to manage migration within government. For example, migration and integration policies are still conceived and delivered in silos. Few policy coordination mechanisms exist, and those that do are rudimentary.

Broader and more active coordinating structures are needed. Coordination between different government departments and between government and relevant stakeholders, unions, employers, NGOs and migrant associations is essential for effective migration governance. Although a number of different departments are involved in managing migration, or are affected by migration, there is currently no permanent inter-departmental committee or working group on migration. Nor are there mechanisms in place to enable regular coordination with relevant stakeholders outside the government.

It was also suggested to us that given the recent fall in the number of asylum seekers, the government has an opportunity to shift resources to the migration sector without necessarily increasing government expenditures. Government resources are currently skewed in favour of asylum rather than immigration. It has been reported by the Department of Finance that EUR 370 million were spent in 2004 on operating the asylum system. The DJELR reported that of its 800 staff dealing with asylum and immigration issues, 70 per cent are currently working on asylum-related tasks. Given the fall in the number of asylum seekers and the continuing growth in migration, this imbalance needs to be redressed. Spending on migration management could then increase without necessarily requiring an overall increase in government expenditures.

In order to promote greater policy coherence, it is likely that mechanisms should be established to promote greater inter-departmental coordination. Consideration should be given to the establishment of an inter-departmental working group within the government. A mechanism aimed at fostering policy dialogue on migration between the government and other stakeholders, such as NGOs, employers and unions, is also needed.

In order to inform these policy discussions and contribute to evidence-based policy making, the government, in consultation with key stakeholders, could consider sponsoring a programme of policy-oriented research and analysis to promote a better understanding of the effects of migration and the likely impacts of different policy measures.

#### 11.4.3 Temporary or permanent migration?

Unlike European countries which declared their preference for guest workers during the economic boom of the 1960s, and traditional immigration countries which have a long-standing preference for settler immigrants, Ireland is still considering to what extent today's migrants are to be considered as temporary workers or immigrants who are expected to settle. Does Ireland want to become a "country of immigrants" with permanent residence status, a country of "guest workers" with temporary work and residence permits, or a mixture of both?

To date, migration has been viewed as a temporary phenomenon and not part of a long-term strategy to promote economic and social goals. It would be useful and desirable to develop an explicit policy statement to guide employers, unions and civil society on whether migrants are expected to return to their countries of origin or expected to remain and become integrated in Irish society.

The shape of Ireland's future integration strategy is contingent on whether Ireland embraces permanent or temporary migration, and in particular how it wishes to treat migrants arriving from non-EEA countries. If the former, a more comprehensive approach to integration will be needed. It would seem almost inevitable, given the decision to open up of the Irish labour market to the new accession states in 2004, that more migrants arriving in Ireland will be able to settle in the country in the coming years.

Ireland does not currently have a permanent immigration programme that issues permanent residence and employment permits to migrants immediately upon their arrival. International experience suggests that if migrants do not have a long-term secure status, the benefits of migration can be undermined. Ireland's ability to attract skilled workers in competition with other countries may be hampered if migrants have limited prospects of settlement.

If Ireland wishes to attract more skilled migrants and non-EEA migrants, to settle in Ireland, it may have to consider creating a permanent immigration channel. Ireland could develop an immigrant status that entitles selected migrants to long-term working and residence rights in Ireland. Such a measure could help Ireland to become a more attractive destination for highly skilled workers. There is some research cited in this report which suggests that Ireland will benefit the most economically from policies which encourage inflows of highly skilled workers.

#### 11.4.4 How to foster integration?

The current economic climate offers Ireland an excellent opportunity to reform its immigration programmes and to implement a robust integration strategy. As a result of Ireland's experience with emigration and its strong sense of community, there already exists a latent capacity to mobilize support for integration in the country. This capacity will need to be nurtured as the capacity of the NGO sector to provide services is still relatively weak. If Ireland's integration programmes are expanded, they should include a wider range of categories of immigrants. For integration to succeed, governments, union, employers, and NGOs will need to work together to develop an effective partnership. The capacity of local government agencies, unions and NGOs to plan, organize and deliver integration services will need to be enlarged.

Some migrants have restricted access to social welfare benefits due to their temporary status. It is likely that a growing number of migrants may choose to reside in Ireland for a long period of time, and they and their children may settle in the country. This is to some extent to be expected as a result of EU enlargement. To date, most migrants have been young and single, but this pattern may change. Long-term migrants will need to be given wider access to social services, and government departments dealing with social policy will need to be increasingly sensitive to the requirements of this group and the growing diversity of Irish society.

For integration to occur, support will need to be built on a widely shared vision of how integration might contribute to a dynamic, secure and socially cohesive Irish future. The creation of such a vision would provide a basis for stakeholder alliances and would permit the development of coherent plans. Ultimately for integration to succeed, migrants will have to be seen as potential assets and not as charitable works or temporary aids to facilitate labour adjustment. Integration of migrants into the host society is likely to be a key determinant of whether migration will be a success or failure in Ireland in the future. An active integration policy is a key requirement of a successful migration management strategy.

#### 11.4.5 How to manage the benefits of migration for all?

Although there is little evidence that immigration is significantly lowering wages or raising unemployment for local workers, the potential for immigration to generate adverse labour market impacts is likely to increase significantly during an economic downturn. Although currently no such economic downturn is expected in Ireland, rapid economic growth may not continue indefinitely. There are several different ways in which Ireland's labour immigration system could implement measures to ensure that migrants are recruited in sectors which have genuine labour shortages—for example by developing better assessments of which sectors are likely to suffer from labour shortages and more effective enforcement of labour market tests. Better enforcement of employment laws for all workers is likely to ensure that migrants do not undercut natives by accepting lower wages and worse working conditions. Such measures will benefit both migrants and local workers. Sanctions must be enforced more effectively against employers who illegally employ migrant workers or exploit workers with work permits or students in employment, to protect all migrant workers and prevent the growth of irregular migration.

To minimize conflicts and promote cooperation with non-EEA countries of origin, Ireland may wish to explore bilateral agreements that set out arrangements for the recruitment and employment of migrants. Closer cooperation with sending countries could also help to reduce the potential costs of migration to these countries.

