

National Economic  
Social Council **NESC**

# Migration Policy

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**National Economic  
↔ Social Council NESC**

# **Migration Policy**

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## Abbreviations

<b>BMW</b> Border, Midlands and West	<b>EFTA</b> European Free Trade Area	<b>INIS</b> Irish Naturalisation and Immigration Service	<b>PPS</b> Personal Public Service
<b>CAP</b> Common Agricultural Policy	<b>EOCP</b> Equal Opportunities Childcare Programme	<b>IT</b> Information Technology	<b>PRTB</b> Private Residential Tenancies Boards
<b>CEE</b> Central and Eastern Europe	<b>ERDF</b> European Regional Development Fund	<b>JLC</b> Joint Labour Committee	<b>R&amp;D</b> Research and Development
<b>CF</b> Cohesion Fund	<b>ESF</b> European Social Fund	<b>MEP</b> Member of the European Parliament	<b>RIA</b> Reception and Integration Agency
<b>COMPAS</b> Centre on Migration Policy and Society	<b>ESRI</b> Economic and Social Research Institute	<b>MRCI</b> Migrant Rights Centre of Ireland	<b>S&amp;E</b> Southern and Eastern
<b>CRS</b> Central Records System	<b>EU</b> European Union	<b>MIDA</b> Migration for Development in Africa	<b>S&amp;T</b> Science and Technology
<b>CSO</b> Central Statistics Office	<b>EURES</b> European Employment Services	<b>MS</b> Member States	<b>SDM</b> Service Delivery Model
<b>DETE</b> Department of Enterprise, Trade and Employment	<b>FDI</b> Foreign Direct Investment	<b>NCIP</b> National Childcare Investment Plan	<b>SIEPS</b> Swedish Institute for European Policy Studies
<b>DFA</b> Department of Foreign Affairs	<b>FIS</b> Family Income Supplement	<b>NCCRI</b> National Consultative Committee on Racism Interculturalism	<b>SM</b> Single Market
<b>DJELR</b> Department of Justice, Equality and Law Reform	<b>FOI</b> Freedom of Information	<b>NDP</b> National Development Plan	<b>SME</b> Small and Medium Enterprises
<b>DSFA</b> Department of Social and Family Affairs	<b>GAIE</b> Gross Average Industrial Earnings	<b>NGO</b> Non-governmental Organisation	<b>SWA</b> Supplementary Welfare Allowance
<b>DWS</b> Developmental Welfare State	<b>GDP</b> Gross Domestic Product	<b>NMS</b> New Member States	<b>TA</b> Transitional Arrangements
<b>EC</b> European Community	<b>GNIB</b> Garda National Immigration Bureau	<b>NPAR</b> National Plan Against Racism	<b>TLMP</b> Temporary Labour Migration Programmes
<b>ECJ</b> European Court of Justice	<b>GNP</b> Gross National Product	<b>NQAI</b> National Quality Authority of Ireland	<b>TOEFL</b> Tests of English as a Foreign Language
<b>ECSC</b> European Coal and Steel Community	<b>HRC</b> Habitual Residence Condition	<b>ODERC</b> Office of the Director for Employment Rights	<b>UB</b> Unemployment Benefit
<b>EEA</b> European Economic Area	<b>HSE</b> Health Services Executive	<b>OECD</b> Organisation for Economic Co-operation and Development	<b>UN</b> United Nations
<b>EEC</b> European Economic Community	<b>IEBI</b> International Education Board of Ireland	<b>QNHS</b> Quarterly National Household Survey	<b>UNHCR</b> United Nations High Commissioner for Refugees
	<b>ILO</b> International Labour Organisation		<b>US</b> United States

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# Executive Summary

Immigration is a new experience for Ireland. In a short space of time, the proportion of non-nationals in the population has reached the level found in other advanced countries. The effects of migration have been broadly positive. It has increased economic activity, enhanced skills and widened the range of services available. To date, there has not been much evidence of the negative effects to which migration can give rise. However, the exploitation of some migrants is a real problem and migration can create a range of other anxieties. Indeed, experience of other countries shows that positive short-term effects are no guarantee that migration will work out well in the long run. To make a success of migration Ireland must connect the elements of its migration policy more closely and factor the integration of migrants more fully into mainstream policies.

The focus of this report is labour migration. The Council sought to develop a shared understanding of the impact of migration on the labour market, economic development and social cohesion. It commissioned a review of Ireland's migration experience and policy from the International Organization of Migration (IOM), based in Geneva. NESC is publishing IOM's report separately (IOM, 2006).

## Main Findings

### **Economic Impact**

Research suggests that from 1993 to 2003, migration increased both the overall size of the economy (total GNP) and average living standards (GNP per head). Many migrants had education and skills. Their arrival improved competitiveness, increased employment and boosted GNP. This led, in turn, to an increase in low-skilled employment and lower unemployment. It also helped to moderate the gap between the earnings of high-skilled and low-skilled workers.

Given the extent of migration to Ireland, we judge that there has probably been some moderation of wage growth, in particular in areas. In the buoyant economic conditions that have prevailed, large-scale migration has coincided with significant growth in earnings across the economy. Unemployment has continued to be low, participation in the workforce has been rising and employment of Irish people has increased in most sectors. This suggests that there has not been significant displacement of Irish people.

### The Migrants' Experience

Many migrants work in jobs that do not reflect their level of education. In this respect, there are parallels between Ireland's experience of emigration in the 1980s and immigration to Ireland today.

There is evidence that the employment of migrant workers has, in many instances, not conformed to the labour standards which Irish society considers acceptable.

### Illegal Migration and Undocumented Status

Illegal or irregular migration is undoubtedly present, in Ireland and other countries. There are a number of channels into the pool of irregular migrants, including asylum, the work permit system and educational migration. But the extent of irregular migration is unknown.

### Demographic Effect

Migration is one of the main factors shaping Ireland's demographic trajectory. In the past decade, over half of the growth of population was due to migration. Over the next decade, the CSO projects an increase in the population of between 437,000 and 686,000. Immigration could contribute from 150,000 to 300,000 of this.

### Uncertainties

Although we know a lot about recent migration, we remain uncertain about some of the facts, many of its economic and social effects and its future scale. For example, we do not know how much migration is temporary, how effectively migrants will progress to jobs that reflect their education, nor the impact of migration on the distribution of wages in recent years. Consequently, we remain uncertain about the effect of migration on Ireland's long-run growth and prosperity.

## The Council Draws a Number of Conclusions from these Findings and International Research

1. Pressure for migration—legal and illegal—is an unavoidable feature of the emerging world order to which all societies and states must respond.
2. The enlargement of the EU was a moral, political and economic imperative. The states that joined the EU in 2004 have higher levels of education than countries with comparable income levels. Because of its booming economy and its decision to open its labour market in 2004, Ireland attracted a disproportionate share of this mobile, relatively educated, workforce.
3. Migration can enhance economic and social progress and prosperity, but this is not inevitable. Our analysis shows that migration is most likely to enhance Ireland's economic and social development when it meets certain conditions. It must support an upgrading of the economy, skills and work. It must yield mobility and integration, rather than segmented labour markets and social

separation. It must be combined with enhancement of social participation and protection by means of the Developmental Welfare State and be associated with a narrowing of income distribution.

Conversely, migration will not contribute to Ireland's economic and social strategy if it is driven by demand for labour at low levels of wages and conditions, or if migrants are confined to low-skilled, traded, sectors that are highly cost-sensitive. These are among the conditions in which migration is likely to actually lower GNP per head in Ireland and widen inequality in incomes.

4. Integration of migrants is one of the main factors determining the overall success or failure of migration. While many countries have used migrant labour to meet labour shortages, few European countries have achieved successful long-term integration into economic, social, cultural and political life. This is especially the case with low-skilled migrants or those perceived to be very different.
5. Migration has the potential to undermine the rule of law. It can weaken the ability of the state institutions to define, control and monitor who resides in Ireland. It can create situations in which some people are vulnerable to exploitation. It can weaken trust in the ability of public institutions to ensure the rule of law, which tends to become a self-fulfilling prophesy.

## Overall Implications for Policy

### 1. Ireland needs to clarify its approach to migration, focusing simultaneously on three broad goals:

- ◆ Economic and social development;
- ◆ The rule of law; and
- ◆ Integration of migrants into economic, social, cultural and civic life.

### 2. 'Migration Policy' should be defined broadly:

Ireland's 'migration policy' should not focus only on the channels of entry and the eligibility of migrants for social services. Making a success of migration also depends on labour market policies, social policies, measures to ensure the integration of migrants and quality public administration. In many respects, migration increases the urgency of existing policy challenges more than it creates entirely new ones.

### 3. We urgently require a ‘whole-of-government’ approach:

The three goals of migration policy, outlined above, are interdependent and all departments must take some responsibility for each of them. This challenges Ireland’s public policy system to:

- ◆ Build a widely-shared understanding—and communicate a clear vision—of the role of migration in Ireland’s long-term economic and social development;
- ◆ Achieve a whole-of-government approach to a range of cross-cutting issues;
- ◆ Ensure that the integration agenda is now mainstreamed in key service-delivery departments; and
- ◆ Create information systems that support individual policy spheres and allow sufficient connection between them.

The Council recommends that government now create institutional arrangements to achieve these tasks.

## Specific Policy Recommendations

### Policy on EU Migration and Enlargement

As a member of the EU, Ireland adheres to the principles of free movement and Community Preference. The Council endorses this approach.

The coming accession of Romania and Bulgaria will widen socio-economic disparities within the Union. Within the principles of free movement and Community Preference, Ireland retains the right to apply transitional arrangements, restricting the access of Romanians and Bulgarians to the labour market for a number of years.

In deciding on this matter, a number of factors should be taken into account:

- ◆ prevailing conditions in the Irish labour market;
- ◆ the fact that significant economic benefits and political capital accrued to Ireland from the decision not to impose restrictions in 2004;
- ◆ transitional arrangements may have more impact on the composition of migration than its total level.

The Council recommends that the social partners should be consulted in advance of the Government decision.

### Policy On Migration From Outside The EU

The Council supports the policy articulated since EU enlargement in 2004—that low-skilled workers should be sourced from within the EU. It welcomes the reduction in the number of new work permits. Even with this, a considerable level of legal low-skilled migration from low-income countries outside the EU is likely, principally through family reunification.

The Council believes that only a limited level of low-skilled migration from outside the EU should be permitted and that it should take place through high-quality programmes. These should prevent low-skilled migrants being trapped in low-paying, cost-sensitive and vulnerable sectors. It recommends that migrants engaged in low-skilled work should, on certain conditions, have the opportunity for education or training.

The Council welcomes the Government's proposed introduction of an Irish 'green card' for high-skilled workers, with the right to be accompanied immediately by a spouse and the prospect of permanent residence after two years.

The Council believes that the attraction of students from outside the EEA must be consistent with a well-articulated international education policy. It welcomes the move to restrict the right to work to students who are completing full-time courses of at least one year's duration that lead to a recognised qualification. However, the new measures would not appear to be effectively implemented and the Council welcomes the fact that students will be required to have employment permits.

Family reunification is potentially the largest source of migration to Ireland from outside the EU. There are anomalies and inequities in the ease with which people legally resident in Ireland can be joined by family members who are non-EEA nationals. The Council urges further discussion and development of policy on family reunification.

### Labour Standards and Labour Market Policy

Core labour standards and employment rights are integral to the Council's unified view of economic and social development. Framed correctly, legally-binding labour standards are not a burden on economic success or business performance, but supportive of them. While the creation of employment across the skill spectrum is a genuine part of Ireland's economic and social progress, jobs that are reliant on low standards are not.

The labour issues thrown up by migration and globalisation can put employers and unions in uncharted territory. National social partnership can be a critical support in finding a constructive approach. Experience shows that partnership with government helps the partners to demonstrate that their actions serve not only their legitimate self-interest, but also wider social purposes.

The new social partnership agreement, *Towards 2016*, contains a commitment to build a 'new compliance regime'. The Council endorses this approach.

A central argument of this report is that labour market policy, in key areas, is one of the most important policy responses to migration. The success or failure of migration depends on how well the labour market works for both migrants and Irish citizens. In particular, migration increases the urgency of raising the productivity of people at work and raising the employment rate. There is a danger that the ready availability of migrants could reduce pressure to raise the skills of the resident population and tackle the obstacles to the participation of Ireland's most marginalised citizens, including welfare-to-work disincentives.

### **Integration Policy and the Adaptation of Social Policy**

Ireland's relatively successful early experience of migration does not guarantee that migrants will integrate sufficiently into Irish society or the Irish economy. While government must play a leading role, successful integration hinges on a vibrant civil society. The main approach to integration should be adaptation of mainstream policies and services, rather than creation of separate services for migrant groups. Language competency should be a cornerstone of integration policy.

Migration poses two challenges to social policy: increased scale and more diversity. These differ in each service area—education, health, housing, social welfare, policing and justice. There are some issues that arise in all areas. These include improving the collection and use of data, enhancing the ability of staff to deal with a diversity of users, understanding the vulnerabilities of women in the migration-integration process and providing the public with better information on service entitlements and standards.

## **Conclusion**

Ireland's transition from a history of emigration to being a country of strong immigration marks an important threshold in its long-term economic and social development. Our conviction that a century and a half of net emigration weakened the country's progress, suggests that immigration can play a role in building a successful society in Ireland. But international experience shows that this is not inevitable. To make a success of immigration requires effective government policies, a negotiated international order such as the EU, innovative firms and civic associations, an open culture and, most of all, a shared understanding that migration can contribute to a prosperous and inclusive Ireland.



1

# Introduction

In this report, the Council sets out its understanding of recent migration to Ireland and makes recommendations on Irish policy. In doing this, it makes considerable use of a study prepared for NESC by the International Organization of Migration, based in Geneva (IOM, 2006). Drawing on their wide knowledge of migration and migration policy in many countries, the Consultants argue that the success of migration in any country depends on the creation of a shared understanding that migration can contribute to a prosperous and socially-inclusive society.

The Council shares this view. Indeed, it believes that a first step to building such a shared vision is to understand recent migration to Ireland. To understand Ireland's recent experience it is necessary to see it in the light of three factors:

1. The causes and consequences of migration;
2. The widening and deepening of the European Union (EU); and
3. Changes at the global level—geopolitical, economic, technological and social.

