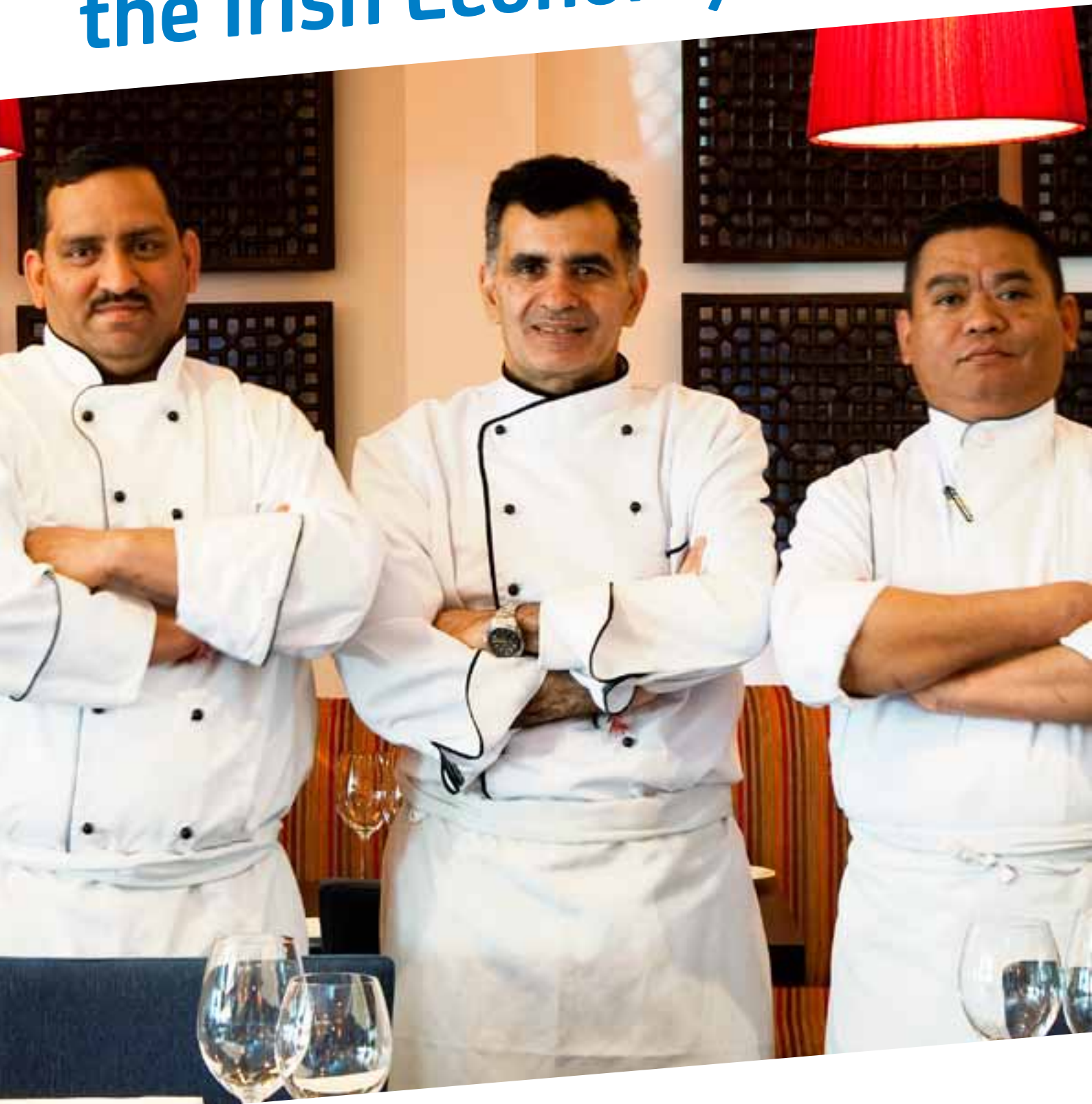


Migrants and the Irish Economy



THE INTEGRATION CENTRE
Connecting Communities • Advancing Integration

Cover Picture:

The Jaipur team has some of the finest culinary talent from across the Asian subcontinent. Chef Chitrabir Bakabal, an Irish citizen, famous for his consistently superb produce; Chef Kuldip Sharma, Jaipur's Master Pastry chef; and Chef Joginder Singh, an accomplished master of the clay oven are featured on the front cover. Jaipur Chefs bring their own unique set of skills and experience to the team, contributing to a cultural dining experience.

Acknowledgements

This report benefited from the comments and assistance of a number of people, and we would like to take this opportunity to thank them.

Dr David Duffy from the ESRI provided excellent analysis on this issue. Krystian Fikert, MyMind and Asheesh Dewan, Jaipur both lent their experience and knowledge to help in producing concrete examples of migrant excellence in business in Ireland.

To everyone else that contributed to this report and made this publication possible our sincerest thanks.

Migrants and the Irish Economy

A Paper Prepared for The Integration Centre
by Jim Power, M.Econ. Sc.
& Péter Szlovak, LL.M.

October 2012

Authors

Mr. Jim Power

Jim Power is owner manager of Jim Power Economics Limited and conducts economic and financial consultancy projects both in Ireland and overseas. Areas of interest include Housing, Health, Tourism, Labour Market, the Retail Trade, Planning, Regional Economic Development and Agri-Food. He has a BA in Economics & Politics and a Master of Economic Science Degree from UCD.

He has taught on the Executive and Full-Time MBA at the Michael Smurfit Graduate School of Business, University College Dublin and at Dublin City University. He was previously Chief Economist at Bank of Ireland Treasury up to 2000, when he joined Friends First.

He writes a weekly column in the Irish Examiner and contributes to numerous other newspapers and magazines on an occasional basis.

He is a board member of Agri-aware, the food awareness body and is Chairperson of Love Irish Food. He is editor of the Friends First 'Quarterly Economic Outlook', which has become established as one of Ireland's leading economic commentaries on the Irish economy.

His first book 'Picking up the Pieces' was published by Blackhall Publishing in November 2009.



Mr. Péter Szlovak

Péter is Head of Policy and Research with The Integration Centre. He has authored a number of key reports in the past such as the Roadmap to Integration, Monitoring Integration in Dublin City, and the READI employment manuals.

He was born in Hungary and arrived in Ireland in 2004. He completed the LLM programme. He worked on research and policy for Nasc, the Irish Immigrant Support Centre in Cork before taking up his role with The Integration Centre in 2009.



Contents

EXECUTIVE SUMMARY	ix
INTRODUCTION	xi
SECTION 1: MIGRATION OF LABOUR – CAUSE AND EFFECT: THE INTERNATIONAL EVIDENCE	1
SECTION 2: THE ROLE & EXPERIENCE OF IMMIGRANTS IN THE IRISH ECONOMY	7
SECTION 3: OFFICIAL POLICY TOWARDS LABOUR AND BUSINESS IMMIGRATION	15
SECTION 4: INACTIVITY AND WELFARE USE	20
SECTION 5: SKILLS AND OCCUPATIONS	25
SECTION 6: THE BUSINESS CASE FOR THE INTEGRATION OF IMMIGRANTS	33
SECTION 7: CONCLUSIONS AND RECOMMENDATIONS	44
REFERENCES	46



Executive Summary

Despite the arguments for and against immigration, there seems to be a received wisdom in certain quarters that the increased flow of international migrants is undesirable and is viewed more as a cost than a benefit. This is wrong.

Throughout history there have been numerous examples of economically-driven migratory flows that have dramatically benefited the host country; the donor country and the migrants themselves. The more formal the migratory system tends to be and the greater the efforts made to fully integrate the migrants, the more positive the impact for all concerned. **Immigration should be viewed as an opportunity to be embraced rather than a cost to be minimised.** A number of studies, including a very recent detailed analysis in the UK, demonstrate that there is no evidence of inward migration leading to the replacement of native workers and thus an increase in unemployment.

Non-Irish workers have played a very important role in the evolution of the Irish economy over the past decade. Inward migrants accounted for 16.2 per cent of total employment in the final quarter 2007. At the peak of the labour market in 2007, non-Irish nationals played a particularly important role in the Hospitality sector, but were also key components of employment in Health, Support Services, ICT, the Retail Trade, Construction and Industry in general. This has declined during the recession, but they **continue to make essential contributions in the labour market** filling positions such as doctors, nurses, engineers, chefs, care assistant, IT professionals, multilingual customer service workers and drivers.

A number of businesses have been established by non-Irish nationals although the level of self-employment is still lower among foreign nationals than among the same group in other OECD countries. Ireland is a good country for entrepreneurship, enjoying as it does a stable government, a low tax policy and a reasonably pro-business culture, and regulatory impediments that are lower than the OECD average. Against this background, it is clear that the potential for all entrepreneurship is strong, but there is **significant potential for growth in ethnic**

entrepreneurship provided the correct environment is created and support offered.

This liberal policy towards immigration in Ireland **during the boom years primarily reflected economic necessity.** The Irish standardised unemployment rate fell to a low of 3.9 per cent of the labour force in 2001 and remained at levels close to full employment up to 2007. During that period, employers had difficulty recruiting and retaining workers, such was the tightness of the labour market. Consequently, inflows of labour from overseas became a very necessary requirement in order to sustain growth in the economy, and to push the potential growth rate higher.

For many years immigration was seen as a major opportunity for the economy. But since the recession some commentators have emphasised a cost citing the increasing number of immigrant jobseekers.

To date, there is **little evidence to show that immigrants would be more likely to avail of jobseekers payments** than Irish nationals. Due to the large number of job losses the number of non-Irish registered jobseekers went up on the Live Register in 2009 but remained stable since then. An increasing number of migrants take up training, educational and work placement opportunities. Any suggestion of welfare tourism is unfounded since successful applicants must demonstrate a link to the country (most commonly they need to be in employment for a period).

The non-Irish population is highly skilled with qualification levels exceeding that of the foreign population in other EU countries. The overall majority hold professional or trade qualifications. The variety of language skills they hold is invaluable to the Irish economy and the majority reports no major problem with speaking English. In short, the **immigrant population has been and remains a key asset to the Irish economy.**

It is crucial not to lose the potential of migrants in the Irish economy

As the recession hit many migrants lost their job, others accepted jobs under their skill level, and a significant number left Ireland. Flexibility of the labour market and workers within it is important, but it is crucial **not to lose the potential of migrants** in the Irish economy. First of all, the general economic situation needs to be improved through reducing

public and private debt in Ireland. But it is equally important that necessary measures are put in place to enable both migrants as well as natives to make contributions to Ireland's economic recovery. Deploying support benefits not only migrants but the whole

economy and society in general. Below are a number of recommendations for ensuring that this would be achieved.

- 1) Not all jobs can be filled from domestic sources and there is an ongoing requirement for labour from outside Ireland. Some skilled positions cannot be filled from within the EU and therefore it is important that the **employment permit system adequately facilitates** the recruitment of non-EU workers where necessary.
- 2) Recent cuts to English classes have made access difficult. Review of statutory language provision with a view to greater efficiency and supporting voluntary initiatives with materials and training would be a step forward. More focus is needed for **combining language provision with occupational related instruction**.
- 3) Effort should be made to exploit the variety of languages present in the school system. The **Modern Languages in Primary School Initiatives** should continue and be linked to existing voluntary initiatives by ethnic communities.
- 4) Professional migrants would also benefit from a **more streamlined process in profession recognition**. The Department of Jobs, Enterprise and Innovation needs to bring relevant

stakeholders to the table to develop better work experience and conversion opportunities and speed up the professional recognition process.

- 5) Employment support services need greater support from the Department. A key step in achieving this would be **making better use of the expertise of the Business in the Community – EPIC programme and the National Qualification Authority of Ireland**.
- 6) The Department along with Enterprise Boards and Enterprise Ireland should make a more strategic effort in **attracting and supporting aspiring or new migrant entrepreneurs** and collaborate with existing ethnic business organisations. The capacity of migrants to build trade links with their countries of origin deserves particular attention.
- 7) Policy prevents many skilled migrants making Ireland their home permanently. **Statutory right to family re-unification** for non-EU workers would be desirable as is extending the residency status of workers to family members.
- 8) Regarding managing diversity, the Equality Mainstreaming Unit within the Equality Authority has provided valuable training and consultancy support for small and medium size enterprises while IBEC has operated a help-desk for employers and delivered a diversity workshop for its members. Nevertheless there is still scope for **adopting diversity and anti-racism measures among a wider range of employers**.
- 9) Since the recession there has been a dramatic increase in the number of complaints of racist discrimination made to the Equality Tribunal. Research shows that racism in general is a reality for many immigrants. The Government therefore needs to **support and encourage local authorities, Garda and employers to make a concerted effort in preventing and tackling racism and seriously consider legislating for racist crime**.
- 10) The **personal tax burden should not increase** to levels that will discourage foreign investors and business executives from coming to Ireland.

Throughout history, the general pattern of migration has been from poorer countries to richer countries.

Introduction

During 'normal' times immigration tends to elicit polarised views from different sections of society. However, during 'abnormal' times, the nature of the polarisation tends to become much more pronounced. The positive aspects of migratory flows tend to be forgotten, and there is sometimes a tendency to blame immigrants for the various economic and social problems besetting individual countries. This is dangerous from a socially and economic perspective.

We are now living in what can only be described as 'abnormal' times. The global economy has suffered the most significant economic and financial shock since the 1930s, and the Irish economy is struggling to emerge from the deepest and most difficult recession that the country has ever experienced. Predictably, attitudes towards inward migration have hardened in these changed economic circumstances. During the mid-term election campaign in the United States in 2010, various candidates took a very hard line on the issue of immigration, with even moderate candidates adopting strong attitudes for mainly populist motives. In France, the President linked riots in Grenoble in 2010 to uncontrolled immigration and he threatened to strip some criminals of foreign origin of their French citizenship. In the United Kingdom, Pollster Deborah Mattinson (2010)ⁱ wrote that nothing got her focus groups more agitated than the question of immigration. In Ireland, attitudes tend to be more balanced, but nevertheless various on line media blogs frequently discuss the issue of immigration and many times the debate becomes extremely racist.

Undoubtedly immigration is a very emotive subject and issues such as welfare costs, competition for housing, healthcare and jobs, frequently inform the debate. The reality of course is that immigration has also been a global phenomenon and immigrants have made a major contribution to the building up of economies and countries over the centuries. Immigration has fuelled economic growth, fulfilled demand for labour, encouraged cultural and social diversity, promoted innovation, and encouraged diversity of ideas. For those migrating, it provides an opportunity to escape poverty, lack of opportunity

and repressive regimes. However, it is important to acknowledge that migration is not always characterised by low skills – increasingly many migrants are well educated and bring much needed skills to host countries.

Immigration is generally a win-win situation, but for some in society that is not a message that they want to hear. Those in rich countries tend to over-estimate the costs of immigration and under-estimate the benefits. A better informed debate on immigration is essential in every country, but particularly in a country like Ireland that historically has seen significant levels of outward migration, and in more recent times, significant levels of inward migration. Immigration has cultural, social and economic implications for every country that is exposed to migratory flows. This paper seeks to examine the economic and business impact that immigration has had on Ireland and more importantly the role that inward migration will play in Ireland's future.

The clear conclusion is that labour migration is good for the host country, the country of origin and for the migrant labour. In Ireland, the immigrant labour model seems to work well. The skills that the economy requires for the future are identified and the policy environment is conducive to attracting those skills. However, there are some failures in the system. For economic, business and social reasons it is essential that every possible effort be made to fully integrate immigrants as quickly as possible. The onus for this falls on government, business and the general population.

Migration of people has profound implications for the migrants themselves, for the countries from which they originate and for the countries to which they emigrate. This paper considers the economic and business aspects of migration, but clearly it is a phenomenon that also has profound social and political implications. These social and political

...immigrants have made
a major contribution
to the building up
of economies and
countries

implications cannot and should not be overlooked by policy makers and should play a key role in the formulation of policy towards migration.

Section 1 examines global trends in labour migration, the factors that drive economic migration and examines some literature on the impact of such migration. Section 2 examines the role that immigrants have played in the Irish economy in recent years and looks at how they have fared during the recession. The third section looks at official policy and labour migration and presents measures used in some countries to manage labour migration. The fourth section considers the extent of inactivity and welfare usage among migrants, and the fifth section outlines the extent and range of skills held by the migrant population as well as introducing some evidence as to what degree those skills are utilized. The last section examines the policies and practices adopted in Ireland that influences the economic as well as social

& cultural integration of migrants and offers relevant good practice from other countries for consideration.

It is recognised that companies need to use diversity to improve productivity, employee satisfaction and innovation. In an Irish context, many of the companies that are now driving the economy have diverse workforces because they recognise the benefits of having an ethnically diverse workforce to encourage ideas and innovation, and also to service overseas markets. Having language proficiency and a greater understanding of different cultures is a major benefit if not an essential condition, for a company that is seeking to break into new export markets. Full integration must be at the core of policy relating to inward migration. This underlines the continuous need to harness the benefits of migrant workforce and businessmen in Ireland. It is however equally important that immigrants are enabled to participate fully in Irish society and any negative treatment is not tolerated.



Section 1

MIGRATION OF LABOUR - CAUSE AND EFFECT: THE INTERNATIONAL EVIDENCE

Introduction

Migration of people has been, is, and will continue to be a global fact of life. The United Nations (UN) estimates that migrants account for 3 per cent of the world's population, or close to 200 million people. Throughout history, the general pattern of migration has been from poorer countries to richer countries. Analysis from the UN suggests that the stock of immigrants to high-income countries increased at about 3 per cent per annum between 1980 and 2000, up from average annual growth of 2.4 per cent in the 1970s. In contrast, migration to developing countries increased by 1.3 per annum between 1970 and 2000. However, it is not always the poorer or less educated people who migrate. The decision to migrate can be costly and can require significant research, so from poorer nations it is those with higher levels of education and skills that often tend to emigrate.

The two big drivers of migration tend to be either political or economic. Political persecution and dislocation drives migrants to seek a safer country; economic migrants tend to move towards the stronger and more prosperous economies where better opportunities are available. The reality is that countries are often at different stages of development or are developing at different paces and so economic migrants tend to move towards the stronger and more prosperous economies where greater opportunities exist.

The impact of these migratory flows on the migrants, the host countries and the countries of origin is profound, but most evidence suggests that it is largely positive for all three, to varying degrees. Notwithstanding this fact, immigration is still a very controversial and divisive subject that sometimes tends to elicit very negative and dangerous reactions, particularly during periods

of economic hardship in the host country.

This section examines the factors that tend to influence economic migration and the impact that such migration has.

The Factors that Drive Economic Migration

Older empirical studies suggest that the two most important economic variables that influence the decision to emigrate are the prospects for obtaining employment and wage differentials. More recent studies highlight a number of other factors that have become more influential.