### 11.5 Concluding Remarks

Ireland has largely benefited from immigration in recent years. This is partly due to the fact that the Irish economy has been growing rapidly and unemployment has remained low. It is also due to the fact that a high percentage of immigrants have been skilled workers and young people without dependants, who arrived in Ireland to take up temporary employment, many with work permits. The extent to which Ireland will continue to benefit from immigration will depend on a broad range of factors, including general economic conditions and the socio-economic profile of migrants. Much will also depend on government policy and how migration is managed. It is likely, given recent public concerns about some of the perceived negative aspects of migration, that Ireland will need to take a much more proactive approach to migration management in the future in order to reduce the potential costs of migration for migrants, local workers and Irish society.

Immigration did not create the Irish economic miracle, but, properly managed, migration can sustain Ireland's economic growth and generate many other benefits. Immigration coupled with successful integration strategies is likely to make Irish society more tolerant and, ultimately, more resilient and adaptive.

If migration is to be successfully managed, migrants' rights will need to be protected and their integration fostered. At the same time, if there is to be support for immigration from the Irish population it is essential that policies are designed in such a way as to protect the employment prospects of Irish workers. These measures can be mutually supportive. For example, better enforcement of employment laws to ensure that migrants don't undercut natives by accepting lower wages and worse working conditions than legally required, can benefit both migrants and local workers.

As Ireland grapples with these issues, it should be remembered that it is good to have the challenge of managing immigration, since immigration reflects the fact that foreigners want to come and work or settle in Ireland.



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# Annex A: Summaries of the Workshops

## Workshop on Economic Implications 7-8 April 2005

### A1.1 Policy Formulation

As a general outcome, the workshop discussions concluded that it was necessary to define the overarching goals of national and international migration policy, as no statement of immigration objectives existed in any government departments. Moreover, as pointed out by some participants, government policy was often reacting to past events rather than looking forward.

The competence to determine and formulate immigration policy among the various departments, such as DJELR, DETE or the Taoiseach, has not been determined. Even though DJELR enjoys an overall mandate and has formulated policy in the past, they do not feel well placed to determine overall immigration policy goals. Policy guidelines, decided at the highest levels, are needed to direct relevant agencies. In addition, there are no formal mechanisms such as an interdepartmental committee, to coordinate policy formulation, though there is some informal communication between departments.

To date, the Irish immigration system has been largely ad hoc, informal and flexible, focusing on asylum rather than immigration. However, it was repeatedly noted that this informality had resulted in a lack of clarity. Participants stated a desire to move to a more transparent and comprehensive system (for the benefit of government, migrants and the public alike), while retaining sufficient flexibility to respond to any future changes in migration needs.

Regarding new legislation, opinion was divided as to the need for a fundamental overhaul of immigration policy, or whether reinforcing the statutory basis for the existing system was sufficient. Several participants noted that policy should be based on current migration realities in Ireland rather than established policy, and emphasized the need for more data on which to base policy formulation.

### A1.2 Migration and the Economy

Though, as stressed by the consultants, it is very difficult to determine the precise effect of migration on the Irish economy, partly because of a lack of necessary data, it was acknowledged by both governmental and non-governmental representatives that migrants have played a vital part in sustaining Ireland's economic growth. The diversity that migration has brought to Ireland has also improved Ireland's ability to do business on a global level, fostering trade networks and cultural interaction. Overall, participants felt that the economic impacts had been positive.

Though estimates as to the amount of immigration Ireland would need in the future varied among participants, it was generally accepted that immigration was here to stay. Any determination of magnitudes is strongly linked to future population trends in Ireland, Irish workforce participation (Irish youth are staying longer in education) and whether economic growth continues at current rates. Many participants are working on the assumption that Irish economic growth is sustainable and fuelling the labour market. However, it was also pointed out that such a scenario was not guaranteed.

Several participants highlighted the need to look beyond narrow economic benefits: though there are links with trade and the economy, migration deals with people and not just factors of production, and policies need to reflect this. Besides, migration needs to be embedded in Ireland's broader social and economic development agenda.

### A1.3 Public Perceptions of Migration

A general perception that immigration could be halted at will, a lack of broad-based acceptance of permanent immigration to Ireland and a certain ambivalence regarding the role played by migrants in Irish society were noted, and that such ambivalence is precluding a frank public debate on migration to Ireland. Several reasons for this were suggested:

- ◆ Lack of information and awareness regarding different manifestations of migration and their various channels, and especially a certain confluence of the terms “asylum seeker” and “migrant”.
- ◆ Lack of a clear policy, and policy objectives concerning migration have given rise to a mixed message emanating from the government, expressed as “we are in control” vs. “we have a problem with migration”.
- ◆ Lack of communication among government agencies as well as the public, with a clear need to improve public outreach.

Though there is no anti-immigration party as such in Ireland, several politicians have profited from the anti-immigration platform.

### A1.4 Labour Migration

#### A1.4.1 Highly Skilled vs. Low-skilled

The extent to which skilled and unskilled labour migration needed to be differentiated in Irish policy attracted considerable discussion. It was generally accepted that Ireland was likely to need both types of labour migration in the future, though it was questioned whether the current policy of obtaining all low-skilled migrants from within the European Union (while discouraging low-skilled labour from non-EEA regions) is sustainable. Currently, FÁS is engaged in assessing the future needs for skills on the Irish labour market, to inform future policy debate.

The following factors were cited as supporting the continued need for low-skilled labour migrants:

- ◆ Service and construction industries were expected to continue to grow.
- ◆ The expansion of high-skill labour segments has created knock-on requirements for low-skill jobs.
- ◆ The need to replace young Irish nationals remaining longer in higher education.
- ◆ Labour accepting to do the 3-D (dirty, dangerous, difficult) jobs that nationals no longer want.

The consultants suggested that Ireland's policy should follow the example of the rest of the developed world: attract the highly skilled and rotate the low-skilled. However, this could be accomplished in various ways, and none of the participants had any strong views as to how this might be implemented: points systems, green card systems, or temporary permit systems were all discussed. It was noted that, in practical terms, creating two systems (one for highly skilled, one for low-skilled workers) would be difficult to administer, and concern was expressed that such an approach would result in two different rights systems, entrenching inequalities between migrant workers themselves.