Adopting this approach, Part I (Chapters 2–5) of the report outlines the Council's understanding of recent migration to Ireland. Because new CSO data has been published since the Consultants undertook their work, Part I of the Council's document contains a fairly detailed summary of the evidence on recent migration to Ireland.

Chapter 2 reports recent migration trends and explains the channels through which migrants arrive in Ireland. Chapter 3 reviews the causes and effects of migration. It draws on international research, published data on Ireland and the increasing body of research on Ireland's migration experience. Considerable evidence is emerging on the origin, skill profile and employment of migrant workers and their impact on the Irish economy and this is summarised. Evidence and research on the social and cultural effects of recent migration has not yet accumulated.

Chapter 4 explains why an understanding of EU enlargement and deepening is critical in approaching the policy issues thrown up by migration. It opens by placing Ireland's recent experience in the context of European migration since the Second World War and EU enlargements since 1973. It then looks in some detail at the steps the EU has taken to make more of a reality of the 'free movement' of labour, and, at the same time, protect national welfare systems from 'welfare shopping' and national labour markets from erosion of standards. This has involved a complex evolution of laws, standards and policies. The chapter finishes by identifying significant uncertainty about future migration trends in the EU, particularly migration from Central and Eastern Europe.

Chapter 5 completes the understanding of recent migration to Ireland by briefly describing the changes in geo-politics and global economic structures that have caused a significant increase in international migration in recent decades. International migration is a central feature of the new world order and pressure for migration from poorer countries is likely to increase.

We open Part II (Chapters 6–12) of the report by asking: what kind of understanding of migration does the analysis in Part I yield? In the Council's view, there are three elements to our current understanding of, and perspective on, migration:

- 1) **Awareness** of the range of possible economic and social effects of migration and of the experiences of other countries;
- 2) **Findings** on the pattern, scale and effects of migration to Ireland to date; and
- 3) **Uncertainties** about some existing elements of migration and several key future trends and effects.

Given this understanding, the Council proposes a way of framing Ireland's goals with respect to migration and the means available to achieve them. It suggests that three broad goals should inform Ireland's policies on migration: economic and social development, the rule of law and integration. The chapter finishes by identifying ways in which migration can support Ireland's economic and social strategy and conditions necessary for migration to make this positive contribution.

Chapter 7 underlines the fact that, as a member of the EU, Ireland adheres to the principles of free movement and Community Preference. The Council endorses this approach. Drawing on the analysis of EU enlargement in Chapter 4, it argues that the widening of socio-economic differences within the EU makes it more important for Member States to monitor and protect social and labour standards. It also increases the importance of Structural Funds that are sufficiently generous and effective to support strong growth of living standards in the new Member States. It discusses the fact that Ireland retains the right to adopt transitional arrangements when Romania and Bulgaria join the Union, and identifies the factors that should shape that decision.

Chapter 8 addresses policy options on migration from outside the EEA. Drawing on the Consultants' report, it highlights the degree to which Ireland's approach has been led by employers' demand for workers from outside the EEA. The general characteristics of temporary and permanent migration programmes are summarised. As noted above, a critical policy issue is the degree to which Ireland should issue employment permits to low-skilled workers from outside the EEA. The case for and against such low-skilled migration is outlined and some design options discussed. The Council argues that only a limited degree of relatively low-skilled migration should be permitted. Insofar as there is low-skilled migration, Ireland should aim to create high-quality programmes for such migrants. Low-quality programmes do little to protect the native population, do not greatly constrain migration and have a number of negative effects. A qualitative dimension to all migration programmes is the extent and timing of family reunification rights which they entail. This is potentially a major channel through which further migrants will come to Ireland and the Council makes

several contributions to the search that is underway for policies which are, at the one time, supportive of Ireland's economic and social strategy, fair to all categories of migrants and reflect Ireland's strong commitment to the family. Attention is also given to ways in which Ireland's migration policy and overseas development policy can be supportive of each other.

Chapter 9 discusses labour standards and labour market policy. One of the findings of Part I is that some migrant workers have experienced unsatisfactory working conditions, including violation of Irish employment law—although it is very hard to be sure how widespread this is. The Council argues that in addressing the issue of labour standards we need to clarify our understanding of the role of the labour market in overall economic and social strategy, and of the role of institutions and rights in the labour market. The chapter discusses why labour standards are important within the Council's unified view of economic and social development and identifies some implications of this. While the creation of employment across the skill spectrum is a genuine part of economic and social progress, jobs that rely on low standards are not. We outline the Council's support for the 'New Compliance Regime' agreed by government and the social partners and draw attention to some international innovations in monitoring labour standards and promoting compliance. A central argument of this chapter—indeed, of this whole report—is that labour market policy, in key areas, is one of the most important policy responses to migration. The success or failure of migration depends on how well the labour market works for both migrants and Irish citizens. Consequently, we underline the importance of ensuring that migration is combined with an upskilling of the resident population and further progress in raising the employment rate.

In Chapter 10, the Council outlines its proposals on integration policy. Drawing on the work of the IOM Consultants, it argues that for integration to occur, support will need to be built on a widely-shared vision of how migration can contribute to a dynamic, secure and socially-cohesive Irish future. Integration should be seen as a multi-dimensional process, unfolding over a long time. International experience underlines that language capability is a cornerstone of integration policy. Note is made of the critical role of civil society and NGOs in facilitating integration. The Council agrees with the Consultants that the main approach to integration should be adaptation of mainstream policies and services, rather than creation of separate policies and services for different migrant groups. Consequently, there is a significant overlap between integration policy and the adaptation of social policy migration, discussed in Chapter 11.

Chapter 11 discusses the adaptation of social policy to migration. A key requirement is better information, both within the public system and among citizens and migrants. The existing responses of the main service sectors are briefly reviewed and some of the specific challenges in each sector are identified. Rather than make detailed recommendations on each service area, the Council emphasises the need for government and the partners in each sector to engage in appropriate policy development and institutional change.

Finally, in Chapter 12 the Council discusses how migration policy should now be developed and managed. It argues that the three goals outlined in Chapter 6—economic and social development, the rule of law, and integration—are interdependent and need to be taken into account by a range of departments and agencies. In thinking about institutional approaches, the Council sees four main challenges. These include creating a whole-of-government approach to a range of cross-cutting issues, ensuring that the integration agenda is firmly mainstreamed in key service delivery departments, communicating a clear vision of the role of migration in Ireland’s long-term economic and social development and creating information systems to support individual policy spheres and to allow sufficient connection between them. The Council suggests that in designing institutional arrangements, government can draw on a number of recent experiences in policy making and coordination.

The focus of this report is on labour migration, rather than refugees and asylum seekers. While many of the issues discussed in this report are of relevance to policy on refugees and asylum seekers, there is a fundamental difference in the considerations which enter into policy making and implementation in the two areas. Policy response to refugees and asylum seekers must be informed by binding obligations, both moral and legal, which Ireland owes to those in danger. Policies on labour and associated migration can properly be informed by a range of judgements on national advantage, EU processes and cause-and-effect relationships in both the economy and society.

## **PART I**

# Understanding Migration

# 2

## Migration Trends and Channels

## 2.1 Migration Trends: An Overview

This chapter provides a brief overview of the scale and composition of migration to Ireland and different channels through which migrants arrive in Ireland. A more detailed description of these trends is provided in Chapter 2 of the IOM Consultants' report (IOM, 2006).

The rise in inward migration has been a distinctive feature of Ireland's recent economic and social development. Recorded net migration became positive in 1997 and reached over 53,000 in 2005 (year ending April in each case). CSO data suggest that there has been approximately a fourfold rise in gross inward migration from an estimated 17,200 in 1987 to 70,000 in 2005. Estimated outward migration has fallen, from a high of 71,000 in 1989 to 16,600 in 2005.

There has long been a pattern of return migration of Irish people and this has continued to be a significant aspect over the past decade. Migration by Irish nationals represented over half of all recorded migrants in the years 1996 to 1999. Since then their share has fallen but Irish nationals still represented 27 per cent of inward migration in 2005.

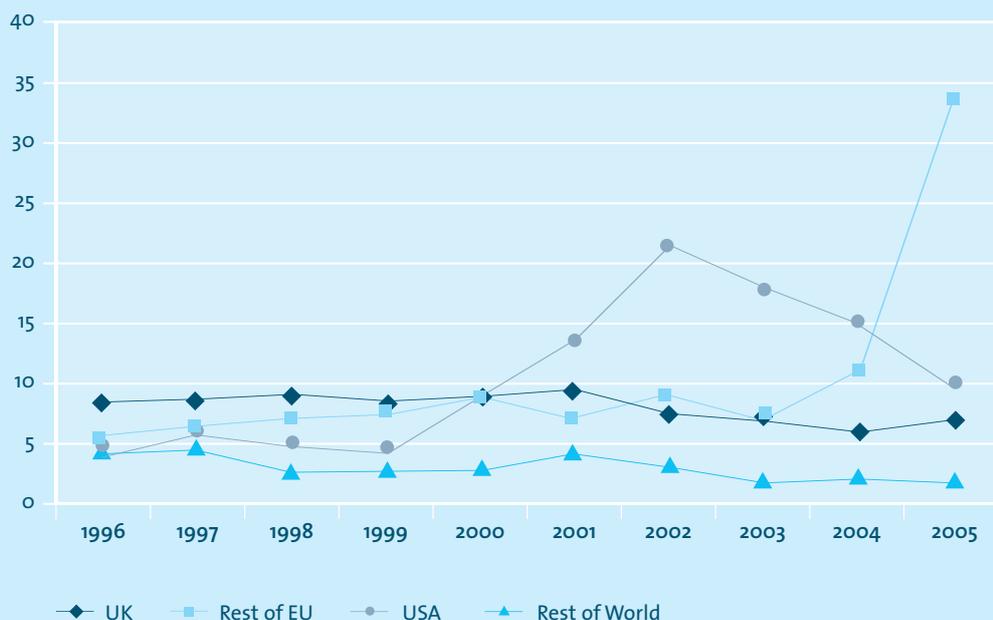
Leaving aside returning Irish people, CSO estimates suggest that the largest share of migration to Ireland consists of nationals of other EU countries. In 1996, EU nationals are estimated to represent around 62 per cent of non-Irish migration. Until enlargement took place, estimated migration from other EU countries was relatively stable and its share fell in subsequent years with the rise in migration from other countries (including from the accession states). In the year to April 2005, following the enlargement of the EU, there was an estimated increase of almost 23,000 (to 33,500) in the migration of EU nationals—other than UK nationals—to Ireland (see Figure 2.1). This is partly because migrants from the ten new Member States (NMS) are included in the EU figure for 2005 for the first time. In previous years migrants from the accession states were not separately identified in the data and were included as part of the rest of the world in the CSO's classifications. The CSO estimates that in 2005 there was a fall in migration of nationals from the rest of the world of around 6000 (to 9,000), far less than the rise in migration of EU nationals. Hence, the increase in migrants from the EU in 2005 is far higher than be explained by a pure reclassification of migrants from the Eastern Europe. The estimates suggest that in 2005, almost 80 per cent of non-Irish migrants to Ireland (40,400 people) were nationals of the EU 25.

Around two-thirds of the EU nationals migrating to Ireland in the year to April 2005 are estimated to be nationals of the NMS (26,400). These NMS nationals represented over half (52 per cent) of the total estimated non-Irish migration to Ireland, while 13.5 per cent of non-Irish migrants were UK nationals and 14 per cent were nationals of the other 13 EU countries.

There has been a substantial increase over the past decade in migration to Ireland from countries outside the EU and the US (which we will refer to as the rest of the world). This migration is estimated to have risen from 4,200 in 1996 to a peak of 21,700 in 2002 and has been falling since then. With the incorporation of the NMS, estimated migration from the rest of the world fell to 9,000 in 2005. This is still more than a doubling of this external migration since 1999. Migration from outside the EU and the US is a significant development for Ireland. However, it is worth noting that at present it seems to be a modest share of total inward migration (17.6 per cent of non-Irish migrants). The CSO estimates that just 3 per cent of non-Irish migrants were from the US in 2005.

The most recent migration data refer to the year ended April 2005. More recent data on population from the *Quarterly National Household Survey (QNHS)* show an even greater influence of the NMS on Ireland's current migration flows. The QNHS estimates that the increase in the non-Irish population in the year to the first quarter of 2006 was 54,700. This was three times the estimated change in the non-Irish population in 2004. Almost three quarters of this increase (40,000 people) is estimated to consist of nationals of the NMS.

Figure 2.1 Non-Irish Immigration Flows by Nationality (000s)



Source CSO, Population and Migration Estimates.

Note: The EU data refer to the EU (15) until 2004 and in 2005, following enlargement refer to the EU (25).

**Table 2.1 Annual Change in Irish, Non-Irish  
and Total Population (000s)**

	Irish	Non-Irish	Total
2001	33.6	25.1	58.6
2002	36.1	27.4	63.5
2003	41.6	13.8	55.4
2004	49.8	15.9	65.8
2005	38.3	48.2	86.4
<b>Annual average 2001 to 2005</b>	39.9	26.1	65.9

Source: Special Tabulation provided by the CSO. Data refer to the year ending in the final quarter.

The most recent comprehensive data on the stock of migrants is from the 2002 Census. This records that there were 400,000 people whose place of birth was outside the Republic of Ireland in the population in that year, amounting to 10.4 per cent of the population. There were almost 50,000 (12.4 per cent) people from Northern Ireland and almost 200,000 from Britain (49.6 per cent). A further 33,000 were from another EU 15 country. These Census estimates suggest that over 70 per cent of foreign-born people resident in Ireland had their place of birth in an EU country.