Globalisation and the advances that have been made in technology, communications and transport have had a very significant impact on both the quantity and nature of migration flows around the world. The number of international migrants has doubled in the past twenty five years to more than 200 million. Goldin et alⁱⁱ suggest that this has been a period of unprecedented globalisation, with the acceleration in the cross-border movement of goods, services, ideas and capital, which are drawing the world into an interdependent and interconnected community. They cite the fall of the Berlin Wall, the collapse of the Soviet Union, the opening up of China and the democratisation of much of Africa and Latin America as key drivers of these trends. Due to the incessant marks of globalisation, people are increasingly able to move across borders and are doing so.

People move across borders for a variety of reasons, but the key factors that drive these flows are utility maximising behaviour or in other words a desire for a better life, better opportunities or higher wages elsewhere; a skill set that is not

demanded in the home country; war or some type of persecution; and proactive policies to encourage inward migration in third countries. For example Ireland adopted a very liberal and proactive approach to encourage immigrants from the EU-accession countries from 2004 onwards in order to satisfy labour shortages in what was then virtually a fully employed Irish economy.

newer, cheaper, and more efficient modes of communication and transportation allow migrants to maintain transnational relationship

Vertovecⁱⁱⁱ stresses the importance of 'transnationalism' in influencing migratory flows. This describes the process by which migrants maintain contact with people in their places of origin through correspondence and the sending of remittances.

Such networks are 'crucial for finding jobs and accommodation, circulating goods and services, as well as psychological support and continuous social and economic information'. He suggests that newer, cheaper, and more efficient modes of communication and transportation allow migrants to maintain transnational relationships. Furthermore, as migration networks mature, one can expect an increase in the desire to migrate as individuals obtain more information about working abroad and become more exposed to external cultures through the networks.

Typical Arguments for and Against Immigration

In a world that is becoming increasingly interconnected, it is clear that the desire to and ability to migrate will increase over the coming years. One cannot make blanket statements about immigration, because every migration has different characteristics, but the typical arguments put forward for and against immigration are broadly categorised under the headings of economic, social, and cultural.

The most often cited arguments in favour of a liberal policy towards immigration are as follows:

- Intelligent, skilled and ambitious people, who are not satisfied with the opportunities available in their own country or indeed with some aspect of their country, bring their skills to the host country. This enhances the growth

potential of the host country through the impact on labour supply and more importantly on the productivity of that labour supply. An economy's potential growth rate is the maximum output an economy can produce, given the capital, know-how, and labour available. Potential output can be increased by improving know-how in the economy, through for example investment in education and training, inflows of new labour supply into an economy, or technological advances. Inward migration increases the available labour supply (known as size effect) but the more highly skilled the inflow of labour is, the more positive the impact on potential output (skill effect) and hence on living standards;

- Immigrants with lower skill levels tend to take jobs and carry out essential tasks that domestic workers might no longer be prepared to carry out due to increased affluence or some other factor. There was certainly evidence during the 'Celtic Tiger' years in Ireland that migrants were brought in to do the jobs that many Irish were no longer prepared to do due to increased affluence and changed expectations ;
- By facilitating legal immigration, there is a greater likelihood that immigrant workers will participate in the 'formal' economy and hence contribute to the public finances through labour taxes. An increased supply of labour will force labour costs down, thereby creating a better operating environment for business, leading to higher levels of employment, greater wealth creation and ultimately a better standard of living for all;
- Immigration provides greater opportunities for populations who are living in poverty, or who are subject to significant restrictions of personal freedom.
- Immigrants send remittances back to their home country;
- Outward migration may alleviate unemployment in the labour exporting country. Skilled labour is likely to outstrip the number of skilled position available in the country. However, there is a danger that internal flows from rural to urban areas may result in a costly rise in urban unemployment;
- Immigration enhances the image of a country and conveys a message of openness and

tolerance, which should encourage higher levels of outside investment and inward tourism;

- Immigration enhances diversity and expands the culture of a country.

The most frequently cited arguments against a more liberal immigration policy typically include the following:

- Immigrants put significant pressure on public services such as health services, education services and social welfare, without making a significant contribution to the provision of public services through taxation. This argument is particularly directed at poorer and lower skilled immigrants;
- The migration adversely affects the source country by depriving it of skilled workers in particular but labour supply in general;
- Lower skilled workers in the host country are forced to compete with lower skilled immigrants in the labour market. This puts downward pressure on wages and undermines the standard of living;
- A more liberalised immigration policy creates greater potential for terrorists, drug dealers and other criminals to enter a country;
- Inward migration tends to dilute the culture and language of the host country.

International evidence suggests that there is some traction in all of these arguments, but that on balance immigration has a net beneficial impact. In assessing the overall impact of immigration, three different parties need to be considered - the country to which labour migrates, the migrants themselves, and the country from which the labour emigrates.

Economic Impact

There is clear evidence that in general, countries benefit economically from inward migration of workers. One of the key benefits is that inward migration tends to reduce the age profile of the workforce, because it is normally the younger age cohorts who tend to migrate. This is important for many countries in the developed world. For many countries in the developed world with ageing populations, inward migration has increased the supply of labour and has helped maintain and

enhance the growth potential of the recipient country.

The World Bank^{iv} estimated in 2005 that in the high-income countries the age group that supplies the bulk of the labour force (15-65 years old) would peak at close to 500 million in 2010 and then fall to around 475 million by 2025. In Japan that age group has already begun to decline, and in Europe it was expected to peak in 2007-08, and around 2020 in the United States. Assuming no change in labour force participation rates, the World Bank estimates that the high-income countries would lose about 20 million workers by 2025. This decline in the labour force would be accompanied by a rise in the overall dependency ratio, which is defined as the ratio of workers to non-workers. It is estimated that the largest rise in the dependency ratio would be in Europe. In contrast the World Bank argues that the developing countries are expected to add nearly one billion workers to the world's labour force by 2025.

It is clear that without inward migration of labour, a number of countries in the developed world would have and will in the future experience an economically damaging decline in the labour force and an increase in the dependency ratio. The increased availability of labour serves to boost the returns to capital and helps reduce the costs of production.

There is some evidence emerging that migrants contributed to the recent baby boom in Ireland. Every fourth child was born to non-Irish mothers according to an ESRI report.^v

Low-skilled immigrant workers very often take the jobs that native workers may not be prepared to do themselves. There has certainly been strong evidence of this in Ireland in recent years. However, despite the very significant deterioration in the Irish

labour market since 2008, a considerable number of non-Irish nationals continue work as personal & protective service workers (care worker, cleaner, kitchen porter, waitress) and plant & machine operators. Work permits although in much smaller number are issued in the catering and service industry. The nature of migration is changing, with high-skilled labour becoming a more significant component of global migration. Coppel et al^{vi} suggest

Low-skilled immigrant workers very often take the jobs that native workers may not be prepared to do themselves.

that structural shifts in OECD economies towards more 'knowledge' intensive output have raised the demand for skilled labour. Many developed economies cannot source sufficient workers in areas such as ICT, and this has resulted in strong growth in migration of labour with the requisite skills, and calls in some countries for a re-orientation in immigration policies towards workers with the scarce skills.

For the source countries, the loss of labour can be negative due to 'brain drain'. However, there is significant evidence to suggest that outward migration does increase overall education attainment within the country. Education provides a better opportunity to emigrate and this in turn increases educational attainment amongst the general population. Stark^{vii} argues that while a country loses a proportion of its human capital to emigration, it is still left with a higher number of graduates within the country than it would have in the absence of the 'brain drain'. There is also evidence suggesting that skilled emigrants may eventually return to their country of origin and foster new industries and bring new skills and experience back. The IT industry in India is a good example of this phenomenon.

The World Bank (2005) offers two rough observations in relation to the net benefit or cost to origin countries of high-skilled emigration. Firstly, it suggests that very high rates of high-skilled emigration are found in countries that represent a small share of the population of the developing world. Many of these countries have poor investment climates that likely

limit the productive employment of high-skilled workers. Secondly, some countries find it difficult to provide productive employment for many high-skilled workers because of their small economic scale or because misguided education policies have resulted in a large supply

of university graduates for whom no suitable jobs exist.

The bulk of the economic gains from immigration accrue to the migrants. The World Bank (2005) estimates that wage levels adjusted for purchasing power parity in high income countries are approximately five times those of low income countries for similar occupations. With the growth

in migration over recent years, the size of emigrants' remittances has increased substantially. This in effect means that in some cases, depending on the country of origin, immigrant workers can earn wages that reflect developed world standards of living and spend money in developing countries where the price of non-traded goods and services are considerably lower. The World Bank estimates that migrant remittances received by developing countries totalled €167 billion in 2005. However, it is wrong to conclude that migrants do not spend money on goods and services in their host country and have minimal impact on demand. All migrants meet at least their basic needs (renting, food, clothes) and many of them spend more than what is needed for basic goods and services.

Fiscal Impact

One of the common arguments against immigration is that immigrants put pressure on government expenditure on social services such as health, education and social welfare, and that this is not compensated for through increased tax revenues. Coppel et al (2001) suggest that studies which follow immigrants over time have mostly shown that in net present value terms, immigrants and their descendants tend to contribute more in tax revenues than they absorb in increased government expenditure. For the source country, tax revenues associated with the departing workers will be lost, but likewise they will cease to absorb public expenditure on public services. In any event, there is a significant probability that the migrants might have been unemployed in their home country. In ageing countries, inward migration of labour will clearly help reduce the dependency ratio, thereby reducing some of the burden on government expenditure.

Labour Market Impact

Economic theory would suggest that all other things being equal, if the supply of a good or service increases, then you would expect its price to eventually fall. One of the common arguments in relation to a liberal immigration policy is that it exerts downward pressure on wages, particularly for lower paid and lower skilled workers. While trade unions would not welcome such a development, business would regard it as a major boost to competitiveness and employment creation, and ultimately to overall living standards.

...it is wrong to conclude that migrants do not spend money on goods and services in their host country.

The evidence relating to the impact of immigrants labour inflows into a country is mixed and is not terribly conclusive one way or the other. In 1964 Paul Samuelson argued that 'limitation of the supply of any grade of labour relative to all other productive factors can be expected to raise its wage rate: an increase in supply will, other things being equal, tend to depress wage rates'^{viii}.

There is some empirical evidence to support this somewhat simplistic view of the world. Using Census data from 1960 through to 2000, Borjas (2004)^{ix} measured the labour market impact of immigration at the national level, because local labour markets adjust to immigration. He based his study on the level of education and experience in the workforce. It showed that when immigration increases the supply of workers in a skill category, the earnings of native-born workers in that same category fall. According to his analysis, this negative effect on wages will occur regardless of whether the immigrant workers are legal or illegal, temporary or permanent. By increasing the supply of labour between 1980 and 2000, immigration reduced the average annual earnings of native-born men by an estimated €1,700 or roughly 4 per cent. Among natives without a high school education, the estimated impact was larger with wages falling by 7.4 per cent. Native born workers without a high school education face the most competition from immigrants, and the negative effect on native-born black and Hispanic workers is significantly larger than on whites because a larger share of minorities are in direct competition with immigrants.

In the UK, Clark and Drinkwater (2008)^x investigated the labour market performance of migrants who entered the UK after 2004. In 2004, the UK allowed nationals from the 10 EU accession countries to work in the country. Their research concluded that the amount and origin of a migrant's human capital, language proficiency, the country of origin and the length of time that immigrants expected to stay in the country had a significant influence on the labour market outcome. They applied a similar analysis to Borjas and found that the immigration associated with EU enlargement after 2004 may have reduced white native earnings by around 2.5 per cent.

Longhi et al (2008)^{xi} argued that economic theory alone cannot give a decisive answer about the expected impact of immigration on the labour market. They advise that careful empirical analysis is required

because an influx of immigrants can trigger a range of responses from different parties such as local employers, housing and other markets, native-born and earlier-immigrant households, investors and the public sector. They apply meta-analysis techniques to analyse 45 empirical papers and conclude that the impact of immigration on the labour market of the native born population is very small and more than half of the time statistically insignificant.

These findings have been supported by numerous other studies. For example, Castelletti et al (2010)

^{xii} find that the empirical research for industrialised countries find little or no evidence of negative impacts

of immigration in labour markets. They argue that immigrant workers tend not to compete with natives and instead they can fill labour-market gaps by responding to seasonal labour shortages or unmet demand for skilled labour in knowledge-intensive industries. Dayton-Johnson et al (2009)^{xiii} argue that while there would be an expectation that when there is an increase in the number of individuals looking for jobs on the labour market, wages may fall, but there are other impacts. Immigrants may increase aggregate demand, thus increasing the demand for labour and offsetting the downward pressure on wages. Barrett et al (2009)^{xiv} suggest that in some cases immigration can actually increase wages through increasing the productivity of natives.

In general, the accepted view from more recent research is that the impact of immigrant labour on native workers is very small and may be irrelevant. For example, there is considerable evidence to suggest that the wave of EU Accession State immigration into the UK and Ireland after 2004 did not displace local workers or increase unemployment. Reed et al (2009)^{xv} showed that a 1 percentage point increase in the share of migrants in the UK working-age population reduced wages by about 0.3 per cent. They concluded that there is 'simply no evidence to suggest that migration has any substantial negative impact on either wages or employment'. Most recently, Lucchino et al examined the relationship between registration of migrants and claimant count rate from 2002/03 and 2010/11. After extensive examination and

...migration has
no aggregate
impact on
unemployment



testing, they found that migration has no aggregate impact on unemployment and this has been the case even during the recession.^{xvi}

Even Borjas (2003)^{xvii} has admitted that ‘the measured impact of immigration on the wage of native workers fluctuates widely from study to study (and sometimes even within the same study) but seems to cluster around zero’. If the migrants are complementary to native workers, then the benefits are even more significant.

For migrants themselves, the economic benefits are very clear – employment opportunities, the potential for significantly higher earnings potential, the attainment of new skills, and access to better education and services. How migrants are treated in the host country and the measures that are in place to help them integrate economically and socially will have a major bearing on the outcome and the experience of immigrant workers.

Section 2

THE ROLE & EXPERIENCE OF IMMIGRANTS IN THE IRISH ECONOMY

The Turn Around in Migrant Flows

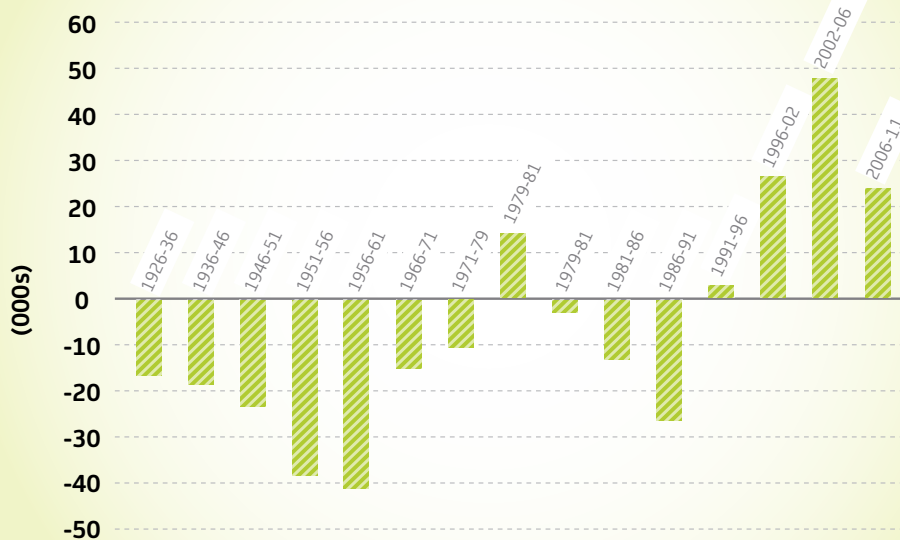
As a small open economy with a very mobile population, Ireland has always been subject to significant migratory flows. Periods of net outward migration were generally characterised by domestic economic difficulties and the lack of employment opportunity in the domestic economy. The 1950s was characterised by extreme economic weakness, and saw strong net outward migration. As a consequence the population hit a low point of 2.8 million in the 1961 census. Net migration remained negative during the 1960s; it turned positive in the 1970s; turned negative again in the 1980s; but from 1991 onwards it turned positive.

Figure 1 shows the estimated average annual net migration for each inter-censal period from 1926 to 2011. Out of the 15 inter-censal periods, only 5 experienced annual average net inward migration, and four of those have occurred since the 1991 census.

This turn around in Irish migratory flows after 1991 reflects the very changed economic environment that evolved during the 1990s and which continued up to 2008. The net inward migration reflected a market drop off in outward migration, and a marked increase in inward migration. The latter was composed of both Irish who had previously emigrated returning to Ireland, and non-Irish coming into the country to exploit the buoyant economy and the consequent

Figure 1

AVERAGE ANNUAL NET MIGRATION



Source: Census 2011, 'Highlights from Census 2011, Part 1', CSO, March 2012.

employment opportunity. After the accession of 10 countries to the EU in May 2004, Ireland allowed immigrants from the 10 new countries to work in the country and significant migration from those countries occurred. Inward migration increased from 31,000 in 1995 to reach a peak of 110,000 in 2007.

Newly released Census 2011 figures show that the non-Irish working age population increased from 367,333 in 2006 to 465,788 in 2011; that is a 2 per cent increase in the country's total working age population from 11 per cent to 13 per cent. The share of non-Irish nationals among people at work also grew by 2 per cent from 13 per cent to 15 per cent. This is however partly the result of employment loss among the Irish population. The share of unemployed remained largely the same; that is non-Irish nationals made up 19 per cent of the total unemployed population. But mainly due to the increase in the number of non-Irish students, the share of non-Irish among inactive people (who do not work and are not looking for work) went up from 7 per cent to around 9 per cent.

Almost every second member of the non-Irish workforce (46%) came from the Accession States, with around half of those workers being Polish nationals. There are almost twice as many Polish

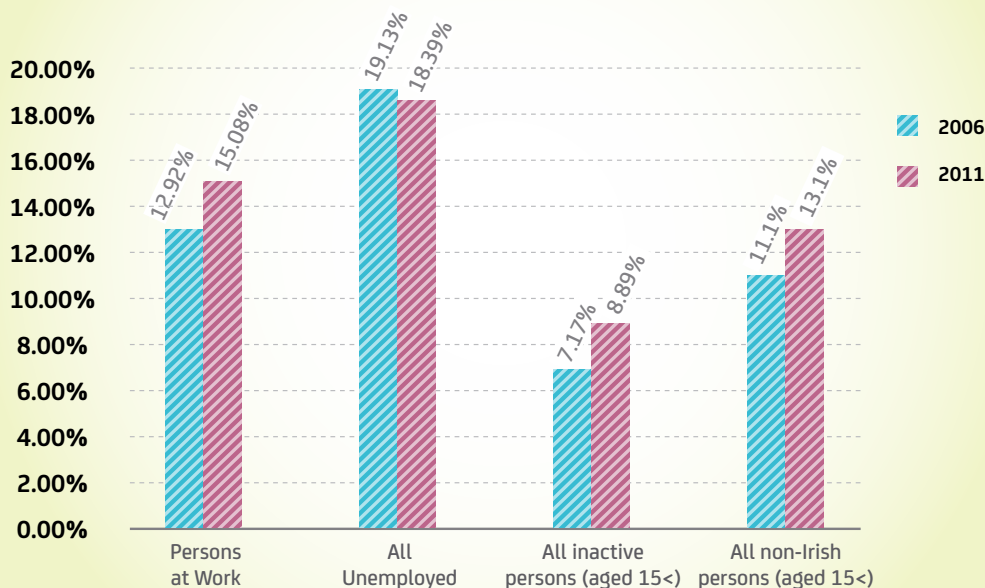
workers as UK employees in Ireland. Around one quarter of non-Irish employees were non-EU citizens and 18 per cent of them came from the Old EU states.