Finally, several participants referred to the considerable underutilization of migrant skills. Highly skilled workers were working in low-skilled jobs, as they were unable to switch jobs under the current system, amounting to a waste of human resources.

#### A1.4.2 Permanent vs. Temporary Migration

The consultants wanted to know whether Ireland wanted a guest-worker system or an immigration system aimed at people coming to the country to settle. The current system is somewhere in between, with little clarity for the worker.

The issue of permanent residence was discussed. No right of permanent residence exists short of citizenship; migrants who had been in the country for eight years could obtain unlimited residence right, conferring de facto, though not de jure permanent residence. But there was some confusion over whether, and how, migrants could obtain an unlimited residence stamp. In practice, to obtain permanent residence status, migrants applied for naturalization, and such applications had risen over the past few years, which had created a considerable backlog in the system.

Considering Ireland's future need for migrants, it was pointed out that length of stay may be variable, and immigration policies would need to take into account migrants returning after a short stay, as well as those renewing their permits. Though it was widely assumed that all migrants wanted to stay, many will be keen to return home after having accumulated some savings. According to the experiences of some participants, most migrants stayed for just a few years.

#### A1.4.3 Work Permits

Two main issues emerged concerning the work permit system: uncertainty related to the temporary nature of the permit, and risks of exploitation associated with permits tied to specific employers.

It was noted that the need to renew permits meant that migrants often found it difficult to plan and manage their personal economic and social lives, and that it affected their ability to obtain a mortgage, bank loans, or secure a lease and send children to school. Some participants also commented that the fear of non-renewal prevented some migrant workers from fully asserting their labour rights and accessing public services to which they are entitled. There is some evidence that labour migrants from the new EU countries who no longer needed permits had become more vocal in enforcing their rights and entitlements.

The difficulty of untying workers from employers was discussed. On the one hand, the employer's control over work permits leaves migrants vulnerable to exploitation and abuse (see below). However, complete freedom suggests that newly arrived migrants could change jobs with ease, implying an economic loss for the employer (having covered administrative expenses) and the loss of a needed worker. A middle ground needs to be found. Though migrants can currently change employers, this is done on a case-by-case basis, and most migrants need representation (from migrant rights groups, trade unions and the like) to be able to negotiate the system.

Finally, it was pointed out that to focus only on work permits distorted the true picture of migration to Ireland, as other migrants - students, stamp-4 holders and foreign parents of Irish-born children – have a significant economic impact: in the first three months of 2005, 90,000 non-EEA nationals were registered in Ireland, but only 27,000 of those are work permit holders. No economic tests exist for those arriving outside the work permit system, especially the increasing number of students.

#### A1.4.4 Abuse of Migrant Workers

That some workers suffer abuse was not questioned during the workshop, though the presence of both good and bad employers was also emphasized. The discussion focused instead on the structural problems of regulation and possible solutions.

As regards regulation, employment laws are complex, complicated and difficult to enforce. It was also agreed that the labour inspectorate is overstretched, lacks sufficient resources and is unable to focus on migrants as a separate section of the workforce with specific needs. It was suggested that the government create a register of employers with overseas workers to ensure some degree of accountability, and minimum standards for the employment of migrant workers. In particular, the recruitment industry was highlighted as a sector requiring further regulation.

Finally, many of the NGOs working with and on behalf of migrants stressed that the level of information also played a large role in the exploitation of workers, as many are unsure of their rights. It was suggested that more needed to be done to instruct workers either pre- or post-arrival regarding their rights.

#### A1.4.5 Role of Employers and of Recruitment Agencies

It was acknowledged by government and non-government representatives alike that employers had taken the lead in determining labour migration in Ireland thus far. The government wishes to regain some control in that regard, while also maintaining a system responsive to labour market needs. The consultants pointed out that the Irish government had to decide whether to privilege a selection system driven by either demand or supply.

Recruitment agencies are playing an increasingly important role in labour migration to Ireland, yet they remain largely unregulated. That issue needs to be addressed before the recruitment industry becomes too well established. As a participant noted, recruitment agencies play an important role also in countries of origin, and the Irish government had no means of regulating their activities.

#### A1.5 Family Reunification

Though family reunification was identified as a key issue, it was not discussed at great length. However, several participants pointed out that restricting the right to work for spouses created an undue economic burden for migrant families and neglected a potential skilled and unskilled labour pool.

#### A1.6 Study Migration

It was noted that migration for study to Ireland is subject to widespread abuse and that many “students” are in fact working illegally (beyond the 20-hour limit for students). Though they entered Ireland outside the economic migration system, their effect on the informal economy is significant. Though the Irish government has made efforts to regulate educational establishments, such efforts are still in the early stages. It was pointed out that students working outside the formal labour market are also vulnerable to exploitation and abuse.

It was noted that of the nationalities taking advantage of the system, Chinese nationals were the most numerous.

#### A1.7 Irregular Migration

The migration issue of most concern in Ireland is not irregular entry, but irregular employment and residence. Many migrants may be falling out of the work permit system and finding it difficult to get back in, often through no fault of their own. Though resolving employment situations is not difficult in general, many migrants find it difficult to do so alone. Representative support for migrants was crucial, and it was recommended that the government consider creating mechanisms to facilitate re-entry into the permit system.

Several participants cited the need to consider regularizing the irregular workforce to include them in the economy. In that respect, the question also arose as to whether the Irish government should also regularize irregular entrants.

### A1.8 Migrant Rights and Services

Much of the discussion concerned the need for the better protection of migrant rights, both in relation to immigration procedures and access to public services, as well as protection from employers and others in a position to exploit migrants. It was noted that the informality of the current system has an adverse effect on migrants and that they needed support to understand it. The system needs to be more easily understandable for the migrant, the public, and those responsible to administer it. Help with language is also important to ensure workers can secure their rights and negotiate better terms of employment.

It was also noted that investing in the training of migrant workers could result in maximizing economic benefits of migration, and some services, particularly vocational language training, should be considered. Thus, appropriate information for migrants before departure and after arrival on working, living and immigration conditions, as well as their rights and obligations and means of redress in case of difficulties was considered of great importance for the success of the migration experience.