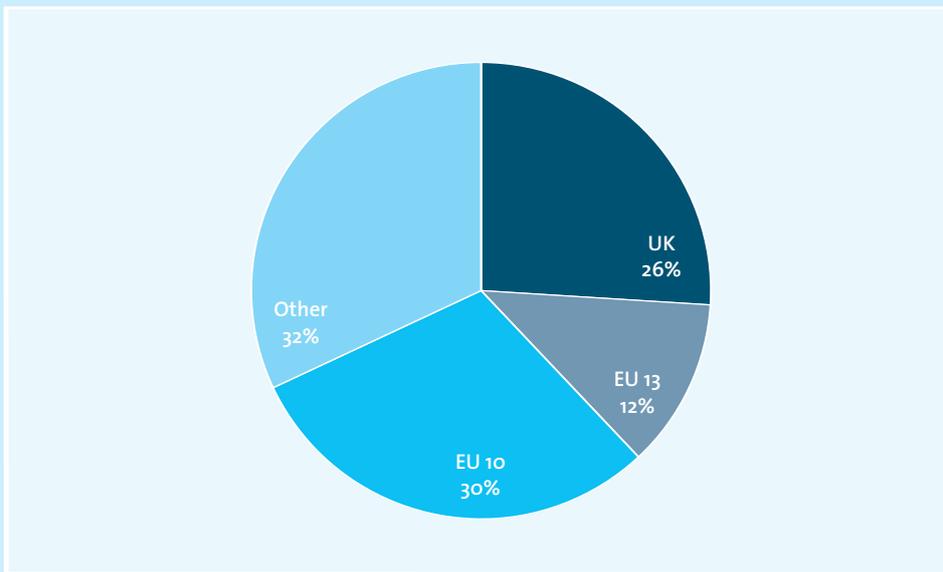
The Census also contains data on the nationalities of the population. Nationality is not solely defined by place of birth; people are asked to identify their nationality in the Census. Some of the population born outside the Republic of Ireland consists of Irish nationals; for example, the children of Irish people born abroad. The 2002 Census estimate of the non-Irish population was around 224,000 or 6 per cent of the population. The largest national grouping was UK nationals (46 per cent of the non-Irish population or 103,500 people). The Census recorded around 133,400 EU nationals, which was almost 60 per cent of the non-Irish population. The Census also recorded almost 21,000 African nationals (9.3 per cent of the non-Irish population), close to 22,000 Asian nationals (9.7 per cent) and just over 15,300 American nationals (6.9 per cent).

More recent, but less comprehensive, data on the non-Irish population are available from the QNHS. This estimates that the non-Irish population aged 15 and over in 2006 (first quarter) was 271,300 or 8.1 per cent of the total population aged over 15. This is a substantial increase on the 6 per cent figure (for the total population) from the 2002 Census. The composition of this estimated non-Irish population is shown in Figure 2.2 below. Over 30 per cent, 82,000 people, were estimated to be from the NMS. It is striking that the estimated number of

immigrants from the NMS is two and a half times the number from the EU 15 excluding the UK and Ireland. The share of the NMS in the non-Irish labour force is even higher at 37 per cent, reflecting the high labour force participation of NMS nationals.

New estimates of the current size and composition of the migrant population will be provided in the 2006 Census. A tentative estimate included in the preliminary census release is that there are around 400,000 non-Irish nationals in the population in 2006. This would represent around 9.4 per cent of the population.

**Figure 2.2** Composition of Non-Irish Population Aged 15 and Over



Source CSO, Quarterly National Household Survey, 2006, First Quarter.

## 2.2 Channels of Migration

A crucial distinction with regard to entry to Ireland is the treatment of European Economic Area (EEA)<sup>1</sup> and other nationals. Nationals of EEA countries, as long as they can prove that they are economically self-sufficient, have unrestricted access to Ireland for employment and other purposes such as study. Existing data shows that EEA nationals now constitute the bulk of inward migration to Ireland.

For those living outside the EEA there are a number of legal entry routes to Ireland (summarised in Figure 2.3 at the end of this section):

1. The EEA consists of the EU plus Norway, Iceland and Lichtenstein. Switzerland is not part of the EEA but Swiss nationals have the same access rights as EEA nationals. References in the text to EEA nationals should be understood to include Switzerland.

- ◆ Work permits;
- ◆ Working visas/authorisations and working holiday visas;
- ◆ Asylum applications and refugee status;
- ◆ Student visas;
- ◆ Arrival as a dependant;
- ◆ Entry as a parent of Irish born children (no longer available); and
- ◆ Business permissions.

In addition to these legal channels, some people enter the country illegally and others, having entered legally, stay illegally.

Each of these is now briefly explained.

### 2.2.1 Work Permits

Work permits are the main legal route of entry to employment for non-EEA nationals. They are issued to employers for one year and are renewable. They grant permission for a specific employer to employ a named individual in a specified position. They are subject to a labour market test; employers are required to demonstrate to FÁS that they cannot find suitable people from within the EEA. The IOM consultants do not regard the implementation of the labour market test as effective at present (IOM, 2006: 43); possible reforms are discussed in Chapter 8 below. Work permits have been an important entry route for workers from the accession states, but following enlargement have declined in significance. In 2003, 47,707 permits were issued, while in 2005 the number issued was 27,136 (including renewals). The number of new permits issued in 2005 was 7,354. This number includes permits issued to those moving jobs; according to the Department of Enterprise, Trade and Employment (DETE) this averages around two to three thousand annually. Thus, work permits now play a modest role in the context of current Ireland's estimated new inward migration flows. A large number of people have, however, entered Ireland on work permits since 1997. The Consultants point out that Ireland's work permit regime contains no measure to ensure return of migrants when their permit expires, and limited procedures to monitor return. Consequently, it seems possible that there are many non-EEA migrants in Ireland whose work permits have expired. However, there is no data on this. Policy issues arising from this approach are discussed in Chapters 6, 8 and 12.

Since EU enlargement the work permit system has become more restrictive. In August 2004, DETE announced that it would no longer consider applications for new work permits for employment in low-skilled or low-waged occupations. Data from the IOM report on the occupational distribution of work permits before and after this change is presented in Table 2.2 below. A limitation of these data is that there is a very large 'other' category—leaving it unclear the degree to which permits are still being issued to employers hiring low-skilled workers. It is clear from these data that, following the changes announced in August 2004, there has

been a substantial increase in the share of new work permits allocated to the three higher-level groups (managers and administrators, professional occupations, associate professional and technical occupations) — up from 12 per cent for the period January to August 2004, to 31 per cent for the period September 2004 to April 2005.

Ireland has operated a small-scale Seasonal Horticultural Workers Scheme since 2002<sup>2</sup>. The scheme relies heavily on contacts with horticultural colleges in the students' home countries and the colleges' involvement in selecting and facilitating the placement of their students in Ireland.

**Table 2.2 New Work Permits Issued to Non-EEA Nationals by Job Category, January 2003 – April 2005**

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

Source: IOM (2006: 33) based on work permits data provided by DETE.

2. It is restricted to horticultural students in eastern and central European countries. Out of about 250 students to be admitted in 2005, some 150 will be from the new EU Member States, and around 100 from the Ukraine. The horticultural industry has made special arrangements with DETE to facilitate the issuing of work permits for non-EEA students wishing to participate in the scheme.

### 2.2.2 Work Visas and Authorisations

Work visas are provided to fill positions in three selected professional areas, covering IT, construction and health. Unlike work permits, they are issued directly to employees, provided that they have a job offer in Ireland. They are valid for two years and may be renewed for another two. The number of visas issued has been quite small; by 2005, 12,927 visas had been issued.

There is also a scheme of working holiday visas for people aged 18 to 30 from Australia, Canada, New Zealand, Hong Kong and Japan, allowing them to work casually while visiting Ireland. These visas are not subject to the labour market test.

### 2.2.3 Students

In 2005, there were 27,000 registered non-EEA students in Ireland. Just over half of these, 14,000, were in higher education institutions; the remainder in other educational institutions, such as private language schools. There are a further 9,000 international students from the EU registered in higher education institutions.

Until recently, people from outside the EEA with student visas had considerable flexibility in taking up casual employment. Policy on this has changed; it now says that only full-time students in courses of at least one year's duration, leading to a qualification recognised by the Minister for Education and Science, are allowed to undertake casual work<sup>3</sup>. There is, however, a question as to how effective these new restrictions are in practice. There is a commitment in the new social partnership agreement, *Towards 2016*, to extend the work permit system to students.

### 2.2.4 Refugees and Asylum Seekers

The number of new applications for asylum in Ireland has fallen sharply, from 11,634 in 2002 to 4,323 in 2005, which is just over 7 per cent of estimated immigration (excluding Irish people) in that year. Asylum seekers are not permitted to work, but those whose applications are successful and become recognised as refugees then acquire full employment and social rights. Of those who claim asylum status, almost 90 per cent are not successful in their claim. At the end of 2004, there were 7,201 refugees in Ireland and the combined number of asylum seekers and refugees was 10,897 (UNHCR, 2006).

### 2.2.5 Family Reunification: the Channels

There are no data publicly available on the annual inflows of non-EEA nationals admitted as family dependants. For some time, all non-EEA nationals aged 16 or over have been obliged to register with the Garda National Immigration Bureau (GNIB) within 90 days of entering the State. Since end April 2006, those who are family members of EU nationals resident in Ireland, including children, must apply for a Residence Card to confirm their family relationship with an EU citizen. Both these consequent databases—one established and one forthcoming—provide some basis, at least, for the authorities to track the significance of family reunification as a factor contributing to the stock of non-EEA nationals in Ireland. The Department of Justice, Equality and Law Reform (DJELR) notes that the

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3. Casual employment is defined as working up to 20 hours a week during term-time and up to 40 hours a week during term holidays.

demand for family reunification, while currently not at all as significant as in other EU Member States, where it can account for up to 60 per cent of immigration, is ‘showing signs of intensifying and has the potential to become a major source of migration into Ireland’ (Department of Justice, Equality and Law Reform, 2005a:80). The Immigrant Council of Ireland records that queries on the family reunification application process constitute the largest single cause of people seeking their services (Immigrant Council of Ireland, 2006).<sup>4</sup> Migration caused by family reunification—as the experience of northern European countries in the 1970s attests (see 4.2.2 below)—does not slow down when economic growth slows down.

People from outside the EEA may enter and reside in Ireland as the family dependant of a legal resident in one of five principal ways:

1. They may be the spouses or minor dependent children of resident Irish citizens. While their entry and residence is not a statutory entitlement, the authorities are required to have regard to their family relationship with an Irish national and permission is almost always granted. They are entitled to apply for Irish citizenship after three years and have immediate entry to the labour market. There is no formal requirement on the sponsoring Irish citizen to be in work or to demonstrate the economic viability of the family unit, though applications can be refused on the grounds of limited financial means. While there is no recognition of unmarried partners in Irish law, it is not unusual that immigration decisions admit an unmarried partner, a same-sex married partner or a partner in a civil union.
2. They may be the family members of EU/EEA nationals who moved to Ireland for the purposes of work, including of Irish citizens who once worked in another Member State. In this case, they ‘derive’ the same rights as the person who sponsors their arrival into Ireland and are protected by the European *acquis* prohibiting discrimination against migrant EU workers on grounds of nationality (see Appendix to Chapter 4 below). The concept of ‘family member’ in the European *acquis* goes beyond the nuclear family based on marriage to include partners, dependent relatives, family members requiring the personal care of the EU citizen on health grounds and other members of the households of EU citizens before they moved to Ireland. The status of partner requires attesting a relationship lasting at least two years and is for admission and residence purposes only; it does not involve its recognition for other purposes within Ireland (e.g., tax, social welfare). As always with EU law on the free movement of persons, grounds of ‘public policy, public security or public health’ may be invoked to refuse entry to or expel EU nationals themselves and not just their non-EEA family members, but the onus is on national authorities to assess many factors affecting the well-being of the individuals concerned before taking such a major step.<sup>5</sup>

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4. One third (4,185) of the queries to which the Immigrant Council of Ireland has responded since opening in 2002 (12,500 in all) came from people seeking information on the family reunification process or assistance in complying with it.

5. The transposition into Irish law (on 28 April 2006) of the 2004 European ‘Residence’ Directive has been important here. See Appendix 4.1 to Chapter 4 below.

3. They may be family members of EU/EEA citizens legally resident in Ireland but 'economically inactive' (e.g., in retirement, students). The broader understanding of family member holds here too but the family members in this instance must be covered by private medical insurance and the family unit be able to support itself without recourse to public funds.
4. They may be the dependants of people granted refugee status. Since the 1996 Refugee Act, married spouses, unmarried dependent children under the age of 18 and, in the case of a refugee who is a minor, the refugee's parents have a statutory entitlement to join the person given refugee status in Ireland, while Ministerial discretion can include other members of the refugee's extended family. Again, the family members attain the same rights as are conferred with refugee status on the original applicant; thus, they have access to the labour market and equal entitlement to public and social services as Irish citizens. Those granted leave to remain without satisfying the criteria for refugee status do not have an entitlement to family reunification but may be granted it at the discretion of the Minister.
5. They may be the family dependants of workers from outside the EEA who have been, or are being, admitted legally for work purposes. These workers fall into two groups. Generally, workers with full-time employment (or an offer of it) in occupations/sectors where a shortage of skills is deemed to be at a high level<sup>6</sup> may be joined immediately by their spouses and minor dependent children, subject only to their having private medical insurance. The spouses must apply for work permits if they wish to work elsewhere in the Irish economy but without a labour market test being necessary. The second group of non-EEA workers are those employed (currently, they require work permits) in lesser-skilled jobs which their employers attested they were unable to fill from within the EU/EEA. If they are from non-visa required states, these workers can have family members join them immediately provided the working family member has sufficient resources to ensure they do not become a burden on the state. If they are from states which require a visa, they cannot apply for family reunification in the first 12 months, may apply during years two and three if they have an income above the threshold that would qualify for Family Income Supplement (FIS), a condition that is then waived after three years. In all cases, private medical insurance is required. When spouses are admitted to join them it is intended to extend to them also the freedom to apply for work permits without a labour market test when an offer of employment is made to them.

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6. The level is higher than the individual employer's attestation that a vacancy cannot be filled and a routinely administered 'labour market test' by FAS confirming that (the basis for granting work permits in the past) but arises from a more collective and long-term assessment of a generalised skills shortage.

### 2.2.6 Parents of Irish-Born Children

Up to January 2003, foreign nationals who were parents of children born in Ireland could apply for permission to remain in Ireland on this basis. Between 1996 and February 2003, 10,500 parents were granted the right to remain in Ireland under this provision. In January 2003, the Supreme Court ruled that there was no absolute right to remain in Ireland on the basis of being the parent of an Irish-born child. The facility allowing parents of Irish-born children to automatically remain was withdrawn from February 2003. At that stage, there were 11,000 applications outstanding.

In 2004, the Irish Constitution was amended by a referendum, removing the automatic right to citizenship to all those born in Ireland. Legislation based on this amendment came into force in January 2005. In the same month, the Government also announced a once-off scheme allowing non-Irish parents who already had Irish-born children to apply for the right to remain. There were 18,000 applications under this scheme and just over 17,000 were successful. Of the 11,000 outstanding applicants under the scheme that was terminated in January 2003, 7,220 applied under the 2005 scheme and the overwhelming majority of these were successful. The 17,000 successful applicants have been granted permission to remain for two years; this permission is renewable. The permission to remain here does not include the right to family reunification.