Census figures however mask the significant inflow of migrants from the second half of Census 2006 to the end of 2007, which resulted in the working-age immigrant population peaking at the end of 2007. Between 2008 and 2011 there were significant employment losses among the non-Irish population according to the Quarterly Household National Surveys; greater than that amongst Irish nationals. It is also important to underline that the survey's definition of employment and unemployment slightly differs to that of the Census. The Census only asks if the person is unemployed (or looking for first regular job) while QHNS specifically states that the unemployed are those who, in the week before the survey, were without work and available for work within the next two weeks; and had taken specific steps, in the preceding four weeks, to find work (definition of International Labour Organisation). While there could be differences in figures as a result of the definitions, trends can be established by looking at the two sources together.

According to QHNS, in 2004 non-Irish nationals accounted for 8 per cent of total employment in the

FIGURE 2

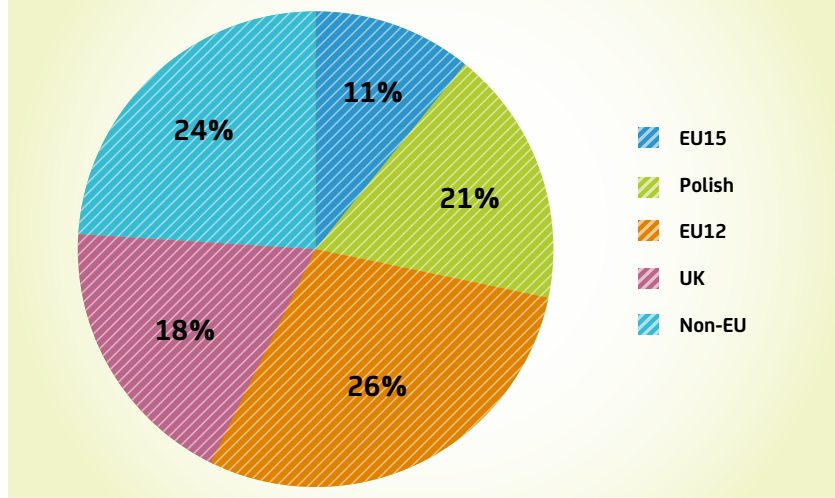
SHARE OF NON-IRISH AMONG DIFFERENT ECONOMIC STATUS GROUPS 2006/2011 (Census)



Source: Census 2011, Part 2

Figure 3

COMPOSITION OF NON-IRISH WORKFORCE 2011



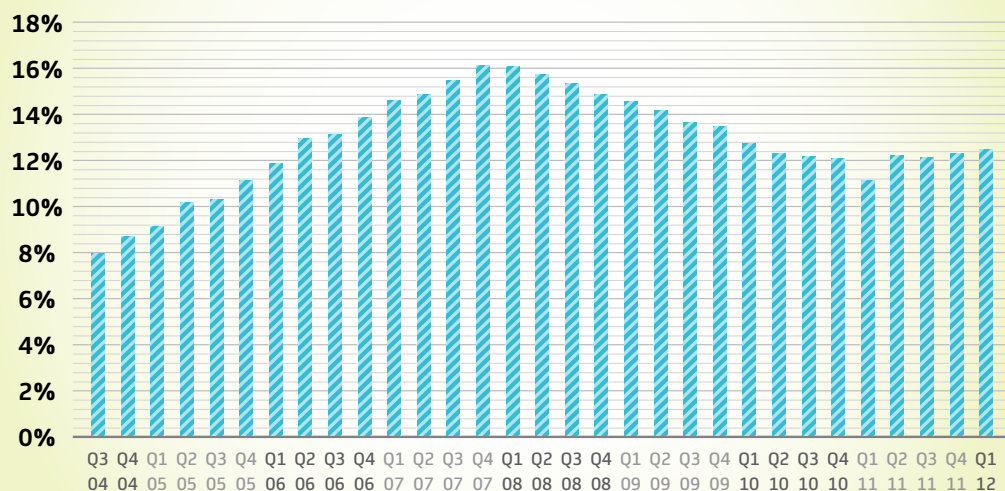
Source: Census 2011, Part 2

Irish economy. This increased significantly up to the end of 2007 and peaked at 16.2 per cent in the final quarter of that year. In absolute terms, employment of non-Irish nationals increased from 152,200 in the third quarter of 2004 to a peak of 345,800 in the final quarter of 2007 – an increase of 193,600. Having peaked in absolute terms and as a percentage of total employment in the final quarter of 2007, there

was a sharp subsequent decline. In the first quarter of 2011, there were 202,900 non-Irish nationals in employment, accounting for 11.1 per cent of total employment. This represented a decline of 142,900 from the peak of the labour market. There was a modest recovery subsequently and by the first quarter of 2012, there were 223,600 non-Irish nationals in employment, accounting for 12.5 per cent of total

FIGURE 4

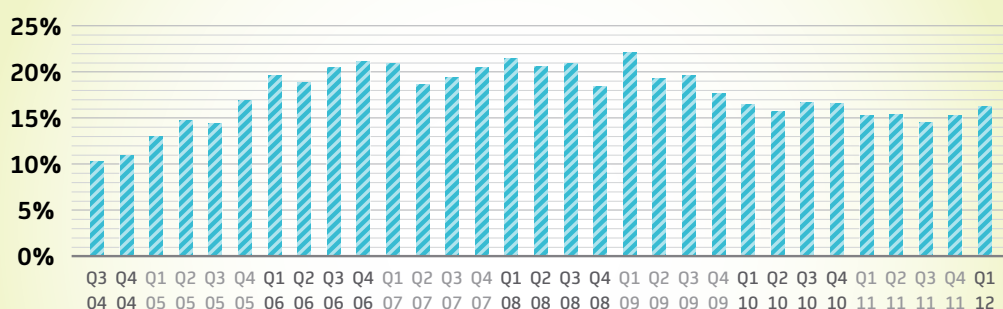
NON-IRISH NATIONALS AS % TOTAL EMPLOYMENT



Source: CSO, Quarterly National Household Survey

FIGURE 5

NON-IRISH NATIONALS AS % TOTAL UNEMPLOYMENT



Source: CSO, Quarterly National Household Survey

employment. This is similar to the figure arrived at by Census 2011, which was 13 per cent.

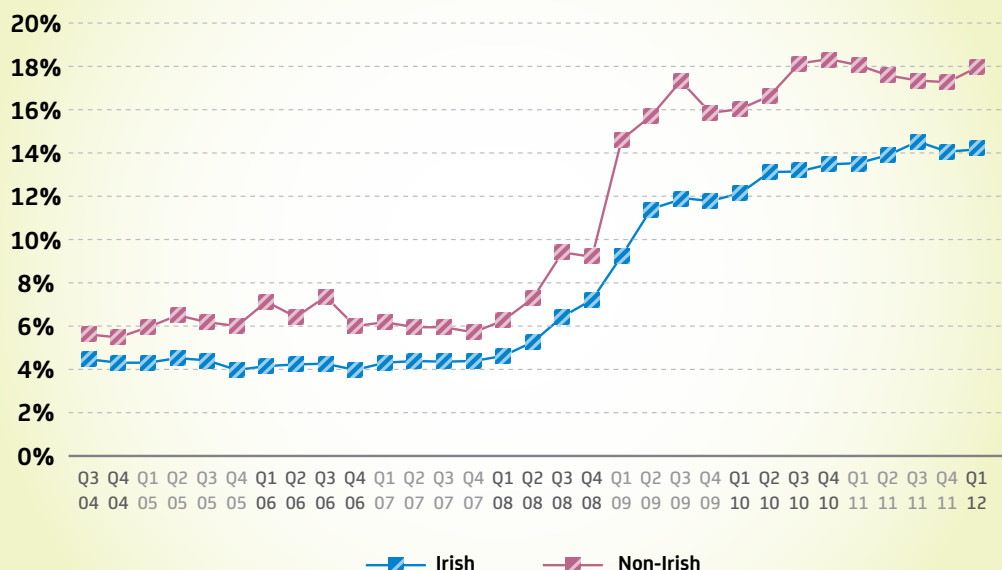
Figure 5 shows the percentage of total unemployment accounted for by non-Irish nationals between the third quarter of 2004 and the first quarter of 2012. Between 2006 and 2008 non-Irish nationals accounted for around 20 per cent of total unemployment in the economy. It declined thereafter to reach a low of 14.6 per cent in the third quarter of 2011, but climbed to 16.3 per cent in the first quarter of 2012.

Figure 6 compares the unemployment rate for non-Irish nationals to unemployment amongst Irish nationals. The unemployment rate in this case is defined as the number of unemployed Irish and non-Irish nationals expressed as a percentage of Irish and non-Irish workers in the labour force respectively.

The unemployment rate amongst non-Irish nationals has been consistently higher than for Irish nationals since 2004. However, as the labour market deteriorated from 2008 onwards, the gap has widened considerably. In the first quarter of 2012,

FIGURE 6

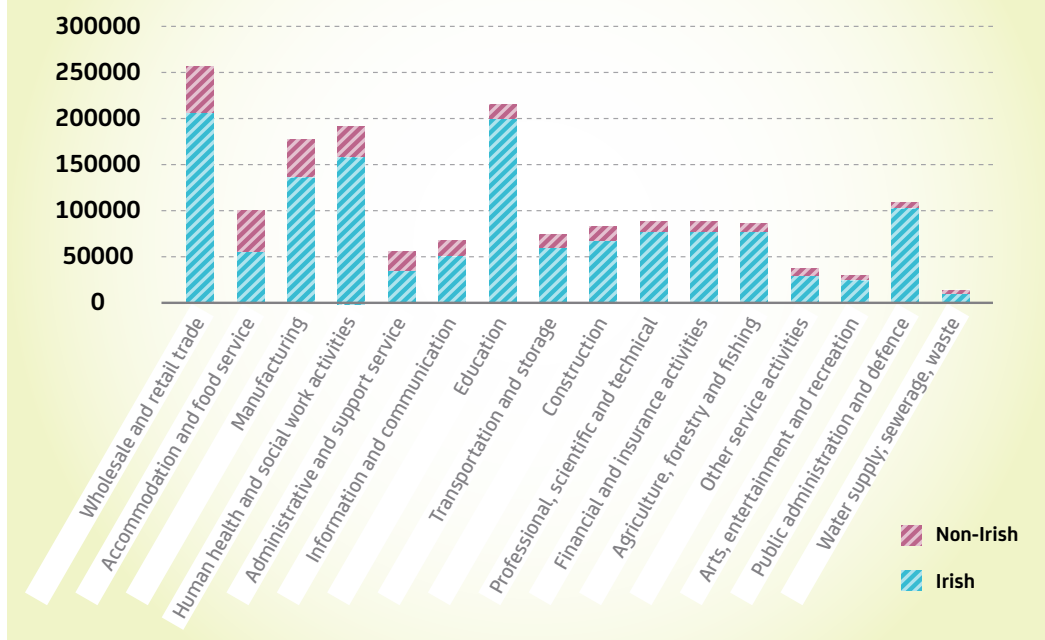
UNEMPLOYMENT RATE FOR IRISH AND NON-IRISH NATIONALS



Source: CSO, Quarterly National Household Survey

FIGURE 7

INDUSTRIES ORDERED BY SIZE OF NON-IRISH NATIONAL WORKFORCE 2011



Source: Census 2011, Part 2

the unemployment rate for non-Irish nationals stood at 18.4 per cent, compared to 14.2 per cent for Irish nationals.

According to Census 2011, most non-Irish nationals worked in Wholesale and Retail, Accommodation & Food, Manufacturing, Human health and Social Work as well as Administrative and Support industries. It is of note that those are industries with a large number of Irish employees, too, with the exception of the Accommodation and Food sector where there are fewer Irish workers in comparison. This industry still has the highest share of non-Irish workers (38.1%). Although the Education and Public Administration sector also employs a large number of people, the share of non-Irish nationals is small within those sectors.

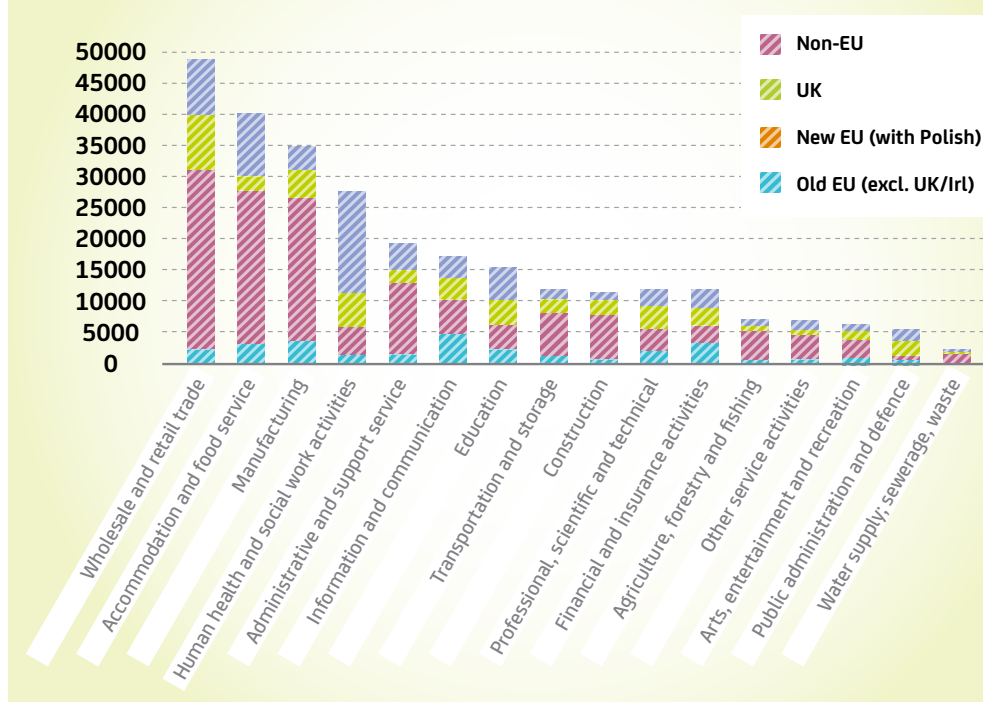
Looking at the different immigrant groups it can be seen that non-EU nationals are concentrated in Human Health and Social Work while Accession State Nationals (EU12) are highly represented in Manufacturing and Wholesale and Retail, with both groups strongly involved in Accommodation and Food Service activities (hotels, restaurants, bar etc...).

Old EU nationals (EU15) have large numbers working in the Information and Communication Sector. Interestingly, UK nationals are strongly present in the Wholesale and Retail as well as the Education sectors. Those findings are consistent with the ones by the Annual Integration Monitor 2010 and 2011 which drew on data from the Quarterly Household Surveys.

Looking at data from the Quarterly Household National Surveys gives us a better understanding of the changes over time and highlights how 2007 was a turning point for non-Irish employment in most sectors. Table 1 provides a breakdown of the percentage of total employment per sector that non-Irish nationals accounted for at four different points in time. It can be seen that several sectors took on large numbers of non-Irish nationals in 2006 and 2007 and also shed large numbers between 2008 and 2011. The largest number of job losses in that latter period was in the Construction and the Accommodation and Food as well as Wholesale and Retail sectors. Not only did non-Irish employed decrease in absolute terms but also the share of non-Irish dropped in many sectors.

FIGURE 8

SHARE OF BROAD NON-IRISH GROUPS WITHIN MAIN INDUSTRIES 2011



Source: Census 2011, Part 2

Ethnic Entrepreneurship in Ireland

Entrepreneurship is a key aspect of economic integration. Entrepreneurs create jobs for themselves and often for others. Ethnic entrepreneurs can provide goods and services that indigenous business does not^{xviii}. What's more, they can establish trade links due to their linguistic and cultural familiarity with both the host country and their countries of origin. OECD research^{xix} shows that entrepreneurship is slightly higher among immigrants than natives, and that migrant entrepreneurship has gone beyond traditional ethnic businesses, into a wide range of skills and innovative areas.

Figure 9 looks at the percentage of migrants of working age, who are self-employed. In the OECD area around 12.6 per cent of migrants of working age are self-employed, which compares to 12 per cent for the native population. Worryingly, the OECD research suggests that the survival rate for migrant business tends to be lower than for native business in the OECD as a whole. This may also be due to factors such as language and socio-economic background

and associated problems in understanding rules and regulations in the new country.

The Annual Integration Monitors found that non-Irish nationals are much less likely to be in self-employment than natives (18% vs. 7% in 2011). Even considering non-agricultural businesses, non-Irish nationals fall behind, although the gap is somewhat smaller (14% vs 9%). Self-employment is particularly low among Accession State Nationals (3.8% in 2011 in respect of non-agricultural businesses). A study by Cooney & Flynn^{xx} puts the figure for immigrant entrepreneurship at 12.6 per cent, based on the sample studied and concludes that the rate of ethnic entrepreneurship in Ireland is similar to other immigrant countries. It also found that ethnic businesses in Ireland are definable by their small size, their concentration in the locally traded services sectors, their low staff numbers and their lack of intention to significantly grow their business over the medium term.

According to the Entrepreneurial Profile Survey of immigrants in Dublin the majority of respondents reported having an income of € 50,000 or less.^{xxi} Cooney & Flynn found in their national survey 2008

that many ethnic entrepreneurs were start-ups, and three quarters of ethnic businesses were not in existence more than two years after being created. Businesses tended to be sole traders. It also emerged that only a quarter of ethnic businesses participated in international trade.^{xxii}

The Cooney & Flynn study showed that the Information & Communication Technology sector reported the highest number of ethnic businesses followed by the Catering industry (Food & Accommodation) and Wholesale and Retail sector. A considerable number of immigrants owned consultancy and transport businesses. The latter comes as no surprise for those familiar with the taxi industry. Many businesses in the service industry have struggled or closed down as the recession made its impact on both indigenous and ethnic businesses throughout the last three years.^{xxiii}

Discussion on Ethnic Entrepreneurship

It is clear that the nature of immigration into Ireland has changed significantly over recent years and educational levels are now higher. This suggests that there is considerable scope for the creation of many more ethnic entrepreneurs in a wider range of business activities than in the past.