### A1.9 Data Collection

It was agreed that the system of data collection in Ireland is inadequate, and that the country has no tradition of collecting data. The government also pointed out that including nationality in data collection could lead to charges of racism (e.g., the maternity data published during the citizenship referendum debate), making the effective recording of such data difficult.

Census figures do not accurately reflect the foreign-born population in Ireland, as clandestine populations are generally unwilling to be recorded. However, it was pointed out that the census would have to remain the main source for data in the absence of a population registration system. Though the QNHS is useful, it covers only a small sample of households. It was suggested that new data parameters in the 2006 census and the QNHS be introduced.

Several areas were marked out as important during the workshop:

- ◆ The analysis of migrant flows in addition to stocks, in order to assess the retention rates of foreign workers.
- ◆ Skill profiles of migrants coming to Ireland to ascertain whether they are utilizing their full potential while working in the country.
- ◆ PPS data to link employment, earnings and welfare. With regard to PPS numbers at the DSFA, the potential to obtain employment data and eventually longitudinal data has yet to be realized.

## Workshop on Social Implications 26–27 April 2005

### A2.1 Policy and Legislation

It was accepted by government participants that, so far, there had been little thinking on integration policy. However, as migration has increased, integration has also assumed greater importance, and though the government is still in the early stages of reflecting on integration policy, the next two years will be critical. Most importantly, little policy consideration has been given to the social needs of migrants outside of the Reception and Integration Agency, though many departments are involved in the provision of services to migrants. In addition, there has been very little cross-departmental communication on the issue.

The need for an inclusive policy development process for an integration strategy was stressed by all, accepting that this is a cross-departmental issue that needs grass roots participation. A number of strategies to promote policy engagement with the various departments were briefly discussed, and it was questioned whether departments should be held responsible for the multicultural and integration aspects of their policies. In this regard, several government representatives highlighted the need for departments to set aside resources for migrant-oriented policies. The new EU integration fund was suggested as a possible future source of funding.

The new immigration and residence discussion paper was presented to participants and though it incorporates indirectly integration issues through the provision on permanent residence, integration as such has largely been left out. Yet, as noted by the consultants, a successful integration policy depends on a comprehensive and coherent immigration policy capable of being understood by both migrants and the host society. Moving from an ad hoc to a managed system of immigration would assist the promulgation of integration and social policies. It was also noted that a future Immigration and Residence Bill will send an implicit message to migrants on how they were viewed in Ireland, and that this will have a secondary impact on integration and social acceptance. The need for interaction between the immigration and integration policy spheres was acknowledged, but that integration policy would be better left out of formal legislative reform for the sake of flexibility.

### A2.2 Public Perception

It was noted that public support for migration is critical for integration policies to be effective. However, dialogue regarding migrants has to be better developed and engaged, as it largely takes its cue from government statements, and is particularly fragmented between newcomers and the host society. One participant suggested that such dialogue about migrants take place on two levels: on the ground, diversity is not welcomed, but this is not openly debated for the sake of “political correctness”; at the higher “establishment” level, while debate does occur, this is on a purely theoretical level, since at that level society currently does not feel affected by migration.

Finally, it was suggested that the perception that migrants present a risk to the security of the state still remains and that this needs to change.

## A2.3 Integration

### A2.3.1 Definitions and Goals

It was accepted that Ireland is still in a relatively early phase in its consideration regarding integration, though the government is embarking on a reflective exercise on how to create future INIS strategy. The consultants led a discussion on whether Ireland should define an end goal and create a set of shared goals and core values in society, or take a minimalist approach instead to ensure basic social cohesion without requiring shared values?

If the latter approach were to be adopted, then the basic operational elements of a successful integration policy would have to be the following:

- ◆ understanding of common language;
- ◆ access to labour market;
- ◆ access to essential services;
- ◆ ability to find housing and ensure personal security;
- ◆ participation in public institutions.

Participants favoured the minimalist approach as the only realistic one. Though there was some discussion over whether Ireland actually wanted diversity, it was pointed out that diversity already existed and was not a matter of choice. The question was thus one of managing diversity for the benefit of society. Cohesion is not in conflict with diversity, but rather a method to shape that diversity.

There was some discussion of identity, and what it would mean to be part of Irish society. One participant offered the following view of integration that could be split into four stages, and stressed the need for common goals, while accepting different values:

1. Acculturation – does the migrant have the skills, knowledge and competence to interact in society?
2. Inclusion – can the migrant enter society?
3. Interaction – does the migrant have the capacity to form networks within the society?
4. Identification – can the migrant feel affinity with the national identity?

There was a brief discussion of the potential conflict between integration policies, which look toward assimilation, and multicultural policies, that emphasized the retention of one's own culture. The Netherlands and the United Kingdom were both cited as examples where governments were moving away from multicultural ideals.

### A2.3.2 Barriers to Integration

Participants discussed current barriers to integration in Irish society. First, the perception that migrants are a burden on services is a source of tension within the community, and the need to move away from that mindset. In addition, it was noted that, while approaches to integration have been set out in Irish policy statements – most notably the NCCRI National Action Plan Against Racism, implementation of these strategies has been minimal.

More specific issues included:

- ◆ Political disenfranchisement caused by the lack of voting rights.
- ◆ Lack of information flow to migrants and host society alike.
- ◆ The slow response of certain public services to new challenges of a multicultural community (e.g. in education and health).
- ◆ Deskilling, where migrants are unable to use their skills fully.
- ◆ Language barriers and lack of accessible vocational language training.

It was also noted that creating a community capable of successfully integrating migrants depends on the ability to ensure the status and security of all the members of the community, and those who are uncertain of their length of stay are less likely to invest in their future in Ireland.

#### A2.3.3 Measuring Integration

Citizenship was put forward as a method of assessing social integration, offering a measure of “added value” and sense of belonging to the community. However, this was disputed by several participants who felt that promoting the concept would reinforce divisions between those who had acquired citizenship and those who had not nor wanted to do so. Though it may have symbolic relevance, some participants felt that ensuring migrants’ access to housing and the labour market was a more important measure of integration.

In terms of data, standards that could be used for measuring integration were discussed, such as wage levels, unemployment, and the performance of first and second-generation immigrants. Participants noted the need for better data indicators.