In total, over 27,000 non-Irish have been granted permission to remain in Ireland as parents of Irish-born children. This group have legal access to the labour market.

### 2.2.7 Business Permits

Non-EEA nationals who wish to come to Ireland for the sole purpose of setting up a business require a business permit, which is issued by the DJELR. Business permits are valid for one year, and may be renewed for another year. After two years, longer-term permits may be granted. To qualify for a business permit, a number of conditions need to be met, including a minimum capital transfer to Ireland of €300,000 and the creation of at least two new jobs for EEA nationals.<sup>7</sup> In 2004, 97 persons were granted business permits, down from 134 in 2003.

### 2.2.8 Intra-Company Transfers

The Intra-Company Transfer Scheme was intended to facilitate the temporary transfer of senior management and key personnel within international companies with offices in Ireland. The scheme could be used by senior managers who could be appointed to Ireland for a few years or by experts whose specialised knowledge was required on a project for a few months. The scheme was suspended in 2002, but the DETE has continued to issue a limited number of permits on a discretionary basis. While the scheme has always been small in terms of numbers, the ability of international companies to move key staff to Ireland without undue obstacles is an important part of Ireland's attractiveness as a location in which to do business.

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7. For a full list of criteria, and a more detailed description of the business permit system, see [www.justice.ie](http://www.justice.ie)

### 2.2.9 Programme for Trainees

Like the Intra-Company Transfer scheme, a trainee programme was abolished in 2002. The suspension was triggered by the concern of the DETE over the potential abuse of both schemes by both companies and workers. In particular, there was concern that Irish companies were abusing these schemes to bypass the work permit system and the domestic labour market. Prior to its suspension, the trainee programme was intended to enable persons coming to Ireland from an overseas company to engage in paid or unpaid training at an Irish-based company. The employment permit for trainees was valid for three years.

### 2.2.10 Labour Market and Other Channels

This section has followed the normal practice of outlining labour market and other channels of entry to Ireland. However, it is important to note that legal access to labour market is not confined to those who enter under explicit *labour market* channels. A number of significant categories of people with legal access to the labour market are as follows:

- ◆ Non-EEA citizens who are family members of EEA citizens living in Ireland;
- ◆ Family members of migrant workers, work-authorisation/visa holders and, soon, work permit holders;
- ◆ Non-nationals who are parents of Irish-born children, granted leave to remain;
- ◆ Others granted humanitarian leave to remain by the Minister for Justice; and
- ◆ Family members of refugees.

The numbers of persons comprehended by these categories in recent years is substantial. There are almost 70,000 people currently registered with the GNIB who could fall into these categories. In addition, there are over 7,000 people granted refugee status who have access to the labour market.

Family members of migrant workers are a potential source of labour supply, both high-skilled and low-skilled. This situation has become clearer as a result of changes introduced in 14 February 2006, which widened the potential pool of family members who may join workers in Ireland and which allows that such family members will have access to the labour market, as noted above.

Students are also a significant influence on the labour market. There are over 20,000 students registered in Ireland who have access to casual employment.

### 2.2.11 Irregular Migration

The extent of illegal or irregular migration to Ireland is unknown. Internationally, the pressures on irregular migration have continued to grow in recent years. There are ongoing problems in the Mediterranean concerning migration from Africa. The relative poverty of sub-Saharan Africa is a major push factor for those seeking to travel to Europe. There is serious concern at European Union level and, in particular, in the Member States closest to the region, most notably Spain, Italy and Malta.

While Ireland is at a greater distance from the regions of origin, this does not make us immune to the problems. The attraction of Ireland's economy and labour market, the ease of air travel, the use of the English language and a number of features of our migration policy generate conditions in which irregular migration is an undoubted feature of Ireland's recent experience. The view of the IOM consultants is that illegal work is likely to be more pervasive than illegal entry (IOM, 2006: 223-224). There are a number of ways in which people may become irregular migrants. Some of those whose application for refugee status are refused may subsequently become irregular migrants. As noted above, it is possible that people whose work permits expire may remain in Ireland illegally. This raises important policy issues, discussed in Chapters 6, 8, 9, 10, 11 and 12.

Another source of irregular migration has been students who overstay the terms of their visa. This is potentially a significant source of irregular migration since a very liberal approach to educational migration was accepted until recently. Indeed, as the Consultants emphasise, many of the educational institutions inviting people to Ireland were, in reality, a conduit for labour migration (IOM, 2006: 93). It seems possible that a significant proportion of 'students' coming to such situations may also overstay their visas, thereby becoming illegal. Illegal migration can also arise when people from outside the EEA visit Ireland legally—for tourism or to spend time with non-EEA nationals, such as those on work permits—but stay on after expiry of their visitor visas. Recent evidence from the UK suggests that these sources of illegal migration are probably very significant (see Section 3.4.5 below). At the extreme end of illegal migration is the trafficking of people for sexual exploitation or forced labour. There is limited evidence of this in Ireland—although it does occur. It is a growing threat internationally.

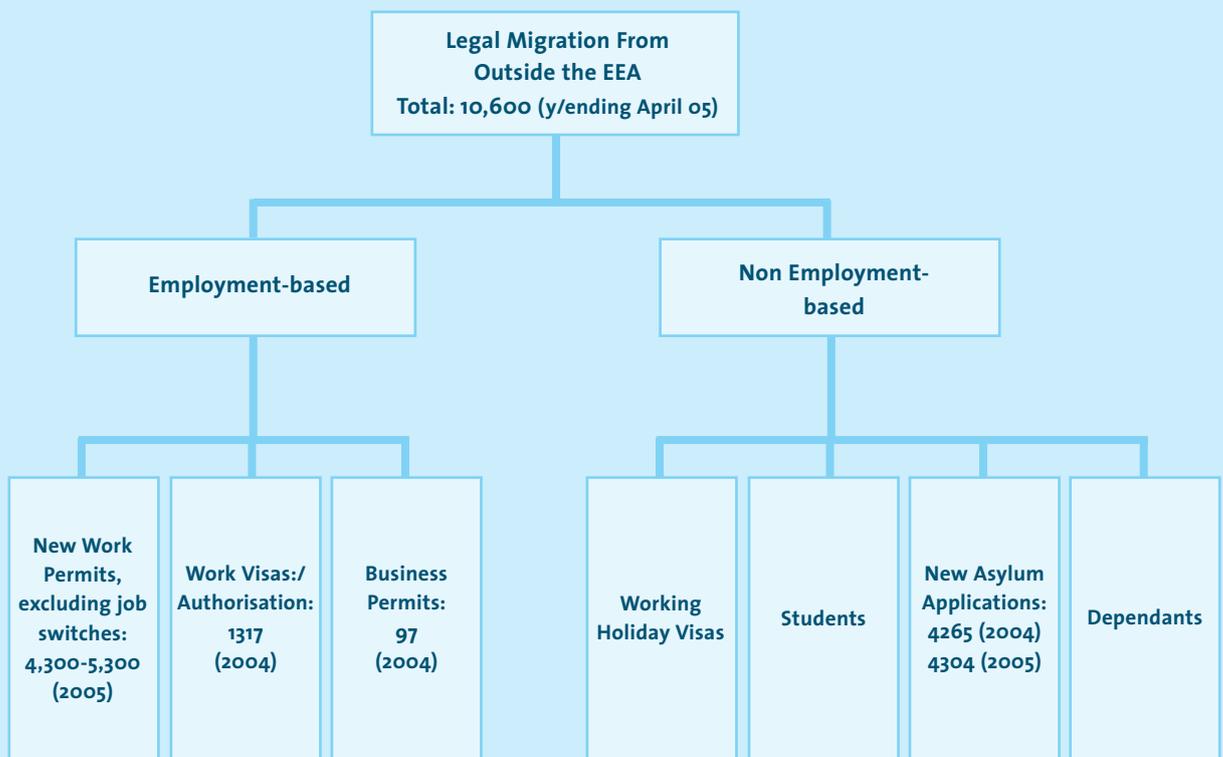
Estimates of the numbers of irregular migrants vary widely. The IOM Consultants report a range of estimates, running from 15,000 to 50,000, while others suggest even higher figures (IOM, 2006: 20). While the number of illegal migrants is unknown, irregular migration is a real concern. Irregular migrants are particularly vulnerable to exploitation and irregular migration could undermine public confidence in the ability of the State to manage migration successfully. Policy issues arising are discussed in Chapters 6, 8 and 12.

In recent years, Ireland has passed a number of laws aimed at combating illegal immigration. The Immigration Act 1999 provides for deportation of non-Irish in violation of Ireland's immigration laws. The Illegal Immigrants (Trafficking) Act 2000 bans the smuggling and trafficking of illegal immigrants and the Immigration Act (2003) prohibits the carrying of a passenger who does not have proper immigration documents. The Employment Permits Act 2003 and 2006 provide for financial penalties or imprisonment of employers and workers who do not comply with them. In addition, state benefits to illegal migrants have been restricted (e.g., the payment of rent assistance was restricted in 2003).

To facilitate repatriation, Ireland has entered return agreements with Poland, Nigeria, Romania and Bulgaria and has also engaged the IOM to operate voluntary return programmes on its behalf.

The lack of hard data or any systematic evidence makes it difficult to assess the extent to which Ireland’s current immigration and employment laws are actually enforced. The increased level of legislation and deportations suggests that the government is expanding its efforts to combat illegal immigration. At the same time, as the Consultants emphasise, there is no evidence to suggest a serious crackdown on illegal working. As of February 2005, only three employers had been convicted for violating the Employment Permits Act 2003 (IOM, 2006: 37)<sup>8</sup>

Figure 2.3 Channels of Legal Migration from Outside the EEA



8. Data provided by the DJELR in March 2005.

## 2.3 Migrants in the Irish Economy

### 2.3.1 Employment of Migrants in the Irish Economy

The vast majority of migrants in Ireland are involved in the economy. Of the estimated 271,300 people not having Irish nationality aged 15 and over resident in Ireland at the start of 2006, almost 197,900 (73 per cent) are in the labour force. A particularly high share (90 per cent) of the EU 10 population aged over 15 is estimated to be in the labour force. Participation in the labour force refers to people engaged in or seeking paid employment. Some of those not formally classified as participating in the labour force are nonetheless engaged in work, whether caring work in the home or voluntary activity outside the home.

The share of non-Irish in total employment is not uniquely high in Ireland, but Ireland is at the higher end of the range of EU countries in this respect. The estimated share of foreign nationals in total employment—8.1 per cent in the third quarter of 2005—was the third highest among the 12 EU countries for which data are available. There are higher shares of non-domestic nationals in employment in Spain (11.4 per cent) and Austria (10.2 per cent).

Estimates suggest that there has been a substantial increase in the share of non-Irish in total employment of 4.4 percentage points between 2000 and 2005. The corresponding share has also increased in other EU Member States. The extent of the increase has been substantially higher in Ireland, with the exception of Spain which had a very large increase in the share of non-domestic nationals in employment of nine percentage points.

A substantial share (almost 40 per cent for the period 2001 to 2005) of the estimated growth of employment in recent years has consisted of non-Irish people. In the year to the first quarter of 2006 the increase in non-Irish employment (47,600) accounted for just over half (53 per cent) of the total increase in employment.

The sectors of the economy which rely most on employing migrant workers in general, and nationals of the EU 10 in particular, are depicted in Figure 2.4. By the end of 2005, migrants workers were employed in significant numbers throughout the economy, accounting for 8.6 per cent of total employment, with the notable exception of public administration and defence where their presence was slight (1.3 per cent). One sector—hotels and restaurants—stands out for its exceptionally high reliance on migrant workers; 21 per cent of those with employment in that sector at the end of 2005 were not Irish nationals, with 7.4 per cent alone being accounted for by EU 10 nationals alone. Manufacturing and construction are the only other sectors which rely on migrant workers to a significantly greater degree than the economy at large; 10.5 per cent and 10 per cent respectively of their workforces were foreign nationals (and 5.5 per cent and 6 per cent of EU 10 nationals alone) (Figure 2.4).

Table 2.3 Foreign Nationals as a Percentage of the Labour Force

	2000 (Q1)	2005 (Q3)	Change
<b>Belgium</b>	8.1	7.4	-0.7
<b>Denmark</b>	2.8	3.2	0.4
<b>Greece</b>	3.5	6.7	3.2
<b>Spain</b>	2.5	11.4	8.9
<b>France</b>	6.0	5.1	-0.9
<b>Ireland</b>	3.7	8.1	4.4
<b>Netherlands</b>	3.6	4.0	0.4
<b>Austria</b>	9.8	10.2	0.4
<b>Portugal</b>	1.9	3.5	1.6
<b>Finland</b>	1.1	1.6	0.5
<b>Sweden</b>	*	4.8	*
<b>United Kingdom</b>	4.0	5.8	1.8

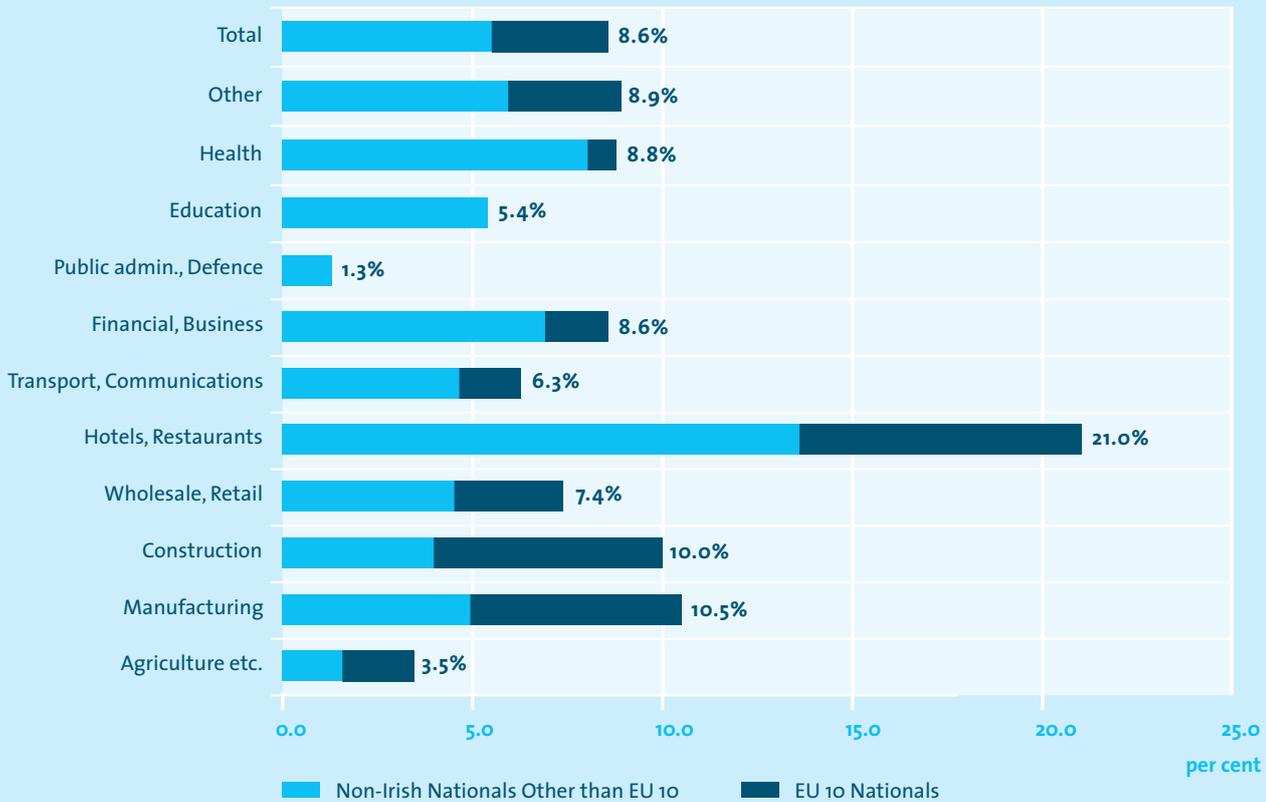
Source: Calculated from Eurostat data.