Ireland is a good country for entrepreneurship, enjoying as it does a stable government, a low tax policy and a reasonably pro-business culture, and regulatory impediments that are lower than the OECD average. Against this background, it is clear that the potential for all entrepreneurship is strong, but there is significant potential for growth in ethnic entrepreneurship provided the barriers are removed and the correct environment created. Given the economic challenges that Ireland is facing, there is

TABLE 1

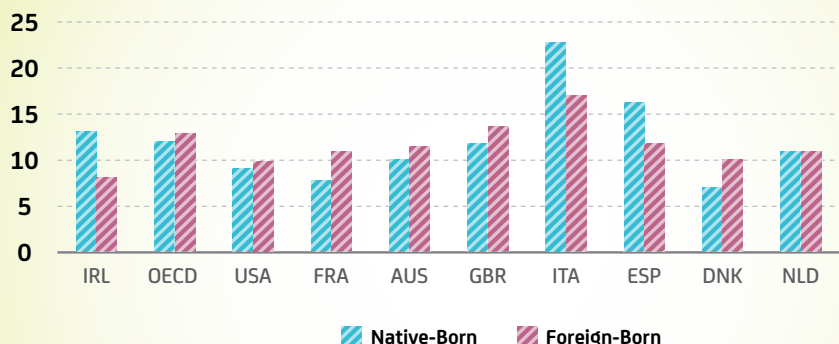
NON-IRISH NATIONALS AS % OF TOTAL SECTORAL EMPLOYMENT

SECTOR	Q4 2004	Q4 2007	Q4 2010	Q1 2012
Agriculture, Forestry & Fishing	3.0%	5.5%	6.5%	6.4%
Industry	9.9%	18.4%	17.1%	16.7%
Construction	8.7%	18.3%	9.6%	9.1%
Wholesale & Retail Trade	7.5%	18.5%	13.8%	14.1%
Transport & Storage	6.0%	13.7%	9.4%	10.9%
Accommodation & Food Services	23.4%	37.2%	26.6%	30.0%
Information & Communication	12.1%	21.2%	16.1%	14.4%
Financial, Insurance & Real Estate	6.2%	9.8%	6.9%	6.2%
Professional, Scientific & Technical	7.0%	10.8%	7.7%	6.6%
Admin & Support Services	11.8%	25.7%	18.9%	24.1%
Public Admin, Defence & Compulsory Social Security	1.3%	1.7%	1.4%	2.2%
Education	6.3%	7.1%	5.4%	5.1%
Human Health & Social Work	9.0%	14.4%	12.2%	12.4%
Other Activities	8.8%	16.8%	12.3%	14.3%
Total	8.7%	16.2%	12.1%	12.5%

Source: CSO, Quarterly National Household Survey.

FIGURE 9

% OF SELF-EMPLOYED AMONG THE WORKING AGE POPULATION 2007/2008



Source: OECD, International Migration Outlook, 2011.

clearly a strong requirement to grow more domestic businesses.

Migrants tend in general to be risk takers and provided a proper environment is created to facilitate the setting up of a business, they offer significant potential as creators of employment. Migrant entrepreneurs also have an advantage in that they have a greater chance of developing trade between their host country and their country of origin. There is global growth in the notion of 'transnational

entrepreneurs', which is the idea of an immigrant establishing a business in their new country and also operating in their home country. With the growth of an immigrant population in Ireland, the promotion of ethnic entrepreneurship would undoubtedly help promote external trade links. Enterprise Ireland and the local enterprise boards need to concentrate more however on reaching out and supporting aspiring and existing migrant entrepreneurs, especially those with great potential for international trade.

TABLE 2

SELF-EMPLOYMENT RATE AMONG BROAD NATIONALITY GROUPS

Broad. nat groups	Share of self-employed	Share of self-employed in non-agricultural industries	Total population
Irish	17.6%	14.3%	1,593.30
Non Irish <i>Of which</i>	7.2%	8.8%	219.7
UK	18.1%	18.6%	33.9
Old EU	9.2%	10.7%	22.7
New EU	2.3%	3.8%	107.8
Non-EU	9.3%	11.1%	55.3
All	16.4%	13.6%	1,813.00

Source: Annual Integration Monitor 2011, authors' own calculations derived from QNHS microdata Q1, 2011

Section 3

OFFICIAL POLICY TOWARDS LABOUR AND BUSINESS IMMIGRATION

Labour Market Policy

The quality of the labour force is a key factor in determining the success or failure of an economy. For an economy to function efficiently and effectively, it clearly requires an abundant supply of labour with the requisite skills. Clearly, during the period of exceptionally strong growth in the Irish economy and a very tight labour market, there was a significant inflow of labour into the economy from overseas. This has now changed, but external labour supply remains very important for the Irish economy.

A key element of the overall strategy of the Department of Jobs, Enterprise and Innovation is to move the economy to a position where it is both knowledge-based and innovation driven. Labour market policy measures play a key role in this strategy under three headings:^{xxiii}

- Upskilling the workforce through the implementation of a National Skills Strategy;
- EEA Nationals Potential - maximise the potential for European Economic Areas (EEA) nationals to fill areas of skills shortage; and
- Economic Migration Policy - employment permit arrangements to cater for those high level skills which are strategically crucial to the development of the Irish economy, and which cannot be sourced within the EEA.

In line with these objectives, four new types of employment permit were announced in 2007:

Green Card Scheme

This scheme is aimed at occupations where there is a shortage of high level skills. This scheme will apply to an extensive list of occupations with annual salaries of €60,000 and above, and a specified list of occupations with an annual

salary of between €30,000 and €60,000. The list is drawn up in conjunction with the Expert Group on Future Skills Needs and it will be reviewed on a regular basis to take account of changing circumstances. No labour market test is required for Green Card applications, so advertising with FAS/EURES and newspapers is not required. The Green Cards are issued for two years initially and normally lead to the granting of permanent or long-term residency thereafter. Green Card holders are permitted to bring their families and spouses to join them immediately;

Work Permits

The Work Permit is for non-Green Card occupations in the €30,000 to €60,000 salary range, and in exceptional circumstances for occupations with salaries less than €30,000. In order to establish that vacancies which are the subject of Work Permit applications cannot be filled by Irish or other European nationals, they will be subject to rigorous labour market needs test. This includes both advertising with FAS and the European Employment Services or EURES, and in local and national newspapers. Work permits are granted initially for a period of two years and then for a further period of up to three years;

Intra-Company Transfer Permits

This scheme allows for the transfer of trans-national senior management, key personnel and trainees into Ireland. This is particularly relevant to the crucial multi-national companies operating in Ireland, who may want to transfer staff between locations. It also allows for the transfer of staff with particular skills, knowledge and expertise to be transferred in to Ireland on a temporary basis in a start-up situation. These permits will be available for staff with an annual

salary in excess of €40,000 . They are issued for a period of two years initially, but can be extended for up to a further three years. No labour market needs test is required.

Spousal/Dependent Permits

This permit will allow the spouses and dependents of Employment Permit holders who are entitled to reside in Ireland to apply for Work Permits. These applications do not require a labour market needs test and may be in respect of any occupation in the labour market.

In April 2009, some changes were announced to the Employment Permit arrangements to take account of changing economic circumstances. The changes involved a much tougher labour market needs test for all future work permit applications and renewals so as to allow the maximum opportunity for any available job vacancies to be filled from within the Irish labour market and wider EEA.^{xxv} These changes basically limited the allocation of immigration stamps to higher-paid jobs.

The market dictates the number of employment

permits issued and the State licenses the arrangement between employee and employer with an employment permit, after an offer of employment has been made. In order to work in Ireland, a non European Economic Area (EEA) National, unless exempted, must hold a valid employment permit. The issue of an Employment Permit requires a job offer from a prospective Irish employer who has made every effort to recruit an Irish or EEA National for the post. The holder of an Employment Permit is only permitted to work for an employer and in the employment stated on the permit. Should the employee named on the permit cease to be employed by the employer and in the employment stated on the permit during the period of validity specified, the permit and any copies of it must be returned immediately to the Employment Permits Section in the Department of Jobs, Enterprise and Innovation.

Data on employment permits

Table 3 provides a breakdown of new employment permits granted by sector between 2004 and the first seven months of 2012. The number of permits has

TABLE 3

NEW EMPLOYMENT PERMITS ISSUED BY SECTOR

	2004	2005	2006	2007	2008	2009	2010	2011	2012 (Jan-Jul)
Agriculture & Fisheries	1,105	329	378	311	308	111	119	85	22
Catering	1,569	1,309	1,184	1,207	1,059	476	618	263	134
Domestic	158	145	137	112	107	61	33	26	12
Education	270	269	337	385	187	76	76	60	25
Entertainment	109	87	107	54	43	29	26	21	10
Exchange Agreements	145	120	123	134	11	4	2	20	9
Industry	395	416	595	870	984	473	467	449	369
Medical & Nursing	1,034	1,300	1,378	2,877	2,185	1,000	797	696	234
Service Industry	5,117	3,259	3,036	4,155	3,536	1,429	1,611	1,333	944
Sport	118	126	76	108	131	54	50	42	21
Total	10,020	7,360	7,351	10,213	8,551	3,713	3,799	2,995	1,785

Source: Department of Jobs, Enterprise and Innovation

declined significantly over that period, reflecting the dramatic change in the health of the economy and the deterioration in the domestic labour market.

The services sector accounted for 51.1 per cent of new employment permits issued in 2004, but this had declined to 44.5 per cent by 2011. The number of permits issued in the Medical & Nursing sector increased from 10.3 per cent of the total in 2004 to 23.2 per cent in 2011.

It is interesting to note that in the first 7 months of 2012, 1,785 work permits were issued, with the Services Sector, Industry and Medical & Nursing the key sectors where permits were issued. This suggests that despite the high level of unemployment in the Irish economy at the moment, there are still shortages of certain skills and requirements have to be filled from overseas.

Discussion On The Employment Permit System

Quinn (2010)^{xxvi} describes Ireland's approach to economic migration as a relatively liberal system, which is employer led and lightly regulated. The policy approach is to 'meet all labour and skills needs from within the enlarged EEA as far as possible, and to limit non-EEA labour migration to that of the most highly skilled and hard to find workers'. This liberal policy towards immigration in Ireland during the boom years primarily reflected economic necessity. The Irish standardised unemployment rate fell to a low of 3.9 per cent of the labour force in 2001 and remained at levels close to full employment up to 2007. During that period, employers had difficulty recruiting and retaining workers, such was the tightness of the labour market. Consequently, inflows of labour from overseas became a very necessary requirement in order to sustain growth in the economy, and to push the potential growth rate higher. In the current environment of high unemployment, that requirement has clearly eased. However, it is clear that not all jobs can be filled from domestic sources due to factors such as skills gaps and willingness to do certain jobs, so there is an ongoing requirement for skilled labour from overseas.

On the other hand there are critiques of the current restricted system in that skilled migrants might not be facilitated adequately in entering a profession with shortages. The chairperson of Google, whose headquarter is based in Dublin, stressed the difficulty

with hiring suitable candidates in Ireland due to insufficient skills in mathematics and science. Consequently, the company decided to hire people from non-EU countries, e.g. Russia and Ukraine, but cited the difficulty with the restriction of the employment permit system. This was disputed by Government officials but details were not disclosed^{xxvii}. Further to this, Sean O'Sullivan, the chair person of MapInfo stressed a serious skill shortage of the technology sector such as software developers. He argued that Ireland needs to be more proactive in recruiting international IT professionals if it wishes to maintain its leading position in the software industry^{xxviii}. Those opinions suggest that the review of the current system can be useful. More importantly, there needs to be recognition that Ireland still needs skilled workers despite the recession and an effort has to be made in supporting firms with recruiting workers from outside the EU.

Business Permission

EU nationals, including Romanian and Bulgarian nationals, are free to enter Ireland and set up their business. In contrast, non-EU nationals need either a residency permit, in practice Stamp 4 in their passport, or business permission to start their business.

The Annual Integration Monitor 2011 noted that between 2008 and 30 April 2011 only 431 permits were issued (Annual Integration Monitor 2011).

Discussion On Policy Towards Non-EU Businesses

A number of commentators, including Pinkowski and The Integration Centre highlighted that the Business Permission system was not successful as a result of onerous conditions such as employment and investment requirements.^{xxix} The creation of at least two jobs and the investment of €300,000 up front were high barriers that most new Irish business would have failed to pass.

Therefore, it was widely welcomed that Minister Alan Shatter introduced the Start-up Entrepreneur Programme in 2012, which sets out more realistic and achievable conditions. It requires financial backing of €75,000 through business angels, venture capital providers or a financial institution regulated by the Financial Regulator. Personal funding transferred to the State or a grant from a relevant State

agency would also be acceptable. This represents a welcome shift in terms of capital requirement and form of finance accepted. Crucially, applicants will not be required to produce employment in this developmental stage of the business. This is important because most new start-ups do not employ people initially. The requirement of innovation should not pose great difficulty for immigrants who have shown creativity and the capacity to produce innovative ideas.

The second scheme, the Immigrant Investment Programme, in practice fills a vacuum in the current immigration system which did not allow for the entry and residence of immigrants for investment purposes. Many other countries already have in place similar programmes: the UK, US, Canada and Australia are some of those countries where this regime has proved popular. The investment threshold can be regarded as sufficiently high to circumvent any suggested abuse of the immigration system. This move can enhance, and to some degree restore, Ireland's reputation as a destination for foreign investors. The investments are valuable at the time when Ireland needs extra capitals for boosting its economy.

Ireland has successfully attracted international students in recent years. Until 2007 the regime was cumbersome for non-EU graduates who wished to secure employment here, as in principle they were required to leave Ireland in order to apply for an employment permit. 2007 saw the introduction of the Third Level Graduate Scheme which allowed non-EU graduates to stay in Ireland for six months (this was increased to one year for students with a Master Degree and above) to search for employment and apply for an employment permit. This is a positive development. In Germany international students have developed into a key source of labour migration. In Ireland access to the labour market needs to be limited in the current economic climate but graduates in areas of existing shortages should be encouraged to stay in Ireland.

To date policy has not been developed around encouraging and supporting migrant graduates in setting up business. A report studying US successful businesses in the field of technology and engineering showed that many of the owners arrive in the US as a student.^{xxx} Pinkowski argued that 'education provides the preparation that needs incubation'.^{xxxi} The new student regime indicated that a mechanism will be introduced that would allow students to set up a

business without having to leave Ireland.^{xxxii} This is to consist of passing a rigorous business evaluation test which assesses through the involvement of a panel of business experts; whether the prospective business has sufficient potential that justifies it being issued a business permit. It remains to be seen how this facility will develop and what impact it will make. It is regrettable that since this announcement policy guidelines have not yet been adopted. In addition it would be useful to clarify if students can apply for the Start Up Entrepreneur Programme without having to leave Ireland.

Good practice

- In Germany, one of the main drivers of policy in recent years has been reported labour shortages in certain occupations. In order to have better information on this, the Federal Ministry of Labour and Social Affairs is developing a job monitoring system, with a view to mapping out present and future labour requirements, subdivided by industries, skills and regions. Entry is also possible under temporary labour migration programmes, although these are primarily for nationals of the new EU member countries.
- In Canada, government established an Action Plan for Faster Immigration in 2008 intended to reduce the backlog of applications from foreign workers. In order to make Canadian migration policy more flexible and responsive to changing labour demands, the plan also introduced the possibility of amending admission procedures on short notice through ministerial instructions. A first set of ministerial instructions was issued in November 2008 and defined eligibility criteria for foreign workers. They either need to hold a job offer, or have been temporary residents in Canada before, or demonstrate work experience in one out of 29 shortage occupations. The new measure now allows Citizenship and Immigration Canada to return unprocessed applications that are not aligned with Government of Canada objectives. A second set of ministerial instructions was issued in June 2010 and limited the number of new applications to be considered under the shortage occupation scheme to 20,000 per year and 1,000 per occupation. In addition, all permanent

migrants now need to prove language proficiency through an independent test.

- In the US, there is currently a heated debate ongoing in relation to the H-1B visa programme. This programme enables US employers to hire highly skilled foreign workers for three years. Kerr (2011)^{xixiii} shows that an uptake in the number of H-1B visas given to Indian and Chinese engineers correlates with an increase in the number of

US patents. Furthermore, he argues that the programme seems to have no overall effect on the number of jobs held by American-born scientists and engineers, nor does it affect the number of patents from inventors who have Anglo-Saxon names. He believes that immigrants are extremely important to innovation.



Section 4

INACTIVITY AND WELFARE USE

Inactivity

Inactive people are those who are not in employment and are not looking for work actively. Those include groups that are retired, do home duties, study and those who are unable to work. Inactivity has been lower among non-Irish nationals than Irish nationals. Census 2011 showed that non-Irish nationals made up 9% of all inactive people which is lower than their share in the general population. There has been some increase among inactive non-Irish nationals, but this is mainly the result of a growing number of international students who tend to stay in Ireland for the duration of their studies.

Lower inactivity means higher activity rate. Activity rate is calculated by looking at share of the total labour force, those who work and are looking for work, within the general working age population. Non-Irish nationals have had higher activity rate than Irish nationals and continue to have a smaller share of inactive people among themselves. In

2011 activity rate was 13per cent higher among non-Irish nationals.

Clearly, this is partly due to larger number of older retired people among Irish nationals.

When comparing the 15-64 cohorts, the Annual Integration Monitor still found that activity rate was 4% higher among non-Irish nationals in 2010 and 2011.^{xxxiv}

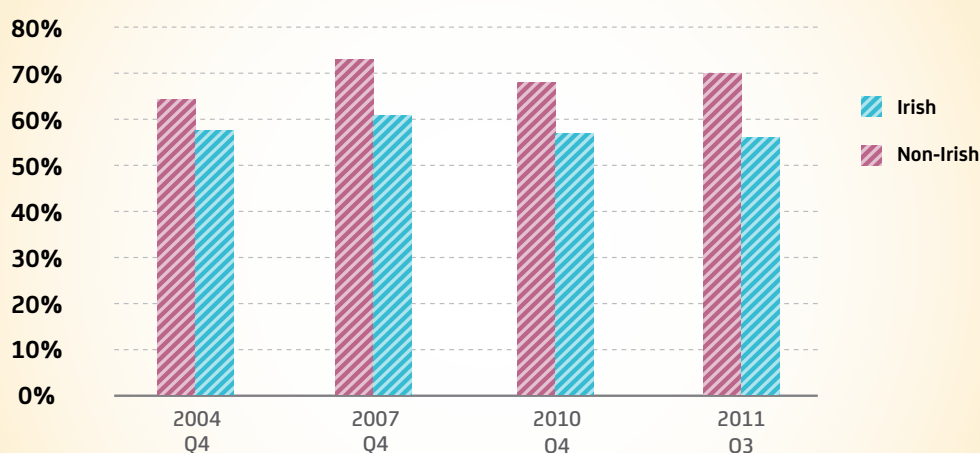
Welfare recipients

It is worth looking at the number of jobseeker payment recipients who are non-Irish. Live Register figures from March 2012 show that non-Irish registrants accounted for 18 per cent of claimants and this has been around that same figure in recent years.