#### A2.3.4 Implementing Policies

The potential of the approach pursued by the NCCRI National Action Plan Against Racism to integration was repeatedly cited, though it was questioned whether anti-racism campaigns and investment in normal civil society were either complementary or to some extent antagonistic. For example, sanctions to reduce racist incidents can sometimes interfere with efforts to create common feeling within a community.

One participant suggested that the Migrant Rights Convention should be ratified, as it contains many principles on which to base a successful integration policy. However, government agencies stated that those principles were already embedded in Irish and EU legislation, and the inclusion of irregular migrants within the terms of the convention meant that Ireland could not comply without this offering a huge incentive for irregular migration.

It was noted that service provision for migrants is often made without their participation, and that this reduces its effectiveness in reaching target migrant groups. In the same vein, the concept of “giving” integration to migrants has to give way to a two-way participatory process, in combination with the need to build bridges between communities and break down walls.

### A2.3.5 Role of NGOs and Community Groups

Though government can provide the integration framework and financing, the real work occurs at the local level. Partnerships and networks involving the NGO community and migrant groups are essential, and the government needs to invest in relevant capacity building. It was noted that there are a number of structures already in existence in Irish society, such as trade unions, student organizations and the like, that are capable of supporting migrant groups, but which require some adjustment and adaptation.

The lack of homogeneous resources for migrants was noted, and the fact that many NGOs currently service only very specific types of migrants, particularly asylum seekers. Horizontal coordination among non-governmental groups, as well as vertical partnerships with government departments was felt to be essential. A balance would also have to be struck between government support and the maintenance of NGO independence.

Finally, the consultants expressed surprise that few of the NGOs had taken the opportunity to request resources from the government, and suggested that civil society in Ireland was still at an early advocacy stage, and not yet ready to take on service provision.

### A2.4 Skilled vs. Unskilled

It was noted that the implicit government view was to welcome skilled workers as potential future citizens, but that there was some confusion as to how unskilled workers were to be seen. This is exacerbated by the fact that unskilled workers are more likely to become a burden on the state, though it was also noted that the assumption that unskilled workers were a risk to the state and the economy may be unfounded. It was suggested that proper treatment of unskilled migrants, along with development of skills, would maximize benefits and minimize the burden to the state.

There was some debate as to how far unskilled workers are to be integrated into the community, presuming that their stay would be temporary, and whether linking residence to rights and access to public services is an appropriate approach.

### A2.5 Migrant Rights and Services

There was some discussion on the desirability of targeted services for migrants, or whether to ensure that mainstream services are capable of responding to the needs of migrants. Several participants noted the need for both types of services which are not necessarily mutually exclusive, and that a mixed approach of “tailored universalism” should be adopted. For example, tailoring the Christian education system to accommodate other faiths, or secularizing the system, needs to be considered. It was also pointed out that service provision should not be a goal in itself, but rather a method for empowering the migrant community, allowing them to articulate their own needs. However, it was also recognized by most participants that the departments most concerned with service provision have not paid sufficient attention to the needs of migrants, whether specialized or mainstream, outside the general focus on social exclusion and poverty.

Most government departments did not consider information for migrants an element of service provision. It was accepted that informing migrants, both pre- and post-departure, is an essential element of successful integration and management of expectations.

Finally, the level of access migrants had to services differed according to their status. Participants noted that this was not necessarily negative, but that it was necessary to consider whether to provide universal access to some basic services in order to avoid poverty and social exclusion.

#### A2.6 Impact on Public Services

During the discussions of the habitual residence conditions for migrants and the effect on social integration, it was noted that this rule was a source of a great deal of confusion, and sent out a very defensive message to migrants regarding access to public services. The government emphasized that it was a rule to determine entitlements rather than exclusion, but accepted that there was a need to constantly review the application of such rules to minimize hardships.

#### A2.7 Family Reunification

Some participants were concerned that stringent rules for family reunification might be fuelling smuggling and trafficking, particularly as regards unaccompanied children, and that there could be a negative effect on family life in the source countries from single sex migration (with one member being absent for long periods of time).

The government argued that there had to be a minimum level of income for workers to be allowed to bring dependants, as the subsequent burden on income support could be quite heavy. Currently, it is set at quite a low level, which may not be sufficient, though it was pointed out that expanding the right for spouses to work would immediately raise the family income upon family reunification, and better utilize available human resources. Some non-governmental agencies noted that to distinguish between skilled and unskilled workers concerning their right to bring their families to Ireland could create a two-tier system of rights with the resulting negative impact on the perception of integration in Ireland.

#### A2.8 Migration and Development

Participants discussed how far migration to Ireland could affect source countries, as well as the potential development contribution to be made by remittances in regions of origin. The correct treatment of migrants together with the possibility to develop and use their skills while in Ireland would ensure that migrants returned to their home countries having acquired useful experience and developed skills that would enable them to succeed at home, while Ireland could also learn and draw useful lessons from its own emigration experience.

The discussion of ethical recruitment policies among the participants also showed certain differences regarding the extent to which these would be effective and desirable in Ireland. It was noted that the role of agents in the migration process can often leave the migrant in a situation of dependence, even before arrival in Ireland.

## A2.9 Participant Priorities

At the end of the workshop, a number of participants were asked for their views on the priorities for Ireland regarding the social implications of migration.

At the top of the list figured the need for dialogue, both between departments (and, indeed, in engaging also departments not present at the workshop), and with non-governmental groups, as well as the public at large to foster communication, integration and ultimately improve the provision of services.

Other priorities included:

- ◆ creating government resources for integration and service provision;
- ◆ improving research and data on the social impact of migration to Ireland, and establishing benchmarks against which to gauge success;
- ◆ improving information for and fostering language skills among migrants;
- ◆ establishing how migration fitted into the larger social development plan of Ireland.

Finally, a number of participants stressed the need for a roadmap for integration policies, to include strategies for the practical implementation of policy, and coordination of “who does what” within the government. The importance of the current project in the creation of such a roadmap and strategy was recognized by all participants.



# Annex B: Case Study: Implications of Recent Migration to Ireland for Poland

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## B.1 Introduction

A high proportion of the immigrants arriving in Ireland in recent years from Central and Eastern Europe come from Poland. A reasonably good source of information on the number of immigrants arriving in Ireland is the number of Personal Public Service (PPS) numbers allocated. There were 25,222 such numbers issued to Polish nationals in 2004 and 64,766 in 2005.