Table 2.4 Annual Change in Irish,  
Non-Irish and Total Employment (000s)

	Irish	Non-Irish	Total
<b>2001</b>	27.1	20.1	47.3
<b>2002</b>	11.8	11.8	22.4
<b>2003</b>	37.1	9.6	46.6
<b>2004</b>	47.8	17.4	65.2
<b>2005</b>	43.1	43.3	86.5
<b>average 2001 to 2005</b>	33.4	20.4	53.6

Source: Special tabulation provided by the CSO.

**Figure 2.4** Percentage of Total (ILO) Employment by Sector held by (a) all non-Irish Nationals, and (b) EU 10 Nationals, Q4 2005



Source: CSO, Quarterly National Household Survey, Fourth Quarter, 2005.

A complementary perspective on the contribution of migrant workers to the Irish economy is provided by distinguishing between the EU 10 and other non-Irish and identifying the sectors in which each are most prevalent. This is done in Table 2.5. It shows significant differences between the sectoral presence of nationals of the old EU 15 and those of the EU 10. Almost 30 per cent of EU 15 nationals with employment in Ireland are engaged in providing financial and business services, whereas the sectors to which EU 10 nationals have most recourse are manufacturing (where 26 per cent have employment), construction (25 per cent) and to a lesser extent hotels and restaurants and the wholesale and retail trade (13-14 per cent in each). The significance of the hotels and restaurants sector as an employer is most prominent for nationals from outside the EU 25 (22 per cent of whom work there).

**Table 2.5** Distribution of Employment across Economic Sectors, by Nationality of Worker, 2005, Fourth Quarter

Economic Sector	Irish	All Others	Specific Non-Irish Groupings			
			UK	EC 13	EC 10	Other
	%	%	%	%	%	%
<b>Agriculture etc.</b>	6.1	2.3	1.7	3.7	3.6	0.6
<b>Manufacturing</b>	14.3	17.7	15.2	11.1	25.8	12.3
<b>Construction</b>	12.6	14.8	12.3	3.7	24.7	9.1
<b>Wholesale, retail</b>	14.6	12.3	12.3	8.3	13.0	13.1
<b>Hotels, restaurants</b>	5.0	14.2	5.7	13.9	14.0	22.0
<b>Transport, communications</b>	6.1	4.3	6.1	5.6	3.1	3.8
<b>Finance, business</b>	13.3	13.2	15.7	29.2	7.3	11.4
<b>Public admin., defence</b>	5.5	0.8	2.5	*	*	*
<b>Education</b>	6.7	2.3	7.9	8.3	*	3.2
<b>Health</b>	9.7	9.8	12.5	6.5	2.1	19.1
<b>Other</b>	6.1	6.4	7.9	8.3	5.8	4.9
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: CSO, *Quarterly National Household Survey*, Fourth Quarter, 2005.

### 2.3.2 Occupational and Educational Characteristics of Migrants

The characteristics of immigrants are documented in a paper by Barrett *et al.* (2005) using data from the QNHS (2003). For this exercise immigrants are defined as people who describe their nationality as not being Irish, were not born in Ireland and have lived here for less than ten years; i.e., the focus is on non-Irish immigrants who arrived in Ireland over the period 1993 to 2003.

In terms of education, the data suggest that immigrants in this period had considerably higher educational qualifications than the resident population. Over half (54.2 per cent) of immigrants are estimated to have third-level qualifications, while just over a quarter of the native population had such qualifications. The share of immigrants who have at least completed second-level education was estimated at 85 per cent, compared to 67 per cent of natives. These differences in educational attainments are influenced by the relatively late expansion of free secondary education in Ireland. Despite the relatively high educational qualifications of immigrants, the estimated occupational distribution of

immigrants is close to that of the native population. One possible reason for the apparent occupational underachievement of immigrants is that immigrants are on average younger than natives. However, Barrett *et al.* (2005) show that controlling for age, a picture of occupational underachievement remains.

The earlier NESC (1991) research on Irish emigration identified a somewhat similar pattern of occupational underachievement among Irish emigrants to the UK. Key findings from this research and their potential relevance to Ireland's current immigration are discussed in Chapter 3.

## 2.4 Conclusion

CSO estimates suggest that there has been approximately a fourfold rise in inward migration from 17,200 in 1987 to 70,000 in 2005. There are three broad categories of migrants to Ireland: Irish people, other EEA nationals and non-EEA nationals. Migrants in the first two of these categories have largely unrestricted entry rights to Ireland. Notwithstanding a large increase in migrants from outside the EEA, the vast majority of new migrants—estimated at 85 per cent—were either Irish or other EEA nationals in the year ending April 2005<sup>9</sup>. Population estimates in the QNHS indicate an increase in the non-Irish population of 54,700 in the first quarter of 2006 and of this increase almost three quarters were nationals of the NMS.

For migrants from outside the EEA, legal entry is available through a number of channels: work permits, work visas, student visas, asylum and family reunification. The Council's view on the approach to be adopted to those channels is presented in Chapter 8 below. At present, the data show that the vast majority of new migrants are EEA nationals with unrestricted entry rights to Ireland.

The data also suggest that the vast majority of migrants are involved in the economy. The QNHS estimates that of the non-Irish aged 15 and over, 73 per cent are in the labour force. Around 90 per cent of the NMS nationals aged 15 and over are in the labour force.

The 2002 Census estimated that 10.4 per cent of the population were foreign-born; this includes the children of Irish people born abroad and people born in Northern Ireland. In the same year, an estimated 6 per cent of the population consisted of people not having an Irish nationality. The foreign-born and non-Irish population are growing rapidly. A tentative estimate included in the preliminary census release is that there are around 400,000 non-Irish nationals in the population in 2006. This would represent around 9.4 per cent of the population. Punch (2005) has projected that the foreign-born population could reach 18 per cent by 2030. Population projections are presented in Chapter 3.

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9. EEA nationals are not separately identified in the data but the vast majority of EEA nationals are included in EU nationals so the data on EU nationals can be read as essentially equivalent to EEA nationals.



# 3

## Understanding Migration: Causes and Effects

## 3.1 Introduction

This chapter provides the first element of an understanding of recent migration to Ireland—its causes and effects, both economic and social. Section 3.2 provides an overview of the different ways in which migration affects economies and societies. Section 3.3 sets out the causes of migration. Section 3.4 examines the economic effects of migration in Ireland; this section includes an outline of the ESRI's econometric model of Irish labour market and its analysis of the effects of high-skilled and low-skilled migration. To date, evidence on the social impact of migration is much more limited than evidence on the economic effects. However, on the basis of available evidence, Section 3.5 discusses the social effects of migration. This includes examination of the influence on demography, the impact of migration on social cohesion and the social effects on migrants themselves.

## 3.2 Overview of Economic and Social Effects

### 3.2.1 Impact on GNP and GNP per Head

At a theoretical level, there are similarities between the economic analysis of migration and the economic analysis of trade. There are very large differences in what workers with similar abilities can earn in different countries so that there are obvious gains from movement in response to these differences. Given these differences, there are potential gains from migration. Migrants can gain from higher wages while receiving countries benefit from the enhanced supply of scarce labour. However, there are concerns about the impact of migration on the distribution of income as well as 'external effects'. These external effects of migration include congestion and changes in the social mix of the population.

The most direct economic effect of migration is that it is an additional source of labour supply. If immigration is a response to a buoyant economy, then economically-motivated migrants would normally be expected to contribute to increased employment and GNP. In regional economies—and for certain purposes it is useful to think of Ireland as a regional economy—flows of migrants can have substantial direct effects on GNP.

Since migration increases both GNP and population, its impact on average living standards, GNP per head, cannot be determined from theory. There are a number of mechanisms through which it is possible for migration to increase GNP per capita.

The first and most significant channel is the labour market. The immigration of high-skilled workers has the potential to substantially improve cost competitiveness and expand GNP by more than the increase in population. This dynamic lies at the core of the ESRI's analysis of migration to Ireland from 1993 to 2003 and is discussed in some detail below. There is also scope for low-skilled workers to boost competitiveness and GNP.

Second, where there are economies of scale in production, increased employment through migration can boost GNP per head. It has been argued by Barry (2005) that the continued attraction of FDI to Ireland, in conjunction with associated immigration of labour, could enable Ireland to converge with the US in GDP per capita, assuming that there are economies of scale in production. Much of the FDI activity in Ireland is characterised by economies of scale. Another source of economies of scale is public infrastructure and public transport. For example, immigration to the Dublin region can help make viable the large scale public investment in infrastructure, such as the Metro, needed to address congestion.

Third, in addition to their impact on costs, there is potential for immigrants to enhance GNP per head through creativity and expertise. In an influential book on economic development, *The Rise of the Creative Class*, it is argued by Florida (2002) that the ability of a region to attract and mobilize creative people is the most important factor in driving its economic development. It has been estimated that about 40 per cent of the R&D jobs in the US are held by immigrants (IOM, 2005). Such R&D activity can have a large, if hard to quantify, beneficial effect on GNP per head. The inflow of migrants can also be a source of knowledge and add to innovation across a wide range of economic activities in a way that increases GNP per head. For some high-level FDI investments, the ability to attract the skills required from around the world can be a key influence on the location of the investment.

This is not an exhaustive list of channels through which migration may increase GNP per head and overall economic welfare. There are a variety of other possible influences, including immigration as a source of entrepreneurship and a stimulus to new trade connections.

### 3.2.2 Public Finance

Immigration has implications for the public finances, public services and public infrastructure. The entry of immigrants to employment will make an immediate contribution to tax revenue and this has been a non-trivial influence on the Irish public finances in recent years. Immigrants also avail of public benefits and services and add to infrastructure pressures, so that estimation of the net impact on the public finances is very complex. Immigrants pose new pressures on public services, such as the increased pressure on schools and the education system to serve a larger and more diverse student population (see Chapter 11). Immigration to Ireland in recent years has also added to housing demand, thus increasing pressure on the housing market.

No estimates have yet been made of the impact of immigration on the Irish public finances. Estimates of the impact on GNP, GNP per head and other economic variables in Ireland are presented below. Since migrants are concentrated among the working-age population (see Section 3.5 below) it is likely that, for the moment, migrants are having a positive impact on the public finances.

### 3.2.3. Income Distribution

Immigration is likely to have an impact on the distribution of income. By increasing the supply of labour, immigration may moderate the growth of wages of native workers. Low-skilled migration may lead a widening of the income distribution. Employers may prefer to employ migrants with relevant skills and positive work attitudes rather than people who are currently excluded from the labour force who may require support and training. The Council has emphasised the desirability of reforms to increase the participation of groups currently excluded from the labour force. The effects of migration on public services could also have distributional implications. For example, if migrants with limited English language skills were concentrated in certain schools, this could disproportionately affect people on lower incomes who tend to be less selective in choosing schools.

### 3.2.4. Identity and Cohesion

Immigration has further complex societal effects. Since it alters the demographic composition of the population, it can be an influence on national identity and social cohesion. The social interaction between migrants and the host society can take many forms and this is a major influence on the overall experience of migration and immigration. These social issues, along with the impact of migration on population change, are discussed in Section 3.5 below.

### 3.2.5. Long-Run and Short-Run Effects

The effects of migration will manifest themselves in both the short and the long run. The effects on the labour market are immediate but are also of long-run significance. Migration can have an effect on long-run demographic trends. Immigration to Ireland is disproportionately concentrated among working-age adults; hence it increases the share of the working-age population in the national population and thereby, if sustained, can make a contribution to offsetting the effects of an ageing population. Migration potentially affects the long-run path of economic development through its impact on creativity and enterprise. The impact on the public finances, public services and infrastructure arise in both the short run and the long run. The wider societal influences on national identity and social cohesion are key issues for the long term.

In considering the short and long-run effects, it is worthwhile reflecting on the Irish experience of emigration. Emigration in past decades and centuries reduced the supply of labour and one of its probable immediate impacts was to increase the average income of the remaining population. However, it has long been held—by most economic analysts and successive governments—that emigration had an adverse impact on Ireland's long-run development (Kennedy *et al.*, 1988, Mjoset, 1993). Emigration of young adults increased the dependency ratio of the population. The loss of young people may have resulted in a loss of creativity and

dynamism. The size of the domestic market was reduced. The decades of high emigration were characterised by slow growth not only in total population and total income (extensive growth) but also in average income or living standards (intensive growth). Conversely, Ireland's long-run prospects for growth in both total income and average income may be enhanced by inward migration. As noted above, this does not imply that there is a tight relationship between the level of immigration and growth of GNP per head.