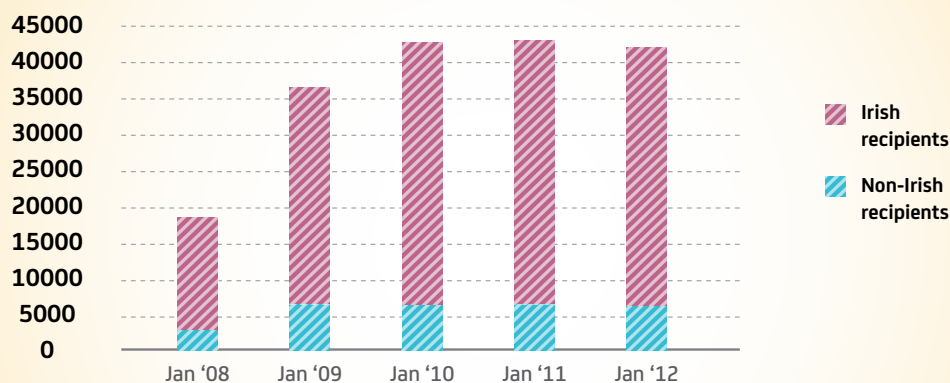
Although 18 per cent is higher than the share of non-Irish nationals in the general population (12%) this should be read in the context of employment loss among non-Irish nationals. Indeed, non-Irish employment has decreased by

FIGURE 10

ACTIVITY RATE AMONG IRISH AND NON IRISH NATIONALS 2004-2011



Source: Quarterly Household National Survey

FIGURE 11**NON-IRISH/IRISH ON LIVE REGISTER 2008-2012**

SOURCE: CSO, Live Register based on Department of Social Protection data

40 per cent since 2008 compared with 10 per cent among Irish nationals. An estimated 150,000 non-Irish nationals lost their employment in that period while the number of jobseeker payment recipients remained around 75,000. Non-Irish claimants on the Live Register represented 14 per cent of the total non-Irish population..

A further break down of Live Register claimants reveals an important trend: non-Irish nationals' share is higher among Jobseeker Benefit recipients – where entitlement is based on PSRI paid to Revenue and lower among Jobseeker Allowance recipients, where entitlement is means tested.^{xxxv}

Discussion: Welfare Usage

Data above reveals that many migrants who lost their job in the period 2008-2011 did not become recipients of a jobseekers payment. Earlier in 2008, Barrett and McCarthy (2008)^{xxxvi} looked at the impact that welfare has on influencing the decision to immigrate to Ireland. In the various international studies they looked at, it was affirmed that immigrants tend to use welfare more intensely than natives. However, they found that this was not the case in Ireland. Drawing upon Barrett & McCarthy (2007)^{xxxvii} the analysis of immigrants' welfare use in Ireland finds their receipt rates to be, on average, half that of the native population. It is also the case that the educational attainment of immigrants coming into Ireland has tended to be higher. Barrett and McCarthy (2008) suggest that the entry selection process in

Ireland and limited eligibility for social welfare has helped ensure that immigrants in Ireland tend to be less dependent on welfare than the native population.

Indeed, access to social protection is strictly regulated. Successful applicants must demonstrate a link to the country. Most commonly, they need to be in employment for a period, apart from refugees and beneficiaries of subsidiary protection who cannot be expected to have worked previously. Particular difficulties arise when applicants do not have a clear record of their employment. That said, apart from Supplementary Welfare Allowance for EU nationals, examining applicants' link to Ireland is not restricted to examining only employment history of applicants but other aspects of their stay such as location and ownership of home, location of family members, location of financial assets etc. Furthermore since 2009 temporary residents cannot access social welfare assistance payments and child benefit which is why asylum seekers are not eligible for payments. Added to that, non-EEA students on a student visa are not entitled to social welfare payments as they need provide evidence of means to support themselves. It also important to note that non-EU nationals might not apply for social welfare payments because doing so may jeopardize their application for long term residency and citizenship. While there are no rules specifying if applicants may be in receipt of social welfare payments, the practice has been that those on social welfare assistance payments (not based on contribution but means) were refused. Therefore, the

pool of potential non-Irish applicants for social welfare assistance payments may be smaller than believed.

Among those who have applied, the complexity of the regulation and lack of clarity led to a significant number of wrong decisions, which were overturned. In 2011 over **40%** of social welfare appeals with regard to the Habitual Residency Condition were successful. In 2012 until 31st May 5,373 appellants were successful: that is **47.5%** of the appeals lodged. Of note is that it can take more than a year to receive an appeal decision and people are often without payments during this time.

New guidelines were adopted in 2011. It was suggested that the publication of appeal decisions with a positive outcome would bring greater clarity for both officers and advocacy organisations.^{xxxviii} It is too early to determine to what extent the new guidelines alone have improved the decision-making. Even if decision-making becomes better, access to social protection for immigrants remains strictly regulated.

It is also worth noting that there is little international evidence to support the view that immigrants are attracted to a country by the generosity of its welfare regime. Networks and employment opportunity tend to be much more influential drivers of migration. This is clearly the case in Ireland.

Use of activation measures

It is important to shed some light, as far as data allows, to what extent non-Irish nationals avail of activation measures. Figures showing the number of non-Irish nationals utilising the Back to Education Allowance is significant: 4,288 non-Irish national jobseekers re-entered the education system thanks to the assistance of the Back to Education Allowance^{xxxix}. The Back to Education Allowance is a scheme for unemployed people, lone parents and people with disabilities who are getting certain payments from the Department of Social Protection.¹

Non-Irish nationals accounted for 17% of all Back to Education recipients, a figure which is similar to their share among registered jobseekers.^{xl} This is an indication of their willingness to avail of educational opportunities in order to increase their chances in the labour market.

Furthermore, 8% of the participants of the Springboard programme were non-Irish nationals.^{xli} Springboard offers job seekers the option to take up a part-time course in higher education and training, free-of-charge. Learners can study information and communications technology (ICT); the green economy; qualifications for the bio-pharma-pharmaceutical sectors as well as a range of courses developing innovative business and entrepreneurship skills.²

TABLE 4

SUCCESS OF HABITUAL RESIDENCY CONDITION APPEALS WITH DEPARTMENT OF SOCIAL PROTECTION

Year	No. of HRC Appeals Decisions	Appeals Upheld /partially Upheld	Appeals Disallowed	Success Rate of Appeals
2009	1,383	328	1,055	31%
2010	4,146	747	3,399	18%
2011	5,549	2,369	3,180	43%

Source: Parliamentary Question, 30 March 2012, 394/2012

¹ The scheme is only available for EU nationals and non-EU nationals with Stamp 4 (residency permit). The person must be getting one of the social welfare payments listed below for at least 3 months for second level and 9 months for the third level option immediately before starting the course. At postgraduate level only Higher Diploma courses and specifically Diploma in Education are eligible; Master Degree courses cannot be applied for. Furthermore, if already holding a postgraduate qualification, a person cannot qualify for BTEA (Department of Social Welfare, SW 70 Leaflet).

²Springboard aims to support two particular groups of jobseekers:

- those who hold an award at Level 5 or FETAC Level 6 (or equivalent) on the National Framework of Qualifications (vocations), and who have a previous history of employment in construction, manufacturing or other parts of the economy where employment levels are unlikely to recover to pre-recession levels.
 - those with a previous history of employment who hold a higher education qualification at NFQ Levels 6-9 and who believe that they would benefit from upskilling or reskilling to re-enter the labour market.
-





Section 5

SKILLS AND OCCUPATIONS

Data

Ireland has predominantly received a skilled immigrant population since large-scale immigration began at the end of the 90s. The Annual Integration Monitor 2010 and 2011 highlighted that non-Irish nationals were more highly skilled than Irish nationals: in 2011 45 per cent held a third level qualification compared with 32 per cent of Irish nationals.^{xliii} Ireland continues to have a more skilled immigrant population than most other EU member states. While re-training and vocational language development may be needed for certain groups, this puts Ireland in a unique position.

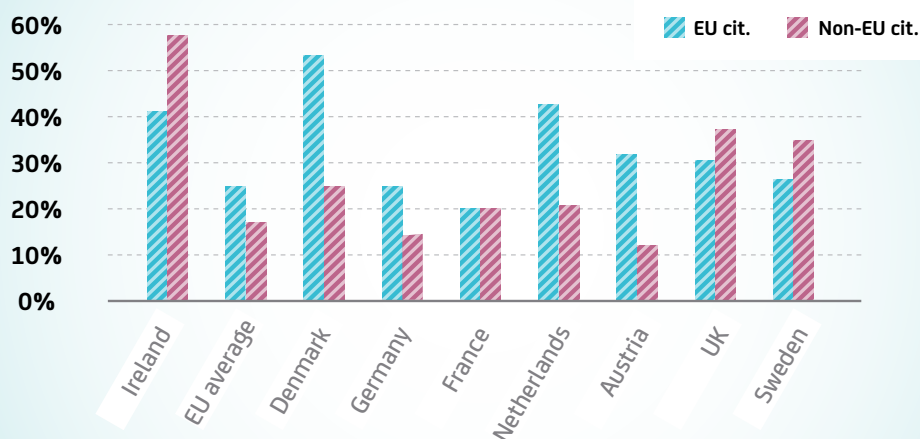
Recent figures from Census 2011 confirm the high qualification level of the non-Irish

population.^{xliii} These figures relate to those who have completed their education and therefore offer suitable evidence to map the qualification level of groups. Not only do many non-Irish nationals hold third level qualifications but the share of early school leavers is very low.

Among the broad nationality groups, old EU countries had the highest skilled population (52.1%) but a remarkable share of non-EU nationals also held third level degrees. Since the figures exclude the large number of non-EU students on student visas (they are in full-time education), it is safe to say that not only workers are represented among the 44% non-EU nationals with third level qualifications but other groups such as family members of workers, parents of Irish born children, and refugees.³

FIGURE 12

SHARE OF FOREIGN POPULATION WITH TERTIARY EDUCATION WITHIN SELECTED EU STATES

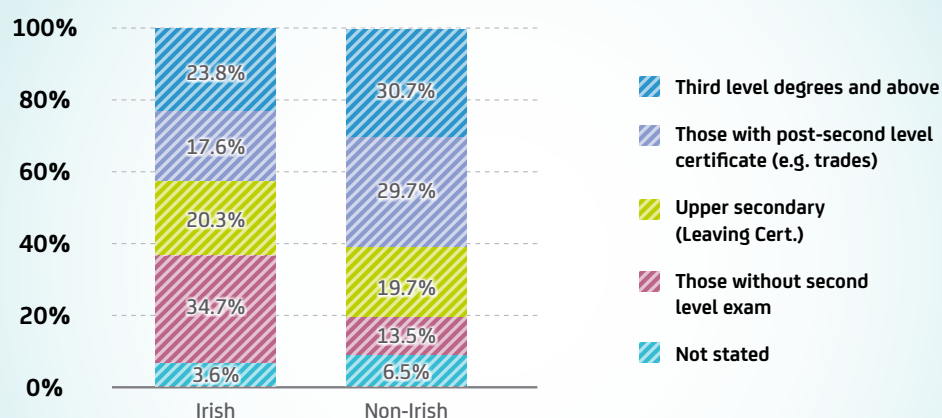


Source: Eurostat, 2009

³ Based on Eurostat figures, the Annual Integration Monitor 2011 shows the composition of the non-EU population between 2008 and 2010 as per purpose of registration (e.g. students, workers, family reasons, other).

FIGURE 13

HIGHEST EDUCATION ATTAINMENT AMONG THOSE WHOSE FULL-TIME EDUCATION CEASED, IRISH/NON-IRISH, 2011



Source: Census 2011, Part 2

Non-Irish nationals have made Ireland much more diverse linguistically. They represent an important asset in consideration of the relatively poor record of language skills in Ireland. 11% of the population, spoke languages other than English or Irish at home in 2011.^{xliv}

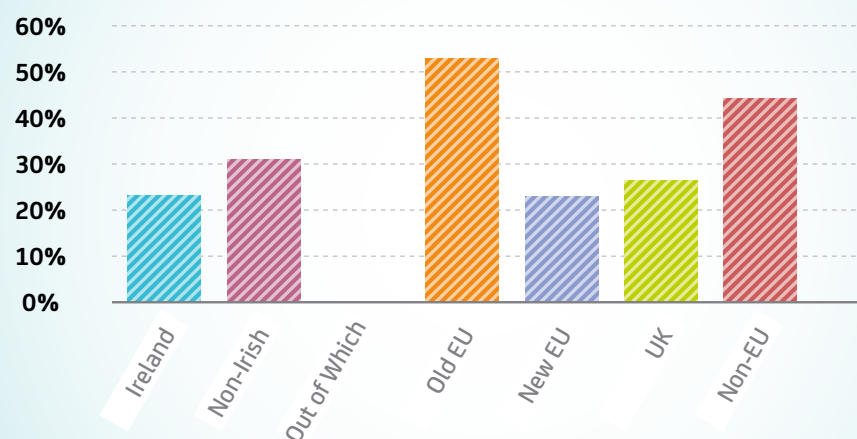
Importantly, more than a quarter of those foreign

language speakers were born in Ireland. For instance, two thirds of French speakers; and half of German and Spanish speakers are Irish-born. It is safe to assume that those Irish born people would acquire a high level of English and therefore can be categorised as bilingual.

English language is seen as essential in entering the labour market and starting a viable business in

FIGURE 14

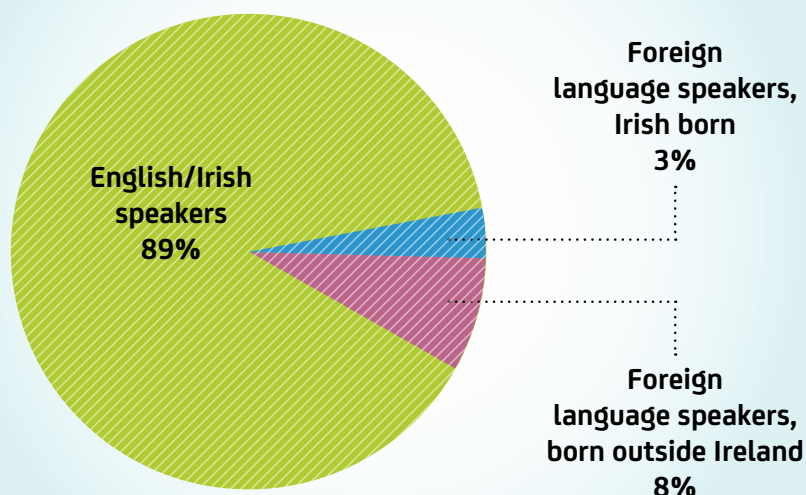
SHARE OF DEGREE HOLDERS AMONG THOSE WHOSE FULL-TIME EDUCATION CEASED, BROAD NATIONALITY GROUPS 2011



Source: Census 2011, Part 2

Figure 15

LANGUAGE SPOKEN AT HOME



Source: Census 2011, Part 1

Ireland. Successful economic integration of migrants cannot be separated from attaining conversational level English, combined with vocational specific terminology where required. Language is a major tool in utilising migrants' qualifications. Internationally, a lot of debate revolves around the problem of poor language skills of migrants in reference to the main language used in the host country. It is often argued that a major reason behind the under employment of immigrants is inadequate language skills. Both the Census 2011 and the National Workplace Survey found that the majority of migrants do not have major problems with speaking English, although a minority did report problems.^{xlv}

Discussion: Utilising Skills

According to the latest data approximately 30% of non-Irish employees worked as a manager or professional and a further 16.5% were employed in clerical and craft occupations. This suggests that a considerable proportion of non-Irish nationals were able to use their skills and continued making essential contributions to the Irish labour market.

A breakdown of occupational groups shows that migrants were more successful in certain occupations than others. They have a higher than average

share among health professionals and science and engineering professionals but lower than average among corporate managers; business, media and public service professionals as well as teaching and educational professionals.

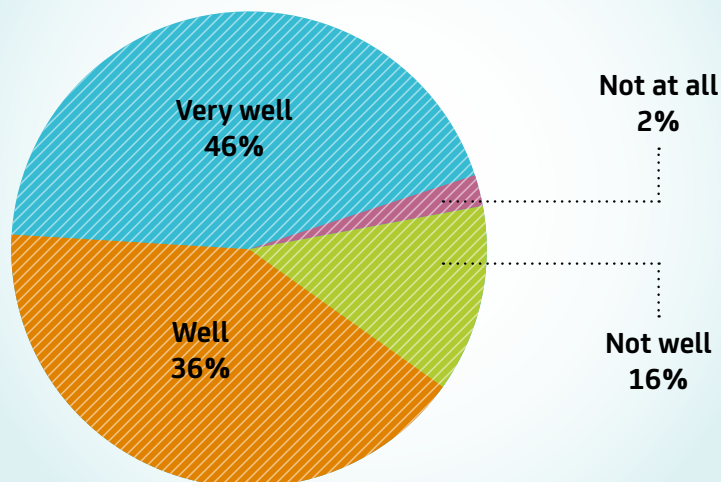
QHNS allows for comparing the share of third level degree holders with those with managerial and professional jobs. It is useful to look at the new Census data from 2011 too, as it offers a precise map of the qualification level of the working age population by showing the share of those who completed their education in the working age population. When further figures are released from the Census 2011, more precise calculations can be made in respect of the economic status of those non-Irish nationals who have completed their education.

Looking at solely the QHNS data (first two columns) a large gap can be observed between the share of third level degree holders and those employed as managers or professionals within the working age population; this can be linked to the fact that a large number of third level degree holders are likely to be in education. The Census data offers a more realistic picture (as it excludes students) although it only allows for a rough comparison due to the difference in methodologies. Both datasets demonstrate that non-

TABLE 5**SHARE OF BROAD OCCUPATIONAL GROUPS AS PER BROAD NATIONALITY GROUPS 2011**

Broad Nat Group	Managers, Professionals and Associate Professionals	Clerical, Secretarial & Craft	Personal & Protective, Sales and Plant & Machine Op.	Other
Irish	42.5%	22.7%	28.2%	6.6%
Non-Irish	29.3%	16.5%	37.3%	16.9%
Of which				
UK	55.0%	18.2%	21.3%	5.4%
Old EU	49.5%	15.1%	31.9%	3.6%
New EU	10.9%	18.6%	42.9%	27.6%
Non-EU	41.2%	12.1%	38.3%	8.4%

Source: Annual Integration Monitor 2011 (based on QHNS 2010 Q4)

Figure 18**ENGLISH LANGUAGE ABILITY AMONG FOREIGN LANGUAGE SPEAKERS AS PER WORKING AGE GROUP**

Source: Census 2011, Part 1

Irish nationals, and within certain groups, presumably do not work in their area of qualifications.