This note briefly discusses some of the possible effects of this growing trend for Poland. In order to do this, it is necessary to consider briefly the reasons for migration from Poland to Ireland, and the socio-economic profile of Polish migrants.

Leaving aside the question of why Poles emigrate in general, (for more see e.g., Koryś, 2003), the key issue concerns the choice of Ireland as a destination country. Taking into account the relatively weak migration links between the two countries, the emergence of Ireland as an important destination country for Polish emigration remains an interesting phenomenon undoubtedly worthy of further study.

The earlier pre-accession research conducted by Grabowska (2002, 37-43) demonstrated that the main push factors for migration to Ireland were employment-related, such as Poland's low wages and lack of well-paid jobs matching people's education. The desire to improve living conditions was also found to play a significant role in migratory decisions, along with the lack of, or limited opportunities for, professional development, and difficult workplace relations resulting from the worsening state of the Polish economy and rising unemployment. The earlier links with the country (e.g., working holidays, scholarships) also played a role, as did the fact that Ireland is an English-speaking country and relatively easier to migrate to than the United Kingdom. What is also worth pointing out is that Irish employers seemed to be very pleased with Polish workers, to the extent that Irish society had developed a positive attitude to Poles (Grabowska, 2002, 42) – an aspect that might reasonably be encapsulated in the words of a respondent: "The Irish have a very good opinion of us and they like us." (Grabowska, 2002, 43).

The first factor to be mentioned as a determinant behind the choice of Ireland as a destination country for a considerable proportion of post-EU-accession Polish emigrants is the decision of the Irish government to forego any transitional period for the free flow of workers from the enlarged European Union. The transitional period was one of the hottest issues covered by the Polish media leading up to enlargement. This was expressed clearly by one Internet forum user:

*Luck 04.01.2006, 0:17 am*

*It goes without saying that Poles flood the labour market of the UK and Ireland because they cannot go anywhere else among others (...).*<sup>200</sup>

Additionally, as migration expert Izabela Grabowska-Lusińska has acknowledged (Interview 3), Ireland was perceived to welcome nationals of the new member states, and appeared to harbour no negative stereotypes of Poles.

Economic factors were obviously of utmost importance, especially the demand for labour on the Irish labour market. As Grabowska pointed out (2003: 27), the growth of the Irish economy (1997-2001) resulted in niche sectors for migrant workers. At the same time, the economic situation in Poland ensured the presence of strong push factors. These co-occurring, and in a sense, complementary factors (push from Poland and pull to Ireland) resulted in considerable migration from the former to the latter. This view is supported by an AIB report (2006: 10) which notes that “the ready availability of jobs has attracted a growing number of non-nationals to Ireland”. The economic growth producing increasing demand for workers was balanced by a growing labour supply, due to both increasing labour-force participation rates of the local population and the inflow of non-national workers into Ireland. The least-attractive, low-paid jobs were very largely left to the immigrants. These jobs, still with wages relatively higher than achievable in Poland, are being filled by low-skilled and/or non-English-speaking Polish immigrants. On the other hand, the high demand for professionals and specialists in banking, IT and engineering, attracts young and educated Poles as well. Not only are these jobs better paid, but they offer conditions for work and professional development that are far better than those available in Poland. In addition, a motivated if inexperienced university graduate with a good command of English would still tend to consider it easier to find a job (e.g., in a bank) in Ireland than in Poland, the latter’s labour market being saturated to the point where selection criteria have become inflated.<sup>201</sup>

For some Polish migrants, Ireland is perceived to offer more job opportunities than in the United Kingdom where there are already large numbers of Poles. Polish media depictions of the post-enlargement influx of thousands of Poles combined with the belief that the UK labour market was already saturated, encouraged some Polish migrants to choose Ireland. There is the perception that Ireland offers similar advantages to the United Kingdom (in terms of language, wages and legal employment), but more jobs are available, with smaller numbers of Poles already claiming them.

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200. <http://www.tpi.poznan.pl/ipb/index.php?showtopic=1327>, accessed: 21.02.2006.

201. makati, Rozwijaj swoją karierę w Irlandii! [Develop your career in Ireland!], [http://www.polskidublin.com/index.php?option=com\\_content&task=view&id=182&Itemid=92](http://www.polskidublin.com/index.php?option=com_content&task=view&id=182&Itemid=92), accessed: 06.02.2006.

Ireland is also perceived as business-friendly, thereby proving attractive to those wanting to establish a first small company of their own. Furthermore, although the taxes in Ireland are high, the large amount of tax-free income lessens the burden both to the employed and to entrepreneurs. *Praca i życie za granicą* (“Work and Life Abroad”), the Polish biweekly magazine devoted solely to emigration issues, presented a story of a young Polish IT specialist who decided to open a company in Ireland: “The most important thing is the tax system PAYE, whose name can be translated into Pay As You Earn. It is not Poland – where, as soon as you set up your own business, dozens of institutions ask for the money you have not yet earned” – he remarks bitterly. “The VAT in Ireland is 21 per cent but for all types of activities you register as a payer only when your company’s turnover exceeds 26 thousand Euros.(...) I felt on my own skin that the legal and fiscal system is for the citizen – and not the other way round.”<sup>202</sup> Last but not least, a factor that might contribute to the economic attractiveness of migration to Ireland, is a favourable double taxation agreement between Ireland and Poland signed in 1995. According to the agreement, the earnings of Poles in Ireland are not subject to taxation in Poland.

The Polish media cite Ireland as the best example of how success can be achieved within the European Union. Moreover, the common emigration history, and the dominance of the Catholic faith have contributed to a vision of Irish society as being very similar to Polish society (I.1).

Analysis of Internet *fora* reveals the positive image of Ireland among potential and actual migrants but also a limited real knowledge of the country largely founded upon intangible positive stereotypes and myths. Although the historical or religious issues are not mentioned explicitly, there is a deep sense of cultural similarity between the two nations that contributes to the very warm feelings of potential emigrants about Ireland as a potential destination.

The simple, yet important, factor of the English language has also to be mentioned. Over half of young Poles aged 18-24, claim to speak English in a country where the majority of people speak no foreign language (CBOS, 2004). Knowledge of English is commonly perceived as a basic requirement for the successful performance of migrants on the Irish labour market.