### 3.3 Causes of Migration<sup>1</sup>

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

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

A particular supply-push influence on recent Irish immigration was the enlargement of the EU. The effects of this are examined in Chapter 4, while the influence of the global environment on migration flows to Ireland is discussed in Chapter 5.

Public policy can influence the nature and interaction of demand-pull, supply-push and network factors. Demand-pull factors are most amenable to management by governments at the beginnings of labour flows, explaining the aphorism that the easiest way for a government to start a labour migration flow from a particular area is to encourage, allow, or tolerate the recruitment of migrants there. This highlights the importance of well thought-out and consciously chosen policies in the early stages of migration. As the Consultants say, over time, government policy may lose its effectiveness as migrant supply creates its own demand in destination areas in ways that make government efforts to reduce migrant inflows difficult (IOM, 2006: 56). For example, middle-class households who once did their own housework can hire gardeners and domestic helpers, creating more jobs and new industries, while migrant networks in construction, agriculture, and some manufacturing and services can 'take over' recruitment and training mechanisms. If employers in these sectors adapt to the language and nature of the migrant work force, they may no longer seek local workers to fill vacant jobs.

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<sup>1</sup> This section draws on the IOM Consultants report.

Governmental efforts to ‘re-nationalise’ what have become migrant sectors are generally unsuccessful. In France in the early 1980s, and in the oil-exporting Gulf countries today, government policies aimed at training natives and subsidizing their wages to ‘better compete with’ migrants have generally failed because many employers preferred the migrants to whom they had become accustomed. Successful ‘re-nationalisation’ strategies generally involve (subsidised) mechanisation or technological changes that restructure work, as in agriculture, or provide sharply higher wages, as with home health care workers hired by the elderly with public support in some areas of the US. Freer trade can also affect the demand for migrants, as cheaper imports eventually shrink or eliminate certain industries and their demand for migrants.

In some cases, the demand-pull for migrants can be reduced with stepped-up enforcement of labour, immigration and tax laws, especially when the demand for migrants exists or expands because of violations of such laws. However, it has been difficult for governments in most countries to sustain the level of enforcement needed to transform ‘migrant jobs’ into jobs acceptable to local workers solely with enforcement. With employers and migrants wanting to prolong their relationship, there must be ample and sustained enforcement to prevent what publics often see as an economic asset or at worst a ‘victimless crime’ (see IOM, 2006).

### 3.4 Economic Effects of Migration

The effect of recent migration on the Irish economy is a significant issue of public concern. This section begins with an overview of the findings of the international research on the effects of immigration on the labour market outcomes of native workers. This is followed by a presentation of key findings from ESRI research on the effects of migration on the Irish economy. Other recent data are then examined with a view to gaining some further insights on this issue.

#### 3.4.1 Evidence from Other Countries

There has been extensive empirical research on the direct labour market effects of migration. The findings across many studies, using a variety of research methodologies, suggest that the effects of immigration on native workers are small. This can be seen from the following quotations, taken from extensive literature reviews:

Most papers find effects of immigration on wages and employment prospects of native workers which are either modest or absent (Dustman *et al.*, 2005: F324).

Empirical estimates in a variety of settings, and using a variety of approaches have shown that the effect on the labour market outcomes of natives is small. There is no evidence of economically significant reductions in native employment. Most empirical analysis of the United States and other countries finds that a 10 per cent increase in the fraction of immigrants in the population reduces native wages by at most 1 per cent (Friedberg and Hunt, 1995: 42).

The broad conclusion of 22 years of research since Grossman’s (1982) estimates is that the impact of immigration on wages is statistically significant but

quantitatively small. This has indeed been confirmed by our meta-analysis (Longhi *et al.*, 2005: 23).

An OECD review of the literature since the mid-1970s found that studies converge:

In concluding that immigration causes no crowding-out on the labour market and does not depress the income of nationals...This is probably the most important contribution economists have made to clarifying the issues involved (OECD, 1994: 164).

This general consensus in the literature is 'not undisputed' (Dustman *et al.*, 2005: F325). In particular, research by Borjas and colleagues in the US has produced estimates of larger negative effects on less-skilled workers. Most of the research on the effects of immigration on the US had consisted of area studies. These studies had focused on the fact that immigration is concentrated in a number of states, such as California. Researchers compared the outcomes for native workers in areas with varying levels of immigration. Borjas has raised two concerns with this approach. First, migration may be correlated with positive economic outcomes that are independent of immigration. For example, California is a high-wage state for a variety of reasons. The correlation of high wages and high immigration could lead researchers to the spurious conclusion that immigration leads to higher wages. Second, immigration to a particular state, such as California, could lead to offsetting internal migration; for example, fewer low-skilled US workers may go to California because of the concentration of immigrants there. This would lead to a diffusion of the effects of immigration to California across the US labour market.

For these reasons, Borjas *et al.* (1997) argue that it is preferable to examine the effects of immigration at the national level using a 'factor-proportions approach'. They compare the actual outcomes for wages and employment against a hypothetical outcome that would have occurred without immigration, using economy-wide estimates of elasticity. Their analysis distinguished different skill categories: those who had not completed high school, high school graduates and third-level graduates. They estimated that immigration increased the supply of workers with less than a high school degree by 15 to 20 per cent over the period 1980 to 1995, and that this had a substantial effect in reducing this group's relative earnings. While reducing the relative earnings of those who had not completed high school, immigration seemed to have relatively little effect on the sharp growth in the wage differential between those with college and high-school education.

A study by Bauer (1998) examined the effects of immigration in Germany, distinguishing between different types of labour. Three groups were identified: low-skilled blue-collar, high-skilled blue-collar and white-collar. They found some negative effects for low-skilled workers but these were very small; they estimated that a 10 per cent inflow of white-collar immigrants reduces the wages of low-skilled blue-collar workers by 0.2 per cent. Indeed all of the estimated wage effects of immigration were numerically very small.

The findings on the limited effects of migration on the employment prospects of native workers are consistent with economic theory. It would predict that if an

economy is functioning reasonably well it would be capable of absorbing an increase in labour supply. The idea that there is some given quantity of work to be shared out among migrant and native workers is regarded by economists as the 'lump-of-labour' fallacy (see NESF, 2005b : 90).

The lack of much evidence regarding substantial effects of migration on the wages of native workers is more surprising from the perspective of economic analysis. Economic theory predicts that an increase in the supply of labour will result in wages being lower than they would otherwise be. The adjustment mechanisms that seem to significantly offset this effect are not fully understood. A number of them are worth noting.

A first possibility is that the impact of in-migration on labour supply in a particular region may be offset by out-migration of natives, as noted above. Another explanation that has received a lot of attention is that the industry structure or technology adjusts to changes in the skill composition of the labour force. These possibilities have been empirically examined by Lewis (2004). Lewis estimated that changes in the relative supply of skill groups had only limited effect on industry structure, but found a large effect on the use by the economy of the factor whose supply had increased. Thus, for example, a migration-induced increase in the supply of low-skilled labour leads employers to use more labour intensive technology than they would otherwise use. Other research has found a more significant influence on industry structure. For example, Altonji and Card (1989) found that the nation-wide (US) trend in falling employment in immigrant-intensive industries has been slower in high-immigration cities. While no research on this issue has been undertaken in Ireland, it is possible that there could be a significant industrial structure effect. For example, it is reasonable to suggest that in the absence of migrant workers, the tourism sector would not have expanded to the extent that it did.

The impact of migration on wages will also be partly offset by the increase in labour demand arising from a migration-induced increase in population. This effect will depend on the share of the migrant income that is spent on domestically produced goods and services.

Another possible explanation for the absence of strong labour market effects is that these effects are dominated by the dynamic effects of migration in inducing technological change. For example, as noted above, migrants can bring new skills and expertise that increase productivity and hence the real wages of natives (see Poot and Cochrane, 2004). This would be a longer-term effect.

It can be concluded from this brief discussion of international literature that the estimated effects of immigration on the earnings and employment of native workers are usually found to be small but that some research finds that low-skilled immigration adversely affects the earnings of low-skilled natives.

### 3.4.2 Model-Based Estimates of the Effects of Migration on the Irish Economy and Labour Market

A series of papers<sup>2</sup> by ESRI researchers have examined the effects of migration on the Irish economy. This analysis distinguishes the effects of high-skilled and low-skilled migrants.

The approach adopted is to first specify and measure a structural model of the Irish economy and then examine the effects on the model of increases in labour supply equivalent to the immigration that has occurred. The approach is broadly comparable to that applied by Borjas to US immigration. The model is an abstraction from a complex reality and includes four key behavioural relations: output determination, labour supply (incorporating the migration decision), labour demand and the wage/unemployment equilibrium. The output of the economy depends on the level of world demand and the cost competitiveness of the Irish economy. Labour is classified as either high-skilled (completed second-level education) or low-skilled (with less than this education). There is one type of output in this model.

Barrett *et al.* (2006a) first consider the effects of an increase in labour supply of 72,000, with 85 per cent of this supply consisting of high-skilled labour; this corresponds to the estimated level and composition of (non-Irish) net migration over the period 1993 to 2003. This increase in predominantly high-skilled labour was estimated to have the effect of reducing the wages of high-skilled labour (by 5.9 per cent) and improving cost competitiveness, leading to an increase in GNP and employment. This gave rise to an increase in demand for low-skilled labour, resulting in an estimated increase in both low-skilled employment (2.3 per cent) and low-skilled wages (1 per cent). With a reduction in high-skilled wages and a rise in low-skilled wages there was, this analysis suggests, a compression in the wage distribution. It is estimated that GNP is 3.5 per cent higher, GNP per head is 0.9 per cent higher while employment is 2.5 per cent higher than would have been the case without any migration.<sup>3</sup>

The relevance of this analysis could be queried on the basis that, given occupational underachievement, the effects on the labour market of an immigrant with a given educational level are different from the effects of a native with the same educational attainment. For example, if people with higher-level educational qualifications are employed in less-skilled work, then regardless of their educational qualifications, their economic impact could be the same as a low-skilled migrant. To address this Barrett *et al.* (2006a) go on to examine the effects of the same quantity of immigration, but this time assuming that immigrants have the same educational attainments as the native population. The rationale for this is that the occupational distribution of immigrants and natives is broadly comparable, so that the *de-facto* educational attainments could also be taken as

2. A model of the Irish labour market was first developed and used to examine the effects of immigration by Fitz Gerald and Kearney (2000). This was subsequently used by Barrett, Fitz Gerald and Nolan (2002), Bergin and Kearney (2004) and Barrett and Bergin and Duffy (2006a). The discussion here is based mainly on the most recently published of these papers; i.e., Barrett, Bergin and Duffy (2006a).

3. Barrett *et al.* (2006a) report different results depending on whether or not the low-skilled labour market 'clears'; i.e., whether or not there is unemployment among low-skilled workers. To simplify the exposition, the text here only refers to the scenario in which the labour market clears.

comparable. Barrett *et al.* (2006a) regard this approach as conservative with regard to the education of immigrants. Hence this approach provides a lower bound estimate of the effects of skilled migrant labour on the economy.

With the assumption that immigrants have the same human capital as the native population, the simulated effects are mostly in the same direction as before, but the impact on the economy was estimated to be less. With a smaller increase in the supply of skilled labour, the simulation shows a smaller gain in competitiveness and a correspondingly smaller increase in GNP (an increase of 2.8 per cent) and employment (an increase of 2.1 per cent). GNP per head was estimated to increase by 0.4 per cent. This simulation also shows less of a stimulus to the low-skilled labour market and a modest fall (0.2 per cent) in the wages of low-skilled labour (arising from the increase in low-skilled labour supply). There was a larger fall in skilled wages (4.6 per cent) so that there was still a narrowing of the wage distribution, but less than occurred before. If it is assumed that low-skilled wages cannot fall (because the social welfare system prevents such a fall) then there would be a modest increase in low-skilled unemployment (0.2 per cent).

Finally, to illustrate the potential effects if immigration were to be predominantly low-skilled, Barrett *et al.* (2006a) then reverse the shares with regard to the composition of the labour supply; i.e., they simulate the effects of an increase in labour supply that is 15 per cent high-skilled and 85 per cent low-skilled. Such an increase in the supply of low-skilled labour was estimated to create a fall in low-skilled wages (3.7 per cent). There would also be a fall in high-skilled wages (0.5 per cent), but with a greater fall in low-skilled wages there would be a widening of the wage distribution. Compared to the earlier simulations, the average fall in wages would be lower, so that the gain in competitiveness would be more modest. This would lead to a correspondingly lower increase in GNP and total employment and a fall in GNP per head. If the low-skilled labour market does not clear, then there would be an increase in unemployment (1.8 per cent). Even with labour market clearing, the increase in the labour force and employment would be considerably lower than in the previous simulations, notwithstanding the fact that the absolute rise in population is the same. This analysis suggests immigration that is predominantly low-skilled would have the effect of reducing low-skilled labour force participation.

Since 1960, there has been a trend of low-skilled wages falling relative to average wages; i.e., an increase in the earnings dispersion—a trend found in many, but not all, countries. Interestingly, in Ireland this trend was reversed from the mid-1990s up to 2000, with an increase in low-skilled wages relative to the average (see Figure 3.1). Immigration to Ireland was predominantly high-skilled during this period. It is a reasonable inference from the analysis above that the rise in relative low-skilled wages was facilitated by the immigration of high-skilled workers in this period.

The increase in relative low-skilled wages in the late 1990s has since come to an end and low-skilled wages declined relative to the average during the years 2002 to 2004; i.e., there was a widening of the wage distribution<sup>4</sup>. This coincided with a large increase in migration, so that it is possible that migration was a significant

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4. Preliminary data for 2005 (not shown) indicate that low-skilled wages may have increased relative to average. The 2005 figures however are subject to revision.

influence on this widening, although this has not yet been established. This may be a one-off effect linked to the particularly high level of immigration in the most recent years. In view of the long-run trend evident since the 1960s, it is clear that there are influences other than migration on low-skilled wages.

**Figure 3.1 Low-skilled Wages Relative to Average Wages**



Source: Data provided by John Fitz Gerald of the ESRI.