It appears that both Irish and UK nationals are relatively successful in securing top occupations even without third level degrees. In contrast, many New EU nationals from the Accession States and a small but significant group of non-EU nationals and old EU citizens do not work at their skill level. As can be seen in the previous table, Accession State Nationals have the lowest share of managerial and professional positions.

Several pieces of research provide further information about the extent and potential reasons for under-employment, identifying sub-groups that are more affected.

The Annual Integration Monitor 2010, using data from the National Workplace Survey, showed that people born in Africa as well as Asia and the Middle East were more likely to feel over-qualified for their work than other non-EU groups. Since many Asians are students and usually work during their studies, arguably more

Africans may work under their skill level than other non-EU groups.^{xlvi} In 2008, “Getting On”, a study of 400 people belonging to four large ethnic groups, highlighted that half of Nigerian’s qualifications were recognised at work compared with 70% of Indians. In that context it is important that Nigerian respondents were mainly political migrants whereas the majority of Indians came to Ireland through the employment permit system. There were important differences among genders, as almost all Indian women and two-thirds of Nigerian women were satisfied with the recognition of their qualification as opposed to over half of Indian and 40% of Nigerian men. A good number of Indian men may have arrived on spousal permit and therefore had to search for employment in Ireland unlike their spouse e.g. nurses on work permit.^{xlvii} Therefore, the mode of entry seems to influence the likelihood of facing problem with using foreign qualifications, with spouses of migrant workers and political migrants being more affected.

TABLE 6

TOP OCCUPATIONS AND TOP SKILL GROUPS, BROAD NATIONALITY GROUPS, 2011

	Share of managers, professionals and associate professionals in working age pop.	Share of those with third level degree and above in working age pop.	Share of those with third level degrees who completed their education in working age pop. ⁴
Source	QHNS, Q4, 2010	QHNS, Q1, 2011	Census, 2011
Irish	21%	32%	20.2%
Non-Irish	17%	45%	22.7%
<i>Of which</i>			
UK	26%	43%	24.1%
Old EU	34%	65%	40%
New EU	7%	33%	15.4%
Non-EU	21%	57%	26.3%

Source: Annual Integration Monitor 2011 (QHNS Q4 2010/Q1 2011) and Census 2011, own calculations

⁴ The share of third level degree holders here is estimated in respect of the total working age population and not in respect of all of those who completed their education.

Language is a key factor in progressing in the labour market and Census showed that around 18% of the working age population reported difficulty with English. In particular, there is a considerable group of Accession State Nationals who does not speak English well or not at all which decrease their job opportunities.^{xlviii}

Only 2% of the foreign language speaking population stated that they do not speak English at all, the rest of the group with language difficulties were those who spoke English but not well. Among foreign language speakers from the New EU states, those with virtually no English accounted for a small minority of foreign language speakers from those countries: around 9,000 people.

Ultimately, it can be accepted that the level of skills and work experience offered by the vast majority of Accession State Nationals are beneficial to the Irish economy and warrants language support for those who need it. In the same study above there were several teachers among Lithuanian respondents, none of whom practiced their profession in Ireland.^{xlix} It can be suggested that there are other barriers than language

preventing their entering their original professions.

In the period of 1999-2007 around one in four labourers were non-Irish, many of whom from Central and East Europe. 18% of those labourers held third level qualifications.ⁱ One frequently given explanation is, apart from language, that a lot of New EU nationals did not plan to stay in Ireland for a long period and they were happy to work under their qualification level. Most recent figures from Census 2011 suggest however that many EU nationals stayed in Ireland despite the recession and based on the increase in the number of females they are likely to live here with their family members.

It is obvious that the recession also narrowed employment opportunities both for migrants and natives . Many skilled and experienced migrants may need to consider re-training and up-skilling. In that context it is interesting to note that while there are unemployed Irish with third level qualifications, they are much less likely to be without a job than their non-Irish counterparts.

Barrett et al (2006)ⁱⁱ suggested that, when not taking

TABLE 7

LEVEL OF UNEMPLOYMENT WITHIN DIFFERENT SKILL GROUPS AS PER IRISH AND NON-IRISH NATIONALS, 2011

Skill Groups	Irish	Non-Irish
Total whose full-time education has ceased	17.73%	21.80%
<i>Out of which</i>		
Primary or no formal education	35.31%	44.58%
Lower secondary	28.65%	34.95%
Upper secondary	19.24%	25.99%
Technical/vocational	18.90%	25.19%
Advanced certificate/completed apprenticeship	16.81%	21.68%
Higher certificate	9.94%	18.60%
Ordinary bachelor degree/professional qualif.	7.81%	15.31%
Honours bachelor degree/professional qualif.	6.59%	12.24%
Postgraduate diploma or degree	4.83%	10.65%

Source: Census 2011, Profile 6

TABLE 8

FOREIGN LANGUAGE SPEAKERS (SPEAKING LANGUAGES OTHER THAN ENGLISH OR IRISH AT HOME) WHO REPORT PROBLEMS WITH ENGLISH⁵

Broad Nat Groups	Those who do not speak English at all	Those who do not speak English well	Those who speak English well or very well
New EU	9,202	45,290	151,982
Asian	1,036	6,814	48,922
Old EU	311	1,641	36,494
Non-EU European	297	2,283	11,582
American	292	1,978	8,658
African	181	1,864	27,344
UK	Smaller than 100	257	4,570
All other	Smaller than 100	428	1,951
Total	11,400	60,565	291,714

Source: Census 2011, Part 1

account of the occupational skills gap, the increase in the high-skilled labour supply exerts downward pressure on the high-skilled wage, which falls by around 6 per cent in the long-run. The net result is that the improvement in competitiveness results in an increase in output, employment and productivity, resulting in GNP being between 3.5 and 3.7 per cent higher than it would have been in the absence of the skilled immigration. But when the occupational gap is taken into account, the increase in GNP is more muted, with high-skilled immigration resulting in GNP being 2.8 to 3 per cent higher than it would have been in the absence of high-skilled immigration.

Naturally, migrants may make compromises in the short-term and they are expected to do so in recession. Nevertheless, it is advisable to avoid assuming that a large part of the immigrant population remains in low-skilled sectors. In Germany, where many immigrants are long-term residents, nearly half of the foreign migrant workforce is

employed in labour intensive, low wage sectors. A similar experience in Ireland would be particularly regrettable considering the high skill level of the immigrant population.

In the current economic climate many migrants with third level and post-secondary qualifications may not be able to find employment in their original professions. They may be required to re-enter training and third level education. Several need to improve their English. However, the qualification and work experience of migrants are of benefit to the labour market and labour activation measures should be designed with consideration of this.

⁵ There were four possible answers: speaking English Very well, Well, Not Well or Not at all. For the sake of simplicity, the table focuses on those who did not speak English well or not at all since presumably they need assistance the most.

FIGURE 19

BROAD OCCUPATIONS SORTED BY SHARE OF NON-IRISH NATIONALS, 2011



Source: Census 2011, Part 2

Section 6

THE BUSINESS CASE FOR THE INTEGRATION OF IMMIGRANTS

The bulk of evidence at both the international and domestic level indicates clearly the economic and financial benefits that migration provides for the host country, the country of origin and the migrants themselves. Immigrants bring new skills with them, they help satisfy labour shortages, and contribute to greater flexibility in the labour market.

Non-Irish nationals now represent a very significant economic resource in the Irish economy and despite the difficult economic climate they still play a key role in the workforce. It is incumbent on Irish policy makers to ensure that their economic potential is being maximised. From an economy point of view this is important, but equally important to achieve social cohesion and avoid fragmentation of society. To put it in simple terms, integration means that immigrants and their families are fully and equally involved in the economy and social and cultural life of the country in general. It is in everybody's interests to work towards the greatest level of integration possible. In recognition of this objective, in the programme for government published in 2011 the incoming government committed to promote policies to integrate ethnic minority groups and which promote social inclusion, equality, diversity and the participation of immigrants in the economic, social, political and cultural life of their communities.^{lii}

There are two key ways in which economically active immigrants contribute to the economy - they contribute as employees and as entrepreneurs who provide employment. The contribution they make on both fronts will be determined by a range of factors including education and socio-economic background, but having the support in place to promote integration is of vital importance.

Support With Economic integration

There are migrants who need assistance in addressing shortfalls (e.g. language) in order to utilise their economic potential. In addition, recession impacts negatively on everyone in the labour market, but particularly affects immigrants and other groups, such as young people, who tend to have less secure contracts and are the latest arrivals in the labour market. This group is in need of viable re-training options in order to compete in a shifting labour market.

A conservative viewpoint tends to see the position of those groups as an excessive demand on the public purse. Therefore it advocates for the departure of immigrant groups. The labour market adjustment is to a large extent being facilitated by outward migration of both Irish and non-Irish workers. Such flexibility is desirable, but the key risk is that valuable skills and growth potential are permanently lost to the economy. Therefore it makes economic sense to retain a good number of immigrant workers and support them in their training needs if necessary. Arguably the resource implication of supporting them is less substantial than is believed and the long-term benefits outweigh the initial costs. Effective responses to the needs of immigrants can also have a positive impact on the situation of the native population, and visa versa. For instance, improving written language skills of immigrants may inform and inspire literacy programmes aimed at the general population. Lastly, those advocating for the

...the key risk is
that valuable skills
and growth
potential are
permanently lost

departure of immigrants may discount the fact that many immigrants are committed to this country and ready to contribute.

Below a number of labour activation measures are introduced that can be seen as conducive to the economic integration of migrants. The example of good practices from other countries serve to illustrate that measures can be put in place with success in recognition of the fact that investment in immigrants (and others) in the labour market will produce benefits.

Language Provision

English as a Second Language (ESOL) course is the responsibility mainly of the Vocational Education Committees through the Adult Literacy Services. Mostly but not exclusively, those courses are run by further education colleges. In 2010 there were 11,500 participants in ESOL courses and a further 1,500 people received English language tuition under the Back to Education initiative. In addition, the Adult Refugee Programme, an orientation programme with a primary focus on language development for non-EU nationals with a residency permit in Ireland, had 800 participants in 2010.^{liii} Those services have been very valuable for adult learners. However, due to reduced funding those courses primarily target basic learners with much fewer intermediate or advanced courses on offer. Even among basic learners the demand now outstrips supply in light of the estimated 65,000 people reporting poor English skills. Added to that,

only the Adult Refugee Programme, the only intensive language programme, take people with specific status and they have recently suffered drastic cuts with the result of reducing the programme duration from 12 months to 6 months.

On a more positive note, there are a number of positive voluntary

initiatives through Partnership Companies and the Third Age Foundation. The latter started the highly successful Failte Isteach programme which now receives some support from the Office for Promotion of Migrant Integration. They teach conversational English to 1,150 students through 440 volunteers that are supported by four paid staff.

The current economic difficulties mean that some cuts are inevitable in service provision. However, a more demand-led funding dispersal along with a centralised enrolment system at county/area level could contribute to a more efficient regime. The latter one already functions well in Limerick and Cork. Collaboration with private providers in running courses or operating a voucher system could be considered. Furthermore, dissemination of materials through community organisations and online could benefit voluntary initiatives as well as learners themselves. Ultimately any further cut in service provision should be weighed against the cost of marginalizing groups in the labour market; groups that otherwise tend to be skilled. Other countries offer a wider variety of courses as they recognise the long-term benefits of offering adequate language support. It is regrettable that cuts were made to the Adult Refugee Programme considering that the programme was the only statutory agency providing an intensive language and orientation programme, which was received by 800 people in 2010. Considering the small number of people availing the course, the saving achieved by shortening the programme cannot be substantial.

Children represent the future workforce. Those who do not speak English at home need adequate support. Regrettably, language support has been cut in recent years without a proper examination of the current regime. The current language support system in school should be reviewed with a view of greater efficiency and cuts should be halted until proper needs assessment is put in place. Failing to support language learning produces problems among second generation immigrants, which is too clear in countries such as Germany and France.^{liv}

Notwithstanding the effort made by parents to maintain languages of their country of origin, some level of assistance by the state would be beneficial for both migrant and native children. Pilot initiatives for teaching foreign languages (e.g. in the form of after-school programmes) for primary school children should be developed in selected local areas where those languages are present in large numbers due to the presence of migrant pupils. It is a great opportunity for Ireland to enhance foreign language skills with the arrival of French, German, Russian and Arabic speaking pupils. A cross fertilisation of language skills would be possible if immigrants helped Irish children with their language and Irish children helped immigrants with English.

It is a great opportunity
for Ireland to enhance
foreign language skills
with the arrival of French,
German, Russian and
Arabic speaking pupils.

Good practice

- In Canada, *English for Specific Purposes* courses are widely available. They teach specific vocabularies relevant to different occupations such as engineers, software developers and aircrew.
- In the United States, the Basic Education and Skills Training Programme combines workforce training with English language concentrating on both language and occupational skills. Further to this, they modified their programme to suit the needs of non-traditional students, to which group migrants often belong, as they are less likely to be able to attend full-time courses, often have low income and need support with child care. The programme supports non-traditional students by assisting with transportation, child-care, grants and offering part-time (evening) arrangements.^{lv}
- In Sweden, foreign medical professionals must sit a compulsory language test in Medical Swedish. Firstly, immigrants with a residency permit are entitled to an intensive language course, entitled Swedish for Foreigners. Secondly, a voluntary preparatory course for the Medical English exam is available, which is financed by the authorities. Furthermore, candidates can re-sit parts of the medical knowledge examination that they may fail.
- In Portugal, language training is provided alongside mid-level technical courses in such areas as hospitality, construction, beauty and civil engineering.
- In British Columbia and Sweden, non-native speakers at secondary level take part in a preparatory programme prior to joining a regular class. At primary level, in British Columbia the immersion programme with intensive language support at primary level has explicit standards and goals. In Sweden, the subject Swedish as a Second Language which is taken by non-native speakers (after the preparatory programme), has a curriculum. Immigrant students in both Canada and Sweden perform well according to PISA results.^{lvi}

Information On Qualification And Skill Assessment

An important aspect to qualification recognition is collecting information on the equivalence of the foreign qualification in question, including the issuance of a comparability statement and steps needed for registration with professional bodies if necessary. In Ireland the National Qualification Authority of Ireland provides information on foreign qualifications by comparing them to an Irish qualification placed at a particular level on the Irish National Framework of Qualifications (NFQ).⁶

In practice NQAI issues a comparability statement. The service is free of charge but submitted documents have to be translated. NQAI also operates a database of foreign qualifications where information can be directly obtained on the Irish equivalent of the foreign qualifications.

Entry to regulated professions is governed by the professional body in question. NQAI offers limited information on those professions. Information can be gained from the professional bodies in question; but the registration process with professional bodies is often slow and bureaucratic for foreign trained applicants. In general the registration requires passing the validation process with the professional body in question, which may entail completing an exam or passing an adaptation period. EU nationals are provided with a more automatic route in a number of regulated professions such as nursing, dentistry, veterinary surgeons, midwives, pharmacists, and architects. In Ireland there are some resources explaining occupational categories and requirements; however, those do not include any specific information for immigrant professionals. The NQAI website itself does not provide links to those websites or offer a list of relevant resources on occupations.

There has been much improvement in terms of

the registration process
with professional
bodies is often slow and
bureaucratic for foreign
trained applicants

⁶ The National Framework of Qualifications is a system comprised of ten levels. It is designed to capture all learning, from the very initial stages to the most advanced.

awareness of the qualification recognition service. Many people are satisfied with the service by NQAI (although there are some remaining problems with cost of translation and in some cases, dispute over level of recognition.) But beyond the issuance of a statement, there has been less emphasis on detailed skill assessment than recognition of qualifications. Services are not provided with any support in assessing people's competences and skills. As it can be seen below, a number of countries developed resources which combine information on occupational requirements and qualification recognition process including signposting to professional bodies and relevant organisations as well as resources. Thus they provide a resource that can be used by immigrants in understanding their career options in the country in question. Further to this, a number of countries have developed tools and services in order to map prior experience and learning more effectively.

Good Practices

- In Germany a network, "Integration through Qualification", has been working to increase the chances of migrants finding lasting employment. Between 2011 and 2014, the network's tasks were extended with the aim of consolidating labour market policies and instruments. This will be achieved through building intercultural skills among employment service personnel, and developing a structure for the implementation of the planned law on the recognition of foreign qualifications.
- The Australian Skills Recognition Information offers a comprehensive information package on various occupations in terms of requirements, authorities responsible for qualification assessment and professional admission. This is combined with information on immigration status and entitlements.
- In the US, several professional bodies set up a dedicated unit, commission or service targeting foreign trained professionals. In essence, that means that professionals including architects, lawyers, dentists, physicians, pharmacists and social workers are provided with a dedicated contact point which they can consult with regard

In the US, several professional bodies set up a dedicated unit, commission or service targeting foreign trained professionals.

to their professional recognition. Often the aforementioned services manage the registration process, too.

- The British Medical Association produced a guide to doctors new to the UK where it gives a detailed explanation of the health service, registration process, job seeking within the medical profession and immigration rules.
- In Denmark, Knowledge Centres for the Clarification of Competences of Refugees and Immigrants play a key role in qualification recognition of foreign trained people. They developed a detailed assessment of competences, culminating in the adoption of a competence card. That instrument is more suitable for a detailed assessment of prior experience and knowledge than CVs and one-page comparability statements. Employers became aware of this tool which is available online.

- Netherland Organization for International Cooperation in higher education (Nuffic) is one of the most developed centres in Europe. They offer two types of courses for services involved in qualification assessment. The purpose of the first course is to familiarize users with the country modules and how they can apply the information to evaluate foreign credentials. The more individualized course is tailor-

made and developed together with individual clients to meet their specific training needs. The course is primarily intended for staff working at education institutions and in private companies for the purpose of enabling them to understand and assess foreign qualifications without relying on the direct assistance of Nuffic.

- In the UK, The Refugee Assessment and Guidance Unit supports refugees with high level education and professional qualification guidance specialised training programmes. They also provide training for advisors working with refugees.