Last but not least, the radical decrease in travel costs between Poland and Ireland, resulting from the expansion of cheap airlines and the launching of direct flights after 1 May 2004 must have played a role in raising the attractiveness of Ireland to potential migrants from Poland (I.3).

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202 Wybranowski T., “Teraz Irlandia” (“Ireland now”) September 26th, 2005, in: *Praca i życie za granicą (Work and Life Abroad)*, 15/2005.

In sum, there are at least four major groups of factors contributing in different ways to the choice of Ireland as a migration destination for Polish emigrants. These range from purely-economic pull factors of the Irish economy, through a lack of restrictions on access to the labour market and the attractiveness of the English language, to the more intangible one which is the very positive vision of Ireland prevailing in Polish society. It is impossible to weight the importance of a given factor in the decision to migrate, rather the different factors should be treated as parts of a complicated composition that ultimately leads to the choice of Ireland as the destination country.

## B.2 Migrant Profiles and Channels of Migration of Polish Immigrants to Ireland

### Who migrates?

According to Grabowska (2002, 28), the highly skilled employees of multinational companies were the group of migrants that had “trodden the paths of spatial mobility from Poland to Ireland”. They started to arrive at the beginning of the economic boom, the majority of them being posted to Irish “mother” companies through their Polish branches. Subsequently, the patterns of migration gradually shifted to short-term seasonal jobs that needed lower qualifications. Yet, it was still Poles that were young and educated (mostly with tertiary education) that constituted the group with the highest propensity to migrate to Ireland (Grabowska, 2002, 29).

Due to the limited amount of time that has elapsed, there is no empirical research on the profiles of post-accession Polish migrants in Ireland. According to Maciej Duszczuk (l.1), however, the significant proportion of young people in the emigration stream from Poland to Ireland is also evident from Internet and press analysis, with the obvious limitations that only some migrants and potential migrants from Poland to Ireland make active use of the Internet as a means of communication or an information source, and that a propensity to use the Internet is much higher among young people than those who are older.

While short-term or even seasonal migration remain the dominant trends for emigration from Poland, an unknown, yet probably significant, part of the migration to Ireland might turn out to be permanent. Analysis of the motivations of potential and actual migrants suggests that the economic rationale behind the migratory move is supplemented by hopes for a new start in Ireland. All in all, the frustration and lack of prospects seems to be the dominant feeling expressed on the Internet fora by potential emigrants. Interestingly enough, many of the emigrants have jobs or job prospects in Poland, but undertake migration as a means of enhancing their life chances and the opportunities available to their children. The frustration expressed widely by all age groups in relation to the continuing lack of prospects in Poland very probably increases people’s determination to prolong their stay abroad.

### How do they migrate? Mechanisms of migration and methods of recruitment

The different groups of emigrants make their way onto the Irish labour market via different mechanisms of recruitment and migration. The most profound differentiation - between the highly skilled workers (mostly intra-company transferees) that migrate with the support of the HR departments of their companies, and the low-skilled workers, using the mechanisms of chain migration - was already revealed by research on the pre-accession flows (Grabowska, 2002).

The separation between highly skilled, skilled and low-skilled migration channels persists in the post-accession migration to Ireland, yet the forms are more diverse. According to Internet and press analysis, the workers looking for unskilled employment in hotels, pubs or construction find jobs once in situ, by distributing their CVs and looking for advertisements in the local Irish newspapers. They usually do not look for a job before leaving Poland – or are even discouraged from doing so – because they can be easily replaced by somebody already available at the destination. However, it remains worthy of note that a decision to migrate on just a small sum of money is strongly discouraged by Internet-users as being certain to end in failure.

Polish immigrants with language problems often turn to Polish organizations in Ireland, the Polish-Irish Society and the Polish Social and Cultural Association. While these do not act as job agencies in any official way, they naturally create “informal labour exchanges” among the Polish immigrants attracted to them (I.3).

The next group is comprised of workers, such as drivers, construction, security or warehouse workers. These individuals find employment through the EURES network or even directly in Polish labour offices, in which recruitment at the request of Irish employers is ongoing (I.2). Although this method has been advocated by the Polish press specializing in migration,<sup>203</sup> it is hardly ever mentioned as effective by Internet users. This category of workers would also go to Irish recruitment agencies, especially those who cooperate with large companies.<sup>212</sup>

The two aforementioned groups are also potential clients of FÁS offices. According to the expert interviews carried out by Grabowska (I.3), the number of Poles searching for a job in Ireland using the FÁS offices has risen considerably since EU enlargement, though there are no data on the profile of these users.

Another method by which potential Polish emigrants can search for a job is through the press. The rapid development of a specialist press concentrating on migration issues in Poland after EU enlargement (such as “Working and Studying Abroad” since September 2003 and “Work and Life Abroad” since March 2005), is a phenomenon that warrants further research beyond the scope of this study. Yet, the role of the press, offering thousands of job offers abroad, cannot be underestimated in any study on the modes of recruitment of Polish emigrants.

203. EURES and the Polish labour offices were quoted as the first sites to visit in the article *Jak szukać pracy?* [How to look for a job?], 6 May 2005, *Praca i nauka za granicą* [Working and Studying Abroad], 37/2005. Since October 2004, every issue of this magazine has contained the Eures offers sent to Poland and targeted at qualified workers.

204. Some recruiting agencies are known for sending masses of workers for the production lines in the leading IT companies, see for example <http://www.gazeta.ie/forum/index.php?showtopic=1298> accessed: 16.02.2006.

The third group of migrants to Ireland are highly skilled (i.e., specialists in finance or IT, architects and engineers) that quite often search for employment while still in Poland. They use the Internet, and register with recruiting agencies specializing in the given sector. The most successful ones go through a phone interview and already have a signed contract by the time they enter Ireland.

This group is the potential target of many companies that started active recruitment in Poland immediately after accession, by way of the organization of special recruitment fares (l.1). They also enjoy the greatest organizational support from employers.

In summary, the mechanisms used by Polish immigrants in Ireland searching for employment range from the press or Internet advertisements, job fairs, job agencies, FÁS offices, and “head-hunting” agencies to informal connections and migration networks. While different groups of migrants use different strategies to find employment, the higher the level of qualification, the greater the propensity to use institutionalized channels.