### 3.4.3 Other Evidence on the Economic Effects of Migration in Ireland

#### Introduction

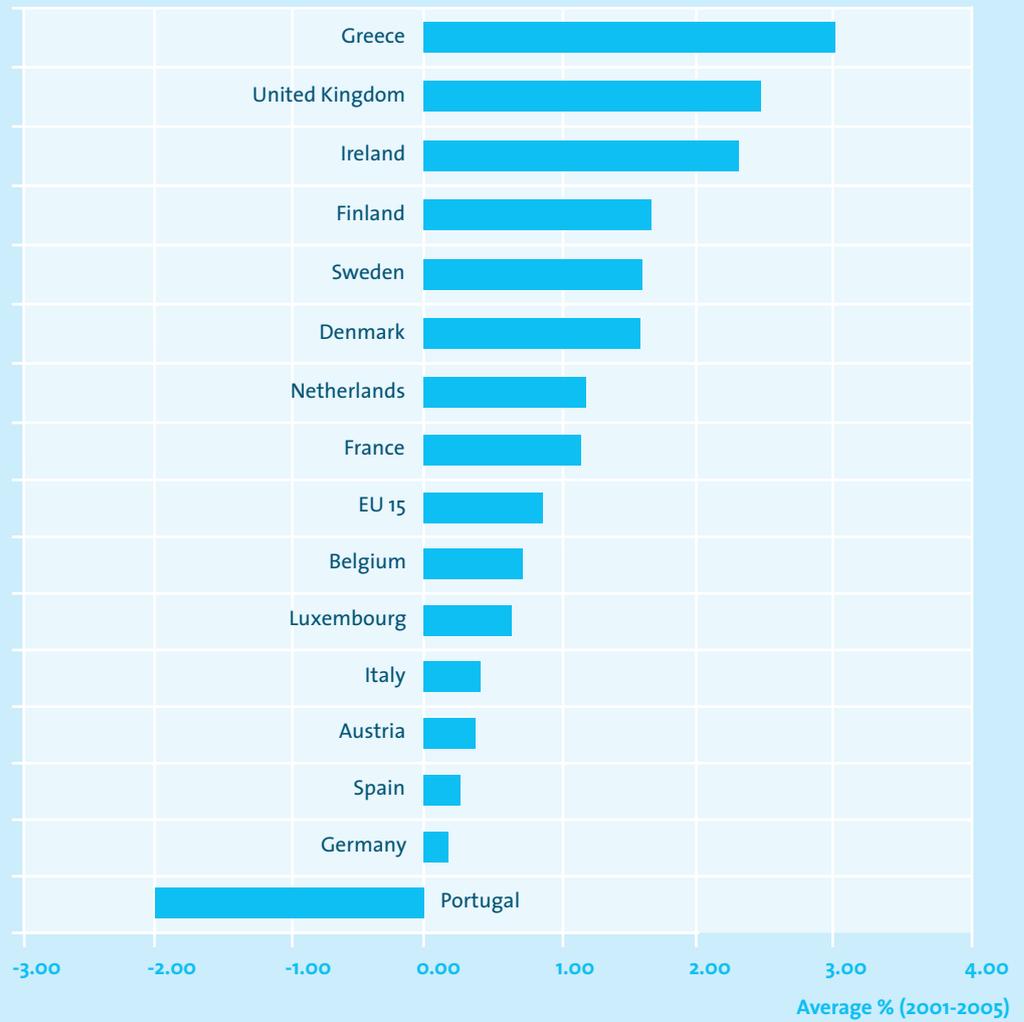
As a complement to the work on the modelling of migration presented above, this section considers the likely effects of migration in Ireland by directly examining some recent economic trends.

#### Wages: The Overall Picture

One concern is that the migration-induced increase in labour supply will result in a reduction in wages. The analysis of migration by Barrett *et al.* (2006a), presented above, estimates that migration has indeed moderated wage growth but that the results overall have been beneficial; most of the migration has been high-skilled and it increased GNP per head and reduced wage dispersion.

It is worth noting that, notwithstanding a moderating effect of migration on wages, a high level of inward migration to Ireland has coincided with strong growth in both nominal and real wages on average across the economy. The annual average real wage growth (using the European Commission's measure of gross real compensation per head) across the economy during the years 2001 to 2005 was 2.3 per cent which was the third highest among the EU 15 countries. Real

**Figure 3.2** Annual Percentage Change in  
Gross Real Compensation Per Head



Source: European Commission (2005), *Autumn Economic Forecasts*.

wage growth has continued following enlargement. The Winter 2005 ESRI *Quarterly Economic Commentary* estimates a moderation in economy-wide real wage growth (average wage per employee in real terms) from 3.1 per cent in 2004 to 2.8 per cent in 2005.

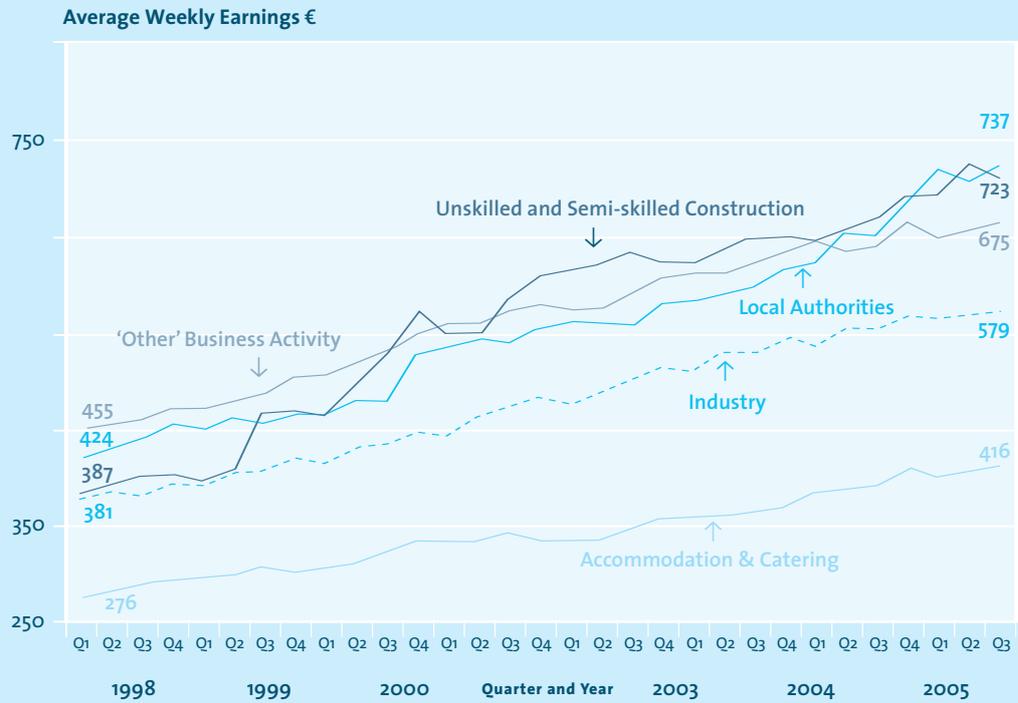
### Sectoral Wage Developments

While wage growth has been strong on average, the question arises as to whether migration causes wages to fall in particular sectors. An obvious candidate for examination are the earnings of workers in the sector of the economy termed ‘hotels and restaurants’. As we have seen, in our discussion of Quarterly National Household Survey, by the end of 2005 21 per cent of people at work in this sector were migrants (Figure 2.4 in Chapter 2), and it is estimated to have absorbed more than one in five nationals from beyond the EU and 14 per cent of those coming from within the EU (Table 2.5, also in Chapter 2). Data on earnings in ‘accommodation and catering’ are available since early 1998, which correspond closely to the ‘hotels and restaurants’ sector on which the employment data are based. Table 3.1 shows that estimated average weekly earnings in accommodation and catering in Ireland have grown at the same *rate* as gross average industrial earnings over the period, 1998–2005, by a cumulative 50 per cent. However, by remaining at about 70 per cent of gross average industrial earnings (GAIE), the *absolute gap* between average earnings in accommodation and catering and GAIE has widened appreciably, as Figure 3.3 illustrates. Figure 3.3 also suggests that the year 2001 and first half of 2002 were a period when growth in earnings paused in accommodation and catering (detected cases of foot-and-mouth disease in Spring 2001 and 9/11 in New York that autumn impacted severely on the tourism industry). It seems that no impact from EU enlargement is discernible in either of the two series. Separate scrutiny of the employment figures (not shown) establishes that employment in the sector increased by 23 per cent over the eight-year period, with the proportion classified as full-time employees rising some five percentage points, to 54 per cent of all engaged.

One caveat to the earning figures in accommodation and catering is that they refer to full-time employees—defined as those working for more than 30 hours per week—in enterprise with five or more persons employed. This applies to all of the CSO data on earnings in distribution and business. Analysis by the CSO showed that it would not be possible to derive reliable earnings estimates for part-time employees or for small enterprises with less than five persons engaged. It is possible that migrant workers employed on a part-time basis could be depressing earnings without this showing up in the data. Information on hours worked and hourly earnings are not collected in this survey. The ESRI has combined weekly earnings data with data on hours worked in the QNHS to produce estimates of hourly earnings. These are presented below.

Figure 3.3 widens the picture by including average weekly earnings in two further sectors which receive a large number of migrant workers: ‘other business activity’ and construction. ‘Other business activity’ includes call centres, labour recruitment and provision of personnel, security activities, and industrial cleaning (while earnings data are regularly published for this sector, there is no closely corresponding employment data). For construction, where an estimated 10 per cent of all workers were migrants by the end of 2005, the earnings data for unskilled and semi-skilled operatives is selected. Finally, a sector largely immune to market forces and with few migrants, local authorities, is included as an additional comparator along with industrial earnings.

Figure 3.3 Gross Average Weekly Earnings Series, 1998–2005



Source CSO, various earnings series, available at [www.cso.ie](http://www.cso.ie)

The overall picture is one of growth in real earnings occurring across the economy with no obvious tendency for earnings in those sectors with the largest inflows of migrant workers to lag behind average industrial earnings. The above average growth in earnings in the sheltered local authority sector reflects, in part, the beneficial impact of public sector wage settlements on the lowest paid public sector workers in particular.

**Table 3.1** Indices of Growth in Weekly Earnings and Employment, Selected Sectors, and Consumer Price Index, 1998–2005 (1998=100)

	Consumer Price Index	Other Business Activity	Accommodation and Catering	Industry	Local Authorities	Construction (unskilled and semiskilled)
<b>Earnings</b>	1.31	1.48	1.51	1.52	1.74	1.87
<b>Employment</b>		1.49	1.23		1.22	1.88

Source: CSO, various series, available at [www.cso.ie](http://www.cso.ie)

### Estimates of Earnings in Construction

There was particularly strong growth in estimated construction earnings reflecting the unprecedentedly high levels of building and infrastructural investment that took place over the period. The CSO data on earnings in construction, as emphasised in recent public debate, refer specifically to those who are direct employees (in businesses in which there are at least 10 people engaged). The QNHS estimates that there were a total of 59,300 people self-employed in construction in the final quarter of 2005, representing 23.4 per cent of all those engaged in construction. This share has fallen in recent years and is now somewhat below the EU average share of self-employment in construction (27.1 per cent in 2005). Other data on self employment in construction are available from a review of the pensions scheme for construction workers by Mercer Consultants. This review distinguished operatives, who comprise around two thirds of all those engaged in construction, from others, including managers, professionals, apprentices and some public sector employees. Based on Revenue Commissioners data, Mercer estimated that in the final quarter of 2004, of the 150,000 operatives in construction, 70,000, or 46.6 per cent, were self-employed.

In addition to self-employed, the Mercer Consultants also noted that there are operatives employed through employment agencies, but there are no data available on this. Such people would also not be covered by earnings surveys.

Hence there is a substantial share of people in construction for whom earnings data are not collected. If data were available on the earnings of all operatives in construction, including the self employed, then it is *possible* that earnings growth would not be quite as strong as shown in Figure 3.3. The high earnings in the construction sector at present would be expected to attract migrant workers and to moderate earnings growth. This is not in itself problematic provided it does not lead to an undermining of standards. The ESRI's *Medium Term Review* of December 2005 points out that the expansion of the construction sector has required it to bid scarce resources from other sectors of the economy and from abroad and that the resulting higher labour costs and higher housing costs are putting pressure on the rest of the economy and contributing to the loss of manufacturing jobs.

**Table 3.2** Self-Employment in Construction  
(as Percentage of Total Engaged in Construction)

	2000	2001	2002	2003	2004	2005
<b>Self-employed (no paid employees)</b>	14.7	14.6	15.7	14.2	13.8	12.8
<b>Self-employed (with paid employees)</b>	12.1	11.5	11.3	12.0	11.3	10.7
<b>Total self-employed</b>	26.8	26.1	27.0	26.2	25.2	23.4

Source: Special Tabulation provided by the CSO from the QNHS.

### The Overall Picture on Weekly Earnings

The overall picture that emerges, as summarised in Table 3.1, is that notwithstanding certain gaps in the data, a period characterised by the emergence of major migration into Ireland has seen significant growth in employment and earnings across the economy, both in sectors which have absorbed large numbers of migrants and in those which have not. It is acknowledged that there are certain gaps in the data; for example, much of the CSO data on earnings in services excludes part-time workers and the CSO series on earnings do not cover the self-employed. The Council welcomes the proposal in the new agreement, *Towards 2016*, to initiate new data series on earnings and to establish a group to track changing patterns of employment and earnings. This will include the hourly earnings of workers and, 'as a priority, both of workers from overseas and of the self employment of skilled and unskilled workers' (98).

### Hourly Earnings

The discussion so far has focussed on weekly earnings data. There is the possibility that an increase in hours worked has disguised a fall in *hourly* earnings. An overview of hourly earnings in the economy as a whole and in the main sectors is presented in Table 3.3 below, taken from the ESRI *Quarterly Economic Commentary*. This hourly earnings series presents a more comprehensive picture of hourly earnings than is available from CSO series. This table shows continuing strong growth in economy-wide hourly earnings over recent years. In 2005, estimated growth in economy-wide hourly earnings was 5.3 per cent, which was lower than growth than the previous year (7.1 per cent). Barrett *et al.* (2006b) suggest that migration probably resulted in slower wage growth in 2005 than would have otherwise occurred. Evaluations of this are bound to differ; Barrett *et al.*, suggest that in a rapidly growing economy it is a positive development.