Guidance, Work Placement And Bridging Courses

Immigrant qualifications and work experience may be deemed or perceived to fall short of

required standards. A key remedy to this situation is completing work placement programmes and bridging or conversion courses. Work placement is a crucial means both for gaining experience in the country and completing a re-skilling process. Work placement can help immigrant professionals in familiarising themselves with the general cultural norms and specific terminology/language of sectors. Most recently, non-Irish nationals showed more intense interest in internships, 11% of those using the statutory JobsBridge programme were non-Irish nationals in 2011. While direct comparison is not appropriate, this represents an increase on previous figures collated in relation to the community employment scheme and other employment programmes.⁷

There are hardly any professional work placement opportunities apart from those to be done as part of the official adaptation period or as part of the registration process with professional bodies (e.g. in nursing, pharmacist and accountancy). Expanding the availability of such opportunities would offer valuable experience and skills for those who are not yet ready to enter professions or begin their official adaption period.

In Ireland many specific internship schemes run into difficulty due to social welfare regulations which do not allow participants to retain their social welfare payments apart from those participating in the general statutory Work Placement or JobsBridge programmes. In practice, immigrant professionals often opt to volunteer although in reality they want work experience. One of the difficulties in this area that in Ireland there is some resistance to introducing targeted measures and thus general programmes are favoured. Other countries feel more comfortable with operating specific work placement programmes and monitoring immigrants' participation in general ones. Looking at the registration process with professional bodies, it is significant to note what support is available for applicants with the body in question.

...immigrant professionals often opt to volunteer although in reality they want work experience.

As mentioned, this frequently involves passing a test and/or an adaption period. Support ranging from study resources and financial support to registration with immigration authorities and securing internships have been put in place in a number of countries. In Ireland those measures are absent notwithstanding

some supports from e.g. grant from Local Partnerships or resources in libraries.

In the same vein, In Ireland the ad-hoc availability of conversion courses can be observed. The Dublin Monitor highlighted that on a number of occasions foreign degrees were accepted only as Bachelor (Ordinary) Degrees (Level 7) and not Honours Degree

(Level 8). Apart from some courses run by Institutes of Technology there are no courses to upgrade the Ordinary Degrees to Honours Degrees available. Part of the problem is that recognition of prior learning, which allow people to make an advanced entry to courses, are either not available within all third level colleges or at least they are not promoted adequately. Therefore immigrants felt that their only option was to enter a full degree course.^{lvii}

Ni Murchú observed that some colleges offered courses for people who applied for registration with professional bodies but they needed to address some deficit in their education. Nevertheless, this was more an informal initiative than an officially promoted option.^{lviii} Several countries have taken a somewhat more structured approach in offering bridging and conversion courses covering such areas as skill assessment, portfolio development of past work experience and work placement programme and mentorships.

Good Practice

- The British Medical Association has directly assisted the Refugee Doctors Initiative and is involved in the Refugee Doctors Liaison Group. BMA Charities provides grants to refugee doctors for Professional and Linguistic Assessments Board (PLAB) exam fees, small grants for other

⁷ In 2009 it was found that only 14% of non-Irish clients in FÁS took part in employment programmes (e.g. Community Employment Scheme), with the majority participating in training programmes (e.g. Local Training Initiatives). This contrasts with 37% of Irish nationals participating in employment programmes such as the CE scheme FÁS Follow-up Survey of FÁS Participants by S.Conway and R. Fox (2010).

PLAB-related expenses and interest-free loans for General Medical Council (GMC) registration fees through its board of trustees. In addition, there are a number of local initiatives providing help preparing for the International English Language Testing System (IELTS) and Professional and Linguistics Assessment Board (PLAB) test, and/or help arranging clinical attachments.

- The International Pharmacy Graduate Program is a unique, structured orientation and training program to facilitate entry of qualified internationally trained pharmacists in Ontario, Canada. Actions include:
 - adaptive prior learning assessment to evaluate individual learning needs and level of practice readiness
 - customized learning plans and education supports, ranging from language training to advanced therapeutics
 - mentorship network linking students with practicing pharmacists and the pharmacy community
 - 16 weeks of classroom based instruction in Vancouver from May - August, followed by a period of experiential learning in pharmacies.
- In New Zealand the Immigration Service closely cooperates with the Medical Council with reference to facilitating the entry of foreign trained medical professionals. The international medical graduate essentially goes through both the immigration and recognition process at the same time, thus largely avoiding being approved to immigrate by NZIS but not being eligible to practice as a doctor in New Zealand or vice versa.
- In Sweden it was recognised that foreign candidate doctors must be given opportunity to practice for the language exam and the test of medical knowledge. Malmo University Hospital designed a structured preparation course for the medical exam, consisting of placement and independent study. Financing is provided by labour market activation funds. In practice the doctor receives a 'training allowance', based on their unemployment benefit. In Gothenburg intensive support was delivered for foreign doctors, where the programme comprised of lectures, group discussions and demonstrations. A course library of useful literature was compiled.

Those, who needed to complete adaptation (probationary) period were supported by offering money to their host organisation.

- In Canada a number of programmes were established to allow for immigrant professionals to re-enter to the nursing profession. A fast-track option was developed to fill gaps that second language applicants may have. A similar initiative was funded by Ontario State with a view to developing accessible, internationally educated nurse-centered courses that focus on bridging the cultural and language gaps many internationally educated nurses face in Ontario.
- In Portugal the Jesuit Refugee Service managed a programme in conjunction with a Foundation and the Portuguese Medical Council. The programme covered courses in medical school, internships in hospitals, exam preparation and enrolment with the Portuguese Medical Council. A crucial aspect of the project was paying scholarship, book grant and administration fee (including translation cost). As the process lasted longer than expected, a loan system was initiated along with identification of interim jobs in the health sector.^{lix}
- In London the Refugee Assessment and Guidance Unit operated a work experience programme for health professionals with refugee status. In evaluating the refugee work placement scheme for health professionals it was found that "of especial note is refugees' reporting improved psychological health and well being while on placement." The main benefits were gaining and adjusting vocational specific skills and extending vocabulary as well as extending social networks. The two-way benefit of cross-cultural understanding, that affects communication with both patients and colleagues, was also underlined. A number of refugee participants registered successfully with the professional bodies in question in the aftermath of the placements, while others had already gained employment.
- Sweden has developed a number of labour activation measures conducive to the assessment and recognition of prior work experience of immigrants. The so-called trial option, where immigrants are offered three month supervised work experience, proved quite successful. Many people secure a job

after completing their internship while others benefited from receiving a certificate at the end.

- In Ottawa, Canada, a specific programme was put in place for teachers with International experience. They were assessed by the College of Teachers in order to have access to a training program delivered over one summer and one spring, completing the required placement in the interim (autumn/winter) school year, which enables them to continue working as well as attend school. The program included:
 - one summer and one spring training period, before and after placement.
 - academic courses and workshops including professional orientation, Canadian workplace culture.
 - occupation-specific language course.
 - mentoring support through practice.

Enterprise Support

Research revealed that immigrants in Ireland had low awareness of enterprise support services.^{ix} It was argued that this was the result of their limited knowledge of services and lack of targeted effort on behalf of agencies to reach out to migrant communities. Anecdotal evidence suggests that most recently the number of migrant clients of City and County Enterprise Boards have increased although the extent of that remains unclear.

It is notable to showcase the work of First-Step, a micro-finance organisation that provides loans to small businesses. A large number of their client group has been ethnic minorities. It was suggested that employing an integration officer for a one year period and thus establishing links with immigrant communities paved the way for a strong link between the organisation and ethnic minorities. Enterprise Boards to date have not implemented strategic outreach to immigrant communities but some of them linked up with stakeholders occasionally in the hope of attracting more immigrant clients.

On the other hand, a number of separate ethnic business organisations were established to cater for a particular community, such as the Ireland India council, German-Irish Chamber of Industry and Commerce and Ireland-Russia Business Association. Those bodies seem to operate separately to the main Chambers of Commerce or Enterprise Boards and do not function as business centres; which can be observed in a number of European countries.

Nevertheless they seem to have an important role in assisting their ethnic community, especially in developing and maintaining trade relationships. Lastly, the Institute of Minority Entrepreneurship hosted by DIT has provided a number of useful measures for migrant entrepreneurs in Ireland including seminars and mentoring support. However, their resources are limited and cannot fully undertake providing enterprise support services for the general immigrant population. Those services are best placed with local Enterprise Boards and Enterprise Ireland.

Good practices

The CLIP study on ethnic entrepreneurship in cities identified a number of good practices.

- Some countries have specific information centres for immigrants (Vienna, Austria), while other chambers of commerce or state-owned firms provide immigrant-oriented information and advice services (Frankfurt and Stuttgart, Germany; Sundsvall IFS Radgivningscentrum, Sweden).
- Furthermore, ethnic business centres fulfil an important role in informing and advising co-ethnics on marketing strategies, regulations and linking up with local businesses (e.g. Arab Business Centre and the Indian Business Centre in Stuttgart, Germany)
- In several countries the business centres employ business advisors for ethnic entrepreneurs (Copenhagen, Denmark; Amsterdam, Netherlands). Advisory services may maintain a quota for ethnic minority service users (Wolverhampton, England).
- In the same vein, business organisations specifically set a target for ethnic entrepreneurs in their membership (Association of Entrepreneurs, Helsinki) or organise targeted networking events (Wolverhampton, England; Stuttgart, Germany). Building connections with local businesses and becoming part of buyers associations etc... are key steps in developing and growing ethnic businesses and therefore

...business organisations
specifically set a
target for ethnic
entrepreneurs in
their membership.

business organisations and networking events can help ethnic business to achieve that.

- Some places made conscious attempts to harness the potential of transnational networks presented by ethnic minorities by promoting the development of those links through bringing together interested organisations with particular regard to ethnic companies (Frankfurt, Germany; Wolverhampton, England).
- A number of cities across Europe organise specific training for immigrant entrepreneurs e.g. on business management (Stuttgart, Bologna) and business incubator training session (Turku, Finland) and information days for specific ethnic communities (e.g. Frankfurt, Vienna – Turkish community). They also provide helpdesk and translated materials in several languages (Vienna, Bologna). In Catalonia, Spain they run specific language courses for restaurant owners.
- Mentoring is another key form of support for fledgling entrepreneurs. Specific mentoring programmes for the purpose of assisting ethnic start-ups have been successful in such cities as Vienna and Zurich. Emphasis was given to pair up mentor and mentees on the basis of language knowledge and cultural background and enhance knowledge of both industry specific knowledge and locally specific information.^{lxi}
- In Belgium a public employment programme aims at matching immigrants with continuous links to their native language and country of origin and companies that are keen on expanding their business in those countries. The programme prepared immigrants through training in relevant areas such as commerce and marketing and operating internships in Belgium and the countries of origin.

Case studies in Ireland

MyMind

MyMind was founded in Dublin in 2006 by Krystian Fikert and is a non-profit social enterprise. Profits made from fee-paying clients are used to subsidise clients who cannot afford full fees.

Krystian is a Psychologist from Poland who previously worked in Google and the HSE in Ireland.

MyMind is a self-referral provider of psychological and

psychotherapy services to people who are seeking mental health support.

He set up MyMind initially to provide affordable mental health services to the Polish community in Ireland. The aim was to fill an obvious void in the market. The service has grown rapidly since 2006 and now caters for all nationalities, including Irish.

The key factors that differentiate MyMind from its competitors include:

- Accessible – it is very easy for a client to self-refer and schedule, and be seen shortly thereafter;
- Affordable – the service is provided at half the cost of the private sector; and
- Early Intervention – MyMind works with mild mental health problems, and drugs are only prescribed if absolutely necessary.
- MyMind currently has two sites in Dublin, but the intention is to open offices in Cork, Limerick and Galway over the next three years. As well as providing one-to-one consultation, MyMind also provides online services.
- The company currently has 44 staff providing services. These include qualified psychologists, psychiatrists, psychotherapists and counsellors. Approximately 60 per cent of staff is Irish. Other staff nationalities are necessary to overcome language difficulties.
- Krystian and MyMind have received numerous awards including:
- Social Entrepreneurs Ireland, Level 2 Award in 2009;
- David Manly Award – Social Entrepreneur Category – in 2009;
- Cathal Ryan Scholarship for Krystian in 2010;
- Social Entrepreneurs Ireland, finalist Social Impact Programme 2011; and
- Ireland Ashoka Fellow 2011.

Jaipur – Asheesh Dewan

Asheesh Dewan is founder and owner of Jaipur restaurant chain. He is also an IT entrepreneur. He won the Ethnic Entrepreneur Award of the Year granted by Permanent TSB in 2008.

Jaipur is a chain of five high quality Indian restaurants in Dublin. It employs over 90 people, with approximately 25 Irish.

The core team is from the Indian sub-continent, most of whom are naturalised. The recruitment policy is very inclusive and career progress is solely dependent on the level of competence. In recent years, staffing has come from 15 different countries and the belief of Asheesh Dewan is that a diverse environment brings new ideas instead of challenges as business becomes more cosmopolitan and the world gets flatter.

One of the challenges facing the company is to recruit and get work permits for the specialised staff, particularly chefs, required to deliver high quality ethnic cuisine. Family reunification is difficult for chefs in particular and this can make it more difficult to hire people with the requisite skills.

Support With Legal Integration

Legal avenues for settlement carry significant importance for migrants who wish to remain in Ireland permanently. Nurses, doctors, accountants and ICT professionals are some of the main professionals that the Irish economy continues to require. Access to long term residency and citizenship as well as family reunion is a key element in securing the status of non-EU workers in Ireland.

Long term residency and family reunification

Currently long term residency is available after five years spent on a work permit. Those on a Green Card permit can apply for a residency permit after two years. While the most recent draft Immigration, Residence and Protection Bill proposed the introduction of permanent residency for Green Card holders, the Bill was not adopted. In fact the residency proposed in the Bill is not permanent, as it needs to be renewed after five years.

Ireland has been criticised for not extending the long term residency permit (Stamp 4) to family members unlike other EU states.^{lxii} In fact only family members of refugees and EU nationals have a clear path to family reunification. All other family members do not have a statutory right to family reunification.

On a positive side, the two new entrepreneurial schemes stipulate that successful applicants can be accompanied by their family members. This is recognition of the fact that immigrants are not only economic players but people with families. This part of the new schemes could increase the uptake of it and contribute to its success.

Citizenship

The citizenship process also drew heavy criticism because of the long processing time and absolute discretion of the Minister. More than 70% of applications in 2009 and 73% of the applications in 2010 were rejected or considered invalid.^{lxiii} These applications were ineligible because they were incomplete or they did not meet the statutory residency requirements.

The Minister for Justice in 2011 promised to cut waiting times and speed up the processing of applications. Indeed, the Department more than doubled the number of valid applications being decided by bringing it to approximately 16,000 in 2011. This suggests an improvement both in processing applications and reducing the number of ineligible applications. Furthermore, significant progress had been made to shorten the naturalization application process to six months.^{lxiv}

Discussion on legal integration

A number of research projects highlighted that citizenship and long-term residency are concerns for economic migrants. The TCD research concentrating on the IT sector concluded that some IT professionals wanted to settle down, but the current anomalies with regard to citizenship and residency act as a barrier to this process. Some of the interviewees expressed their desire to leave Ireland.^{lxv}

In 2009 the Royal College of Surgeons examined migrant nurses' retention in Ireland. Their survey of 339 nurses in 2009 showed that only a fifth of them intended to remain in Ireland. It was revealed that 'citizenship and immigration procedures were key factors in determining whether migrant nurses would stay or leave Ireland'. 60% of them stated that they would be encouraged to stay if they received citizenship or (long-term) residency. Those findings should be read in the context that 42% of respondents had been in Ireland for 7-9 years but only 7% of them secured citizenship.^{lxvi}

The aforementioned case study on Jaipur also highlights the difficulty with the family reunification process. The findings of the survey among nurses are supported by data from the Irish Nursing Board

citizenship and
long-term residency
are concerns
for economic
migrants

with regard to the number of verifications sought by foreign registration bodies in respect of non-EU nurses. In 2008 almost 2000 nurses from India and the Philippines applied for registration in other countries. The departure of a large number of non-EU nurses would arguably pose problems for the Irish health system.

Support With Cultural Integration

Cultural and social integration is a complex issue. There are diverging views on this topic and recently there has been much European coverage of the failure of 'multiculturalism'. In Ireland, the accepted approach was one of inter-culturalism. Accordingly, cultural integration is seen a two-way process where the different cultures respect and interact with each other. The question of business integration cannot fully be separated from cultural integration in so far as interaction between migrants and natives, which, influenced by their cultural backgrounds, has clear implications for their experience in the workplace and beyond. Irish workplaces have become very diverse in recent years and had to accommodate diverse sets of values and behaviour.

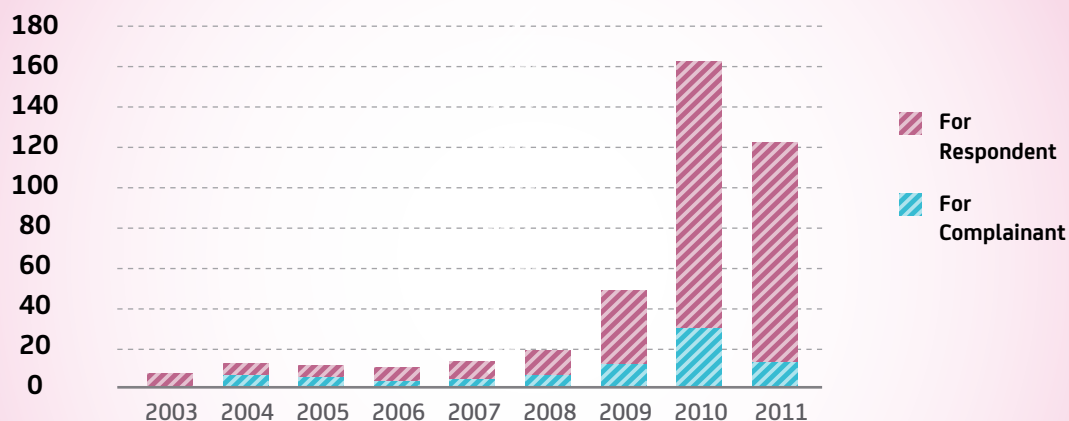
A survey commissioned by the Equality Authority

among medium to large manufacturing and service companies found that indigenous companies were unlikely to have adopted diversity and equality strategies and if adopted, to integrate diversity and equality policies into the overall corporate strategy. It was also shown that companies with a large and unionized workforce are more inclined to develop a Diversity and Equality Strategy. According to a survey completed in 2008, while many of the companies surveyed (85%) reported having formal written policies on equal opportunities, markedly fewer firms (40%) adopted a written diversity policy or appointed a designated manager to champion equality and diversity in the organisation (38%). In addition, every fourth employee in the national survey received equality/diversity training with the majority of them working for large multinationals.^{lxvii}

Notably, IBEC, the Small Firms Association, the Construction Industry Federation, Chambers Ireland, the Office of Minister for Integration and the Equality Authority jointly devised an action strategy for integrated workplaces in 2008 that assigns tasks to all participants. The core of the strategy is the commitment made by the various membership organizations to assist their members with information on good practice, practical training and resource material to accommodate cultural and

FIGURE 21

DECISION IN EMPLOYMENT EQUALITY CASES ON RACE GROUNDS BY THE EQUALITY TRIBUNAL 2003-2011



Source: Equality Tribunal, Annual Reports

linguistic diversity. Dwindling resources mean that the implementation of actions remains a challenge. Nevertheless the Equality Mainstreaming Unit within the Equality Authority has provided valuable training and consultancy support for small and medium size enterprises. In addition, The Irish Management Institute in collaboration with a number of leading companies produced a Cultural Diversity Toolkit for employers.