### B.3 Polish nationals on the Irish labour market

There is a high (85%) employment rate for the nationals of new EU member states in comparison with the native population (67%), and nationals of other EU member states (69%) and third countries (57%) (CEC, 2006: 11) There are no data on the distribution of foreign workers by country of origin and sector of the economy in which they work. However such data for Q2 2005 are available for geographical aggregates (AIB, 2006), with Poland included among the accession countries. According to the AIB (2006), 25.8 per cent of all immigrants from the accession countries work in construction (in comparison with 12.4 per cent of Irish employees working in this sector) and another 21.8 per cent (15.2% of the Irish) in other production industries. About 16.5 per cent (5% of the Irish) work in hotels and restaurants and 11.8 per cent in wholesale and retail trade (14% of the Irish). This means 75.9 per cent of nationals of the new member states work in low-skilled and/or seasonal industries, something that may suggest rather widespread “brain waste”.

The idea that Polish migrants are not able to make full use of their skills on the Irish labour market was suggested in an earlier Polish study by Grabowska (2002: 29). She found in her empirical qualitative research that 80 per cent of respondents had tertiary education, while only 68.7 per cent of them were working in their profession in Ireland (2002: 37). According to the AIB (2006), at the high end of the employment market, 7.4 per cent of accession country workers are employed in financial and other business services compared with 13.3 per cent of the native population. One of the likely reasons for this is that migrants do not have sufficient command of English and language training targeted at migrants is not widely available in Ireland. The following example may be typical of many cases.

*Atopol 30.09.2005, 1:42am*

*I've been in Ireland for eight months now and I still like it.(...) I'm a chemist with one-year experience (acquired in Poland). Now I work in a bar (for 7,65 euro per hour – the minimal pay) but I have the ambition to find a job in my profession. I don't feel as if I was depriving myself of dignity, because I know one thing: my English is not good enough to work in my profession. Not yet, but it will certainly be in a few months.*<sup>205</sup>

The labour-market performance of Polish immigrants in Ireland depends heavily on their qualifications and language knowledge, which emerges as the crucial factor in accessing the better-paid skilled and highly skilled jobs. Employment below qualifications seems to be a widespread phenomenon among Polish immigrants, a conclusion based upon both data regarding the structure of employment and the Internet and press analysis.

#### B.4 Likely Effects of Migration to Ireland on Poland

There are no studies which assess the impact of recent Polish migration to Ireland on Poland's economy. It is clear that given the level of unemployment in Poland (18% of the labour force in January 2006 (CSO 2006),<sup>206</sup> Polish migration reduces pressure on the local labour market and, in turn, the level of unemployment.

According to Kaczmarczyk and Okólski (2006), a massive exodus of highly skilled workers from Poland is unlikely (2006: 122). According to the authors, the general increase in migration of Polish nationals after 1 May 2004 did not include high numbers of highly skilled workers to any significant extent. There is a concern, however, that rather than acquiring new skills while abroad, migrants will return to Poland after spending a period of time in Ireland where they have not been able to apply their skills. In this sense migration could contribute to “deskilling”.

It has also been reported that certain branches of the Polish economy are experiencing shortages of skilled labour. This concerns in particular the construction sector, where employers find it difficult to fill all vacancies and are lobbying the government to sign an agreement with Ukraine to change current legislation in order to facilitate the employment of skilled workers from Ukraine.<sup>207</sup> In addition, it has been reported that the shipbuilding sector is facing shortages of labour due to emigration. The management of a shipyard in Szczecin publicly stated that they will have to decline new orders due to the massive emigration of skilled employees.<sup>208</sup>

Another problem concerning the future of labour markets in Poland is the slow depopulation and rapid ageing of Polish society. A study by Bijak *et al.* (2005) has shown that ageing is a serious problem in Poland and the accelerated loss of population today will result in increasing problems with sustainability of social security systems in the future. This is a general problem relating to the consequences of migration, rather than a problem specific to the flows to Ireland.

205. <http://newsweek.redakcja.pl/forum/forum.asp?Artykul=13493&Watek=95403&WatekStr=1&DA=300920050142> accessed: 17.02.2006.

206 [http://www.stat.gov.pl/dane\\_spol-gosp/praca\\_ludnosc/bezrob\\_pow/2006/01\\_06.xls](http://www.stat.gov.pl/dane_spol-gosp/praca_ludnosc/bezrob_pow/2006/01_06.xls).

207. *Polscy budowlancy chcą Ukraińców* [Polish employers in construction want the Ukrainians], *Gazeta Wyborcza*, 24.10.2005; *Organizacje budowlane chcą robotników ze wschodu* [Construction unions want the workers from the East], *Gazeta Wyborcza* 19.09.2005.

208 Europe: Skill exodus worries Polish employers, *Financial Times*, 09.02.2006.

We may tentatively conclude that it seems likely that the overall impact of migration from Poland to Ireland is positive for Polish society. Migration helps to reduce unemployment, and remittances sent home by Polish migrants help to improve living standards at home. In addition, many migrants during their stay in Ireland are saving money to be spent it in Poland (e.g., for buying property on their return) so in the long run this increases the demand for goods and services on the Polish market. Some migrants have declared an intention to establish their small companies in Ireland and then transfer them back to Poland. The Irish experience may improve their entrepreneurial skills and in the long run help to develop small- and medium-sized enterprises in Poland. However there are some worrying aspects of emigration in general namely its impact on demographic dynamics and the depletion of skilled labour in certain sectors of the economy. These phenomena, however, cannot be attributed solely to migration to Ireland.

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I.1 – Maciej Duszczyk, Ph. D., migration expert, high governmental official, Office of the Committee for European Integration.

I.2 – key informant from the Ministry of Labour and Social Affairs.

I.3 – Izabela Grabowska-Lusińska, migration expert, completed Ph.D. on Polish migration to Ireland, Center of Migration Research, Warsaw University.

Internet *fora* and *blogs*:

[www.polskidublin.com](http://www.polskidublin.com)  
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Press:

Praca i życie za granicą (Work and Life Abroad)  
Praca i nauka za granicą (Working and Studying Abroad)