

**Presentation to the
Joint Committee on Enterprise, Trade and Employment
on the
General Scheme of an Employment Permits (Consolidation and Amendment)
Bill
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I wish to thank the Joint Committee for the opportunity to address you on this important issue for the business sector. Ibec were delighted to contribute to the Review of Economic Migration Policy which served to inform many elements of this Bill.

The Bill seeks to build upon the existing employment permits system which has provided a strong framework to supplement skills and labour needs in the State over the last number of years, and ensure it is future proofed, agile and responsive to the dynamic Irish labour market. It gives priority, quite correctly in our view, to the ability of the system to adapt to rapid changes of a positive or negative nature in the needs of the labour market of the future. This will support the competitiveness of business in Ireland while still prioritising the Irish and EEA labour pool, continuing to safeguard the labour market, and supporting the employment rights of permit holders.

However, its success will be ultimately judged by how it delivers. This is a complex area that requires collaboration from all stakeholders, including business, if we are to respond to the changing needs of our economy and its citizens. It is essential that business is supported to remain competitive and agile against a backdrop of the pandemic, Brexit, globalisation, changing demographics and consumer preferences and that we ensure the capacity of business not only to meet existing demands but to grow with the needs of the market. This will require a combination of workers, including those requiring employment permits.

Industry remains committed to enhancing our indigenous skills supply to meet labour market needs through a combination of upskilling and reskilling programmes. This has been demonstrated through collaborations between industry and education on various Skillnets, Springboard and Apprenticeship programmes and the *ICT Skills Action Plans* aimed at building the domestic supply of high-level ICT graduates. Employers will also engage fully in the labour market activation measures proposed for the pandemic recovery effort. Despite this, we know that given the fast paced, changing global business model, education and training cannot meet all demands in real time. Developments in terms of infrastructure, increased capacity, innovation and changing skills needs take time. However, some sectors are simultaneously experiencing levels of growth that are seeing demand far outweigh supply.

The General Scheme has identified several areas where they can build flexibility and responsiveness into the system such as:

- Reforming the operational features of the Labour Market Needs Test to align with the appropriate job advertising practices used by employers today. This will also have the effect of being more targeted and focused in reaching Irish and European jobseekers first.
- Introducing a Seasonal Employment Permit which will bring us in line with other jurisdictions and help alleviate labour market demands during peak production or delivery times in specific sectors.
- The introduction of a Special Circumstances Employment Permit to deal with occasional exceptional circumstances where an employment permit may be granted for an unusual but important skillset.
- Streamlining the processes for Trusted Partner and renewal applications.

The Bill also retains sensible rules such as the 50:50 rule. However, there remains an issue in how that rule is administered that is hampering job growth for some employers that operate multiple businesses in Ireland and resulting in the loss of jobs and projects to other international jurisdictions. Due to their group legal structure, they must meet multiple levels of adherence to the 50:50 rule despite acting as a Group in terms of their growth of jobs and employment and contribution to the economy. Many find a disproportionate number of critical skills vacancies arising in specific teams leading to an

imbalance in 50:50 levels despite the group overall being within the requirements. This issue arises from the administrative decision to use the Revenue Commissioners “Employer Registered Number” as the identifier for tracking compliance. To prevent the Irish economy losing out, it is essential that a solution to this is found to help grow these critical skills roles and the associated jobs in the Irish labour market.

Despite its many strengths, the General Scheme unfortunately does not directly tackle the issue of the low and unskilled workers who are also needed to support the maintenance and growth of industry in certain sectors. Shortages among lower skilled workers and subsequent pressure on wages have the potential to be as harmful to the Irish economy as a shortage of skilled labour. This is particularly for indigenous businesses which are predominantly based in sectors that use a higher proportion of low-skill labour, such as care, manufacturing and agri-food.

The absence of this category of workers is not being addressed by the pool of resident workers and these sectors are not in a position to compete with higher paying sectors due to their low margins. Failing to resolve this crisis is likely to endanger existing business and limit the ability of organisations to take on new business opportunities internationally. Longer term, this will also impact their ability to meet Department targets set for certain sectors e.g., Food Wise 2025.

Many of these workers in the care or food processing sectors remain on the ineligible list thus stunting the ability of businesses to meet existing needs, let alone grow. This is also impacting workforce development too, as some employers struggle to staff a shift let alone release people for learning and development. Given our commitments to lifelong learning as a way to remain competitive, this is a worrying trend.

Ibec believe that a model such as the *Lower Skilled Occupations Visa* used in Canada or the *Essential Skills Work Visa* in New Zealand could offer opportunities and parameters that could suit Ireland’s need for lower skilled general operatives beyond what the general employment permit offers. The

eligibility requirements are for the equivalent of a high school diploma or two years job specific training and such visas define the duration, wages and conditions for their stay in the country.

One of the challenges to the provision of low skilled workers that arose during the *Review of Economic Migration Policy*, regarded how greater access to low-skilled immigrant workers may stifle innovation and automation of certain roles. However, many of the sectors in question are sectors where future automation is not possible or where a transition to automation away from labour will be slow and costly, such as social care and healthcare. These jobs require unpredictable, non-routine work involving personal interaction and emotional, rather than artificial intelligence and are not easily replaced by automation. As such the repeated reference to conditionality around knowledge transfer and process innovation to be prescribed in Regulations is a one that many employers may struggle to fulfil.

Conclusion

In an increasingly uncertain global environment, policy must continue to innovate and challenge boundaries. New ways to attract migrants must be undertaken to meet the labour market needs that extend beyond our own capacity. Failure to meet the skills and labour market demands will do untold, long-term damage to elements of our economy.

The General Scheme is a welcome Bill which aims to provide a more responsive and agile employment permit system for Ireland. In doing so it will support the economy and its ambitions for growth while future proofing the system for the expected ebbs and flows of the labour market.

I would like to conclude by thanking members of the Joint Committee for the opportunity to present Ibec's views on this important Bill.