Tackling racial discrimination is a key task for employers. It is difficult to assess the extent of racial discrimination in the Irish workplace. In terms of cases that were not resolved in the workplace but were brought to the Equality Tribunal, there has been a dramatic increase in the number of complaints since the recession began.^{lviii}

The Fundamental Rights Agency carried out a survey among Sub-Saharan Africans (as part of a Europe-wide research) in 2008. 26% of Sub-Saharan Africans reported that they had been discriminated against in their workplace at least once in the past 12 months^{lxix}. The Open Cities project led by the British Council highlighted that a negative experience of racism is shared by some immigrant professionals.^{lxx} It can be assumed that there are many groups who enjoy a positive experience in the workplace. But the aforementioned quantitative and qualitative research suggests that racism, whether it is perceived or sufficiently evidenced in the opinion of the relevant decision-making bodies, remains an important issue to be monitored. The Government therefore needs to support and encourage local authorities and agencies, such as the Garda, and employers to make concerted effort in preventing and tackling it.

CASE STUDY

Dublin Bus

Dublin Bus is the largest public transport provider in the Greater Dublin Area. It has seen a major change in the diversity of its workforce, its customers, and the communities that it serves over the past decade. In recognition of these realities and the challenges that they bring, the company is committed to providing an environment that treats employees and customers with dignity; and it respects, accommodates and values differences between people.

Dublin Bus employees include people from 64 countries of origin, with 16.3 per cent of the workforce from outside Ireland, mainly involved in bus driving.

The growth in the non-Irish workforce was driven by business necessity initially. Up to the 1990s, bus driving was generational, but this changed in the late 1990s. Other opportunities started to present themselves in the buoyant economy, which resulted in the loss of many bus drivers and difficulty in attracting bus drivers from within the Irish labour force. At that stage immigration was starting to accelerate and many immigrants started to move into bus driving and this trend gradually gathered momentum. There was also a domestic shortage of mechanics and Dublin Bus recruited directly in Poland.

The workplace policies in place were not deemed suitable for the changing environment and the company used it as an opportunity to do something positive and create an inclusive workplace. The policies had to be concrete rather than superficial to enable what was a very mono-cultural workforce transform into a multi-cultural one.

The company has an Equality & Diversity Strategy that is intended to create a more efficient and fulfilling work environment for staff, meet the changing needs of customers, and develop a greater connection with the communities that it serves. It has developed an action plan intended to:

- Apply the principles of equality and inclusion to people management;
- Relate these principles to how it operates, develops and promotes the business;
- Involve staff who reflect the diversity of the workforce; and
- Evaluate the benefits of any changes it makes in relation to equality and diversity.

Specifically, in order to improve inclusiveness and promote greater integration, the company has run sporting events; it has placed a map of the world in all depots in order to raise awareness of country of origin of fellow workers; it has placed anti-racism posters on all buses; it has created an education support scheme to eliminate skills mismatches; it has written policies in 'plain English'; and it has formed a camera club. All of these activities and others have been focused on getting all staff nationalities involved.

The company believes that this policy of inclusiveness and workforce diversity has been very beneficial in terms of generating new ideas; driving better policies; and generally looking at things differently. It has also generated considerable positive publicity and enhanced the image of the company.

Section 7

CONCLUSIONS AND RECOMMENDATIONS

The Irish economy is struggling to emerge from deep recession. It is clear that Ireland's economic fortunes have changed fundamentally and that some of the major drivers of economic growth up to 2007 will not be the main drivers of growth over the next decade.

It will be essential to adopt a strategic approach to Ireland's future and create a more sustainable and diversified economic model. Ireland had become way too dependent on construction and related activities after 2000. Policy makers will need to identify the sectors that can contribute to Ireland's economic future, and make sure that the policy environment is supportive of those sectors.

The sectors will include:

- **Agri-Food sector;**
- **Alternative energy;**
- **Arts, heritage and culture;**
- **Foreign direct investment – including ICT, Life Sciences, Financial Services, Business Services, Digital Media, Games, and Chemical & Pharmaceuticals.**
- **Indigenous IT industry;**
- **Professional service exports;**
- **Thoroughbred industry;**
- **Tourism; and**
- **Research & Development across a broad spectrum of activities.**

Having an abundant supply of appropriately skilled labour will be an essential pre-requisite for creating a sustainable and high-value added economic and business model. It is unlikely that all of the labour requirements will be filled from domestic sources; hence there will be a requirement for continued inward migration. The IDA estimates that approximately 50 per cent of the jobs created in the latest wave of technology investment have gone to non-Irish natives. To attract inward investment into Ireland, it will be essential to offer a skilled and diversified

talent pool, with different languages of particular importance to companies such as Google.

Non-Irish nationals play a key role in the Irish economy and will play a key role in the future as both employees and employers. Essentially there are two major focus areas for government policy:

1. Ensuring that, where necessary, skills can be brought in from overseas
2. Drawing out the potential of migrant workers and businessmen by having in place the requisite support for their economic, legal and cultural integration.

According to the Expert Group on Future Skills Needs (2011)^[box], the occupations most frequently sourced from outside the EEA at the moment include software engineers, computer programmers, medical practitioners, chefs and nurses. The report states that in 2010, despite the deep recession, job vacancies were concentrated in services, clerical, sales (telesales, ICT, engineering, health, finance and customer care). Third level education, relevant experience and languages such as German and Nordic are frequently mentioned as a requirement in job advertisements. At the moment, skill shortages are reported in science, engineering, IT, financial, health & social care, sales & marketing, craft, transport, and clerical. The group suggests that the response to a shortage can vary from the provision of long-term education and training programmes, short-term training programmes, work placements and in some cases it may be appropriate to source skills in short supply from abroad.

A clear priority for Ireland is to reduce its public and private debt. But it is equally important that necessary measures are put in place to enable both migrants as well as natives to make contributions to Ireland's economic recovery and prevent marginalisation of groups. Below are a number of recommendations for ensuring that this would be achieved.

- Not all jobs can be filled from domestic sources and there is an ongoing requirement for labour from outside Ireland. Some skilled positions cannot be filled from within the EU and therefore it is important that the **employment permit system adequately facilitates** the recruitment of non-EU workers where necessary.
- Recent cuts to English classes have made access difficult. Review of statutory language provision with a view to greater efficiency and supporting voluntary initiatives with materials and training would be a step forward. More focus is needed for **combining language provision with occupational related instruction**.
- Effort should be made to exploit the variety of languages present in the school system. The **Modern Languages in Primary School Initiatives** should continue and be linked to existing voluntary initiatives by ethnic communities.
- Professional migrants would also benefit from a **more streamlined process in profession recognition**. The Department of Jobs, Enterprise and Innovation needs to bring relevant stakeholders to the table to develop better work experience and conversion opportunities and speed up the professional recognition process.
- Employment support services need greater support from the Department. A key step in achieving this would be **making better use of the expertise of the Business in the Community – EPIC programme and the National Qualification Authority of Ireland**.
- The Department along with Enterprise Boards and Enterprise Ireland should make a more strategic effort in **attracting and supporting aspiring or new migrant entrepreneurs** and collaborate with existing ethnic business organisations. The

capacity of migrants to build trade links with their countries of origin deserves particular attention.

- Policy prevents many skilled migrants making Ireland their home permanently. **Statutory right to family re-unification** for non-EU workers would be desirable as is extending the residency status of workers to family members.
- Regarding managing diversity, the Equality Mainstreaming Unit within the Equality Authority has provided valuable training and consultancy support for small and medium size enterprises while IBEC has operated a help-desk for employers and delivered a diversity workshop for its members. Nevertheless there is still scope for **adopting diversity and anti-racism measures among a wider range of employers**.
- Since the recession there has been a dramatic increase in the number of complaints of racist discrimination made to the Equality Tribunal. Research shows that racism in general is a reality for many immigrants. The Government therefore needs to **support and encourage local authorities, Garda and employers to make a concerted effort in preventing and tackling racism and seriously consider legislating for racist crime**.
- The **personal tax burden should not increase** to levels that will discourage foreign investors and businessmen from coming to Ireland.

it is equally important
that necessary measures
are put in place to
enable both migrants as
well as natives to make
contributions to Ireland's
economic recovery

References

- ⁱ Mattinson, Deborah. 'Talking to a Brick Wall', Biteback, 2010.
- ⁱⁱ Goldin. Ian, Cameron. Geoffrey, & Balarajan. Meera, 'Exceptional People-How Migration Shaped our World and Will Define Our Future, Princeton University Press,2011.
- ⁱⁱⁱ Vertovec, Steven. 'Transnational Networks and Skilled Labour Migration, WPTC-0202, February 2002.
- ^{iv} World Bank. Global Economic Prospects 2006: Economic Implications of Remittances and Migration. 2005.
- ^v ESRI & Health Service Executive, Perinatal Statistics Report, 2010.
- ^{vi} Coppel, Jonathan., Dumont, Jean-Christophe., & Visco, Ignazio. 'Trends in Immigration and Economic Consequences Economics Department Working Papers No.284', OECD, June 2001.
- ^{vii} Stark, Oded. 'The New Economics of Brain Drain', World Economics 6(2). 2005.
- ^{viii} Samuelson, Paul. 'Economics', 1964.
- ^{ix} Borjas,George,J. 'Increasing the Supply of Labor Through Immigration-Measuring the Impact on Native-born Workers', Backgrounder, May 2004.
- ^x Clark, Ken. & Drinkwater, Stephen (2008). 'The Labour Market Performance of Recent Migrants', Oxford Review of Economic Policy, Volume 24, Number 3, 2008.
- ^{xi} Longhi,S., Nijkamp,P., & Poot,J. 'Meta-Analysis of Empirical Evidence on the Labour Market Impacts of Immigration'. Region et Developpement No.27-2008.
- ^{xii} Castelletti,B., Dayton-Johnson,J., & Melguizo,A. 'Migration in Latin America: Answering Old Questions With New Data. March 2010.
- ^{xiii} Dayton-Johnson, J. & Melguizo,A. 'Migration, Labour Markets and Social Protection'. Latin American Economic Outlook,OECD. May 2009.
- ^{xiv} Barrett,A., Bergin,A. & Kelly,E., "Estimating the Impact of Immigration on Wages in Ireland', IZA DP No. 4472, October 2009
- ^{xv} Reed, Howard. & Latorre, Maria. 'The Economic Impacts of Migration on the UK Labour Market'. Economics of Migration Working Paper 3. Institute for Public Policy Research. February 2009.
- ^{xvi} Lucchino, P., Rosazza-Bondibene, C. & Portes, J. Examining The Relationship Between Immigration And Unemployment Using National Insurance Number Registration Data (2012), Discussion Paper No. 386, National Institute of Economic and Social Research
- ^{xvii} Borjas, G. 'The Labour Demand Curve is Downward Sloping: Re-examining the Impact of Immigration on the Labour Market', Quarterly Journal of Economics, 2003.
- ^{xviii} Cities for Local Integration Policies project, Promoting Ethnic Entrepreneurship in European Cities (2011) European Foundation for the Improvement of Living and Working Conditions, Luxembourg: Publication Office of the European Union
- ^{xix} Main Findings of the Conference on Entrepreneurship and Employment Creation of Immigrants in OECD Countries', OECD, June 2010.

- ^{xx} Cooney, Thomas M., & Flynn, Anthony., 'A Mapping of Ethnic Entrepreneurship in Ireland, November 2008.
- ^{xxi} Pinkowski, J. Challenges and Promises for Immigrant Entrepreneurship in Dublin Dublin: Dublin City Council Economic Development Unit. 2009.; Cities for Local Integration Policies project, Module 4 (2010) Ethnic Entrepreneurship in Dublin by Tarantino, F.; European Foundation for the Improvement of Living and Working Conditions
- ^{xxii} Cooney & Flynn, 2008
- ^{xxiii} CLIP Report, 2011
- ^{xxiv} Department of Enterprise Trade & Employment, 'Address by Minister for Enterprise, Trade and Employment at the launch of the New Employment Permits Arrangements including the Green Card Scheme, January 24th 2007.
- ^{xxv} Department of Jobs, Enterprise and Innovation. Changes to Work Permit Arrangements, April 2009.
- ^{xxvi} Quinn, Emma. 'Satisfying Labour Demand Through Migration: Ireland', European Migration Network, ESRI, 2010.
- ^{xxvii} Businesspost.ie, July 2011
- ^{xxviii} Irish Times, 25 April 2012
- ^{xxix} Pinkowski, 2009; The Integration Centre, 2011
- ^{xxx} Krings, T., Wickham, J., Bobek, A. & Salamonska, J. (2008) Migrant Workers and the Irish Software Sector Dublin: Trinity Immigration Initiative & Employment Research Centres
- ^{xxxi} Pinkowski, 2009; p.53.
- ^{xxxii} Department of Justice, New Immigration Regime for Full-time Non-EEA students, 2010; Available at www.inis.gov.ie .
- ^{xxxiii} Kerr, W., 'Immigrant Innovators: Job Stealers or Job Creators', Harvard Business School , August 2011.
- ^{xxxiv} Annual Integration Monitor 2011 by Mc Ginnity et al; Dublin: The Integration Centre & Economic and Social Research Institute, 2012.
- ^{xxxv} Parliamentary Question 8668/12, 15 February 2012
- ^{xxxvi} Barrett, A., & McCarthy, Y., 'Immigrants and Welfare Programmes: Exploring the Interactions between Immigrant Characteristics, Immigrant Welfare Dependence and Welfare Policy', ESRI Working Paper No.238, May 2008.
- ^{xxxvii} Barrett, A. & McCarthy, Y., 'The Earnings of Immigrants in Ireland: Results from the 2005 EU Survey of Income & Living Conditions', ESRI Working Paper 206, August 2007.
- ^{xxxviii} Crosscare with Doras Luimni & Nasc Person or Number, Dublin: 2012.
- ^{xxxix} Parliamentary Question 8668/12, 15 February 2012
- ^{xl} Ibid; Communication with Department of Social Protection

- ^{xli} Ibid; Springboard Annual Report 2011
- ^{xlii} Annual Integration Monitor 2011
- ^{xliii} Census 2011, This Is Ireland, Part 2
- ^{xliv} Census 2011, This is Ireland, Part 1
- ^{xliv} Ibid; Annual Integration Monitor 2010
- ^{xlvi} Annual Integration Monitor 2010
- ^{xlvi} The Migration and Citizenship Initiative (UCD) for Immigrant Council of Ireland, Getting on: From Migration to Integration – Chinese, Indian, Lithuanian and Nigerian’s Migrant Experience in Ireland, Dublin: Immigration Council of Ireland, 2008.
- ^{xlvi} Census 2011, Profile at Work: Employment, Occupations and Industry
- ^{xlvi} UCD/Immigrant Council of Ireland, 2008
- ⁱ National Skills Bulletin 2008 by Study and Labour Market Research Unit in FÁS, Dublin: Expert Group of Future Skills Needs, 2008.
- ^{li} Barrett, A., Bergin, A. & Duffy, D., ‘The Labour Market Characteristics and Labour Market Impacts of Immigrants in Ireland’, The Economic and Social Review, Vol. 37, No. 1, Spring, 2006, pp, 1-26.
- ^{lii} Toward Recovery, Programme for Government 2011-2016
- ^{liii} Annual Integration Monitor 2011
- ^{liv} Hansen, R. ‘The Centrality of Employment in Immigrant Integration in Europe’, Transatlantic Council on Migration, 2012.
- ^{lv} Mc Hugh, M. & Chaliner, A.E., Improving Immigrants Employment Prospects Through Work-focused Language Instruction (2011) Migration Policy Institute
- ^{lvi} For more, see Christensen and Stanat, Language Policies and Practices for Helping Immigrants and Second Generation Students To Succeed (2007), The Transatlantic Task Force on Immigration and Integration
- ^{lvii} Monitoring Integration in Dublin by The Integration Centre and Dublin City Council, 2012.
- ^{lviii} Ní Mhurchú, A., Recognition of Professional Qualifications: An Analysis of the Role of Professional Bodies. Dublin: Integrating Ireland, 2007.
- ^{lix} Handbook on Integration for Policy-makers and practitioners, II (2007) by J.Niessen and T.Huddleston, Migration Policy Group.
- ^{lx} Pinkowski, 2009; Ethnic entrepreneurship in Dublin, 2010
- ^{lxi} CLIP Project, 2011
- ^{lxii} Migration Policy Group, Migration Policy Index, 2011; Available at www.mipex.eu
- ^{lxiii} Department of Justice, Annual Reports 2009 and 2010

- ^{lxiv} Department of Justice, Review Statement 2011, Available at www.inis.gov.ie
- ^{lxv} Krings, T., Wickham, J., Bobek, A. & Salamonska, J. (2008) Migrant Workers and the Irish Software Sector Dublin: Trinity Immigration Initiative & Employment Research Centres
- ^{lxvi} Royal College of Surgeons of Ireland, Retaining Migrant Nurses in Ireland II. Nurse Migration Project Policy Brief 3 by Humphries, N., Brugha, R. & McGee H. RCSI, 2009.
- ^{lxvii} Flood, P.C., Mkamwa, T., O'Regan, C., Guthrie, J.P., Liu, W., Armstrong, C. and MacCurtian S., New Models of High Performance Work Systems – A Business Case for Strategic HRM, Partnership and Diversity and Equality Systems, Dublin: the Equality Authority and National Centre for Partnership and Performance, 2008.
- ^{lxviii} Equality Tribunal, Annual Reports; Available at www.equalitytribunal.ie
- ^{lxix} Fundamental Rights Agency (2009) European Union Minorities and Discrimination Survey, Main Results Report. Available at www.fra.europa.eu/eu-midis
- ^{lxx} Open Cities Project: Faces (2011), British Council
- ^{lxxi} FAS. 'National Skills Bulletin 2011'. Expert Group on Future Skills Needs, July 2011.

Authors: Jim Power, M.Econ. Sc. &
Péter Szlovak, LL.M.

The Integration Centre
20 Mountjoy Square East
Dublin 1

Tel + 353 1 6453070
Fax + 353 1 6770061

info@integrationcentre.ie
www.integrationcentre.ie



THE INTEGRATION CENTRE
Connecting Communities • Advancing Integration

The
ATLANTIC
Philanthropies

The **One** Foundation