Table 3.3 Average Hourly Earnings by Sector\*

Sector	Hourly Earnings	Cumulative Growth	Annual Growth Rate					
	Q3 2005	Q1 2000- Q3 2005	2000	2001	2002	2003	2004	2005
	Euro	%age	%age	%age	%age	%age	%age	%age
<b>Economy**</b>	17.7	42.6	7.2	9.7	5.7	4.7	7.1	5.3
<b>Industry</b>	14.1	39.5	8	7.8	6.9	4.7	5.4	3.7
<b>Hi-Tech</b>	14.4	42.6	7.8	5.1	8	5.3	9.2	3.6
<b>Other Manufacturing***</b>	13.7	36	8.2	11	5.4	4.1	1.3	3.7
<b>Construction</b>	18.6	52.2	6.6	11.2	12.5	2	6.5	6
<b>Services</b>								
<b>Non-Market Services</b>	23.5	42.8	2.6	10.3	4.2	4.6	10.2	6.2
<b>Transport &amp; Comm</b>	17.7	31.9	6.4	10.9	-0.1	4.4	5	5.1
<b>Distribution</b>	16.4	41.4	13	7.7	7.1	5.1	4.4	4.8
<b>Hotels and Restaurants</b>	10.5	40.3	7.9	4.6	3.1	7.1	6.6	5.5
<b>Other Market Services</b>	18.0	32.5	9.1	9.3	0.6	5.3	5	3.5

Quarter 1 - March, Quarter 2 - June, Quarter 3 - September, Quarter 4 - December.

\* Annual growth rates are calculated using earnings in September of each year.

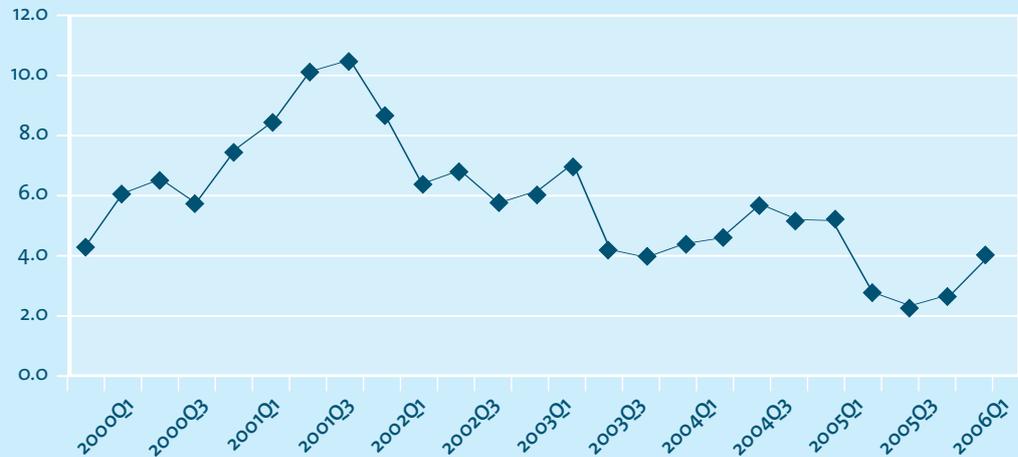
\*\* Excludes agricultural and health sector earnings.

\*\*\* Excluding utilities and mining and quarrying.

Source: ESRI, *Quarterly Economic Commentary*, Spring 2006.

Most sectors have continued to experience buoyant growth in hourly earnings. One sector in which there has been a slowdown in earnings growth is the industrial sector (essentially manufacturing); estimated hourly earnings growth for this sector fell from 5.4 per cent in 2004 to 3.7 per cent in 2005. Earnings growth was similar in both high-tech and other manufacturing. CSO data confirm a slowdown in earnings in industry. It is estimated that hourly earnings for all industrial workers increased by 5 per cent in 2004 and by just 3.1 per cent in 2005. This slowdown in industrial earnings growth is more evident when one looks at the quarterly CSO data as shown here in Figure 3.4.

**Figure 3.4** Percentage Change in Quarterly Hourly Industrial Earnings



Source CSO, *Industrial Earnings and Hours Worked*. The changes shown are the year-on-year change in each quarter for the index of hourly earnings for all industrial workers in all industries.

The ESRI data also show a slowdown in hourly earnings growth in one part of market services, 'other market services'. Hourly earnings growth in this sector was estimated at 5 per cent in 2004 and 3.5 per cent in 2005. This includes financial services and international services.

It is possible that there is a connection between the slowdown in hourly earnings growth in manufacturing and migration. However, this sector is under strong competitive pressure so that one would expect this pressure to result in slower earnings growth.

It can be concluded from the hourly earnings data that while there is some evidence of moderation, particularly in manufacturing and certain exposed services, overall hourly earnings growth has continued to be buoyant.

### Accession and Hourly Earnings Growth

A study by researchers from the ESRI and a Swedish research institute (SIEPS) examined the impact of accession of the new member states on earnings growth by comparing hourly earnings growth in the five quarters before accession (March 2003 to May 2004) and after accession (May 2004 to September 2005) (Doyle *et al.*, 2006). They found a larger and more widespread decline in hourly earnings growth than are evident in Table 3.3. The economy-wide increase in hourly earnings in the five quarters before enlargement was 8.8 per cent while it was 5.7 per cent

in the five quarters following enlargement, a fall of over three percentage points. Doyle *et al.* also found that earnings growth was slower in the post-enlargement period in eight out of ten sectors.

The authors of this study infer that the slowdown in earnings that they observed could be due to enlargement. However, they also point out that the slowdown is within historical experience and could reflect seasonal and other factors. They point out that construction and retailing were the two sectors in which the percentage increase in employment of accession state nationals was the highest and that these two were the only sectors that did not experience a slowdown in earnings growth. This is an indication that there are significant influences other than enlargement on the slower earnings growth.

### Minimum Wage Trends

If migrants were having an adverse effect on wages at the lower end of the wage distribution, this would be expected to result in an increase in the share of those earning the minimum wage. Obviously there are other influences, in particular the level of the minimum wage. A recent ESRI study (Nolan *et al.*, 2006) commissioned by the Department of Enterprise, Trade and Employment reports the findings of a survey of minimum wage employment in late 2005. The survey covered the non-agricultural private sector. This survey found that 2.2 per cent of all employees in the private sector were paid below the full minimum adult rate while a further 3 per cent were on the full adult minimum. This was a slight increase over the previous survey in 2002. The 2002 survey found that 1.9 per cent of employees were paid below the full adult minimum and a further 2.6 were paid at this minimum. However, the authors point out that ‘these differences are not statistically significant—in other words they fall within the standard sampling variation expected in such surveys’ (Nolan *et al.*, 2006, section 6.3).

For the first time, the survey sought data on the nationality of employees in low wage work (defined as earning €8 or less an hour). It estimated that non-Irish employees were more likely to be engaged in low-wage work: overall, 9.9 per cent of employees were paid €8.00 per hour or less; this estimated share was 8.5 per cent for Irish employees, 24 per cent for those from other EU countries, while 14 per cent of those from outside the EU were paid at this level. These data do not necessarily imply that non-Irish employees are paid less for similar work. The higher incidence of low-waged work among non-Irish employees could reflect differences in occupation, skills, experience and age-profile. Nevertheless, anecdotal evidence does suggest that some migrants are paid less than Irish workers working alongside them or in similar occupations.

Despite the lower representation of Irish workers in low-waged work, this survey evidence suggests that it is still the case that the vast majority (three quarters) of those engaged in low-waged work are Irish people.

### Employment, Unemployment, Labour Displacement and Replacement

The displacement of Irish workers by migrants is potentially a serious concern. Although the terms are not very precise, it seems important to distinguish between displacement and replacement. It would seem appropriate to use the term 'displacement' where Irish people are replaced in jobs and either become unemployed, withdraw from the labour force or obtain less desirable employment.

The term replacement seems appropriate where Irish people move to better opportunities and are replaced by migrants.

As noted above, the studies of migration in the international literature typically do not find much evidence of a significant level of displacement. Based on the evidence available for Ireland, the following observations can be made. The aggregate data in the QNHS strongly suggests that the increase in the employment of non-Irish people has not meant a contraction of employment levels for Irish people. Over the past year (to the first quarter of 2006), there has been a very large expansion in employment, estimated at almost 90,000. Employment by non-Irish people increased by 47,600 (53 per cent of the total) while employment by Irish people increased by 42,200 (47 per cent of the total).

Looking at the sectoral distribution of employment over the past year, the estimated employment of Irish people increased in nine of the eleven sectors identified in the QNHS. In other production industries there was a substantial decline in the employment of Irish people, of over 19,000 accompanied by an increase in employment of non-Irish people (6,900). In hotels and restaurants there was a decline in the estimated employment of Irish people of 4,500, accompanied by an increase of people of other nationalities of 5,400.

Hence, in these sectors some form of replacement would certainly seem to be occurring. The issue is whether it is a positive process of upward mobility or whether it involves the displacement of Irish people to unemployment or less favourable situations. It is not possible to infer from the data whether there is displacement occurring in these sectors.

While some displacement may be taking place, it is worth noting that unemployment in Ireland has remained at a low level in recent years, at around 4 per cent, and the latest data indicate that the Irish rate of unemployment is lower than in any other EU country. This implies that there is not any widespread process of Irish people being displaced into unemployment.

Displacement of Irish people may not necessarily show up in increased unemployment; it could be reflected in people dropping out of the labour force. Participation in the labour force in Ireland has been rising in recent years, from an estimate of 56.8 per cent in 1998 to 62.2 per cent in 2006 (first quarter in each case). Again, this does not suggest that increased migration has, in the past seven years, led Irish people to withdraw from the labour market. There is a variation in the trend in participation rates by gender. Participation in the labour force among women has increased more than among men. Since 1998, estimated male labour force participation has increased by 2.7 percentage points. Over the same period,

the cumulative increase in female labour force participation was estimated at eight percentage points. Both male and female participation have continued to rise in the period since enlargement (see Appendix Table A3.4).

While unemployment is low and participation generally is rising, there is the possibility that particular segments of the population could be adversely affected by migration, such as young people or people with limited educational qualifications. We now examine the situation among some key age and educational groupings.

**Table 3.4** Change in Employment by Sector and Nationality (000s) over the year to 2006 (First Quarter)

	Irish	Non-Irish Nationals	EU 10	Total
<b>Agriculture, forestry, and fishing</b>	1.8	1.3	0.9	<b>3.0</b>
<b>Other production industries</b>	-19.2	6.9	8.5	<b>-12.3</b>
<b>Construction</b>	12.3	8.4	7.9	<b>20.7</b>
<b>Wholesale and retail trade</b>	14.1	4.5	4.9	<b>18.5</b>
<b>Hotels and restaurants</b>	-4.5	5.4	2.4	<b>0.8</b>
<b>Transport, storage, and communication</b>	3.0	1.8	2.3	<b>4.8</b>
<b>Financial and other business services</b>	6.6	9.6	4.4	<b>16.3</b>
<b>Public administration and defence</b>	6.6	0.1	*	<b>6.7</b>
<b>Education</b>	12.2	0.9	0.3	<b>13.0</b>
<b>Health</b>	5.0	5.8	0.7	<b>10.8</b>
<b>Other services</b>	4.4	3.1	2.0	<b>7.4</b>
<b>Total</b>	<b>42.2</b>	<b>47.6</b>	<b>34.2</b>	<b>89.8</b>

Source: CSO, *Quarterly National Household Survey*, 2006, First Quarter.

### Young People in the Labour Market

The ESRI has published an ongoing survey of the labour market performance among school leavers approximately one year after leaving school. The most recently published survey was conducted in 2004 among those who had left school during the 2002/2003 academic year. This survey estimated an increase in

unemployment from 11 per cent in 1999 to 21 per cent in 2004. Unemployment has increased both for those with the Leaving Certificate and those without formal qualifications, although the estimated rate of unemployment is far higher in the latter case (50.4 per cent for those with no qualifications in 2004). There was an associated fall in employment among this group. This rise in unemployment among young people may be caused, in part, by migration, although other explanations might be offered.

CSO data on labour market performance are available for the larger grouping of young people aged 18 to 24 for the years 2002 to 2005. For this larger group, there was a modest rise in unemployment, from 7.5 per cent in 2002 to 8.1 per cent in 2005. This was in the context of rising employment and labour force participation. The share of this group in employment rose from 58.5 per cent in 2002 to 60.3 per cent in 2005. Hence, young people generally would not seem, to date, to be losing out to migrants in the workforce (see Appendix Table A3.1).

Those young people who leave school early are more vulnerable to the increased competition from migrants and the CSO has also published data on this group (people aged 18 to 24 whose highest level of education is lower secondary or below and who not received education in the four weeks prior to the survey). In 2005, there were 54,600 people in this category, down from 65,100 in 2002. Almost 62 per cent of them were males (33,700). There was an increase in the unemployment rate for this group from 16.9 per cent in 2002 to 22.3 per cent in 2005. The numbers involved here are low and the absolute increase in unemployment was just 700 people. The number of unemployed males in this grouping fell slightly by 200 to 6,100, while the number of females rose to 2,800. The share of this group not in the labour force increased from 25.5 per cent in 2002 to 26.9 per cent in 2005. In absolute terms, there was a fall from 16,600 in 2002 to 14,700 in 2005 (see Appendix Table A3.1).

While the data reviewed here do not provide compelling evidence that early school leavers have been significantly affected by migration, it is clear that this is a particularly vulnerable group that merit policy attention.

### **Unemployment and Participation among those aged 25 to 64**

Turning to the main adult workforce, the rate of unemployment has been stable over the period 2002 to 2005. This stability holds for each educational cohort, ranging from those with primary education or below to those with third level degrees (see Appendix Table A3.2). The only exception is those in a miscellaneous 'other' category for whom unemployment rose from 2.8 per cent in 2004 to 4.2 per cent in 2005. Those with only primary education have a noticeably higher rate of unemployment (7.4 per cent) than other groups. This position has become neither better nor worse in recent years. Men with only primary education have a higher rate of unemployment (8.3 per cent) than women with the same level of education (5.2 per cent).

The total participation rate among the population aged 25 to 64 increased modestly from 74.2 per cent in 2002 to 75.9 per cent in 2005. The data do not show any tendency for participation rates to fall among those with low educational levels in recent years (see Appendix Table A3.3). For those with primary education,

the participation rate rose from 51.8 per cent in 2002 to 52.6 per cent in 2005, while for those with lower secondary (i.e., the Junior Cert) the participation rate rose from 70.9 per cent in 2002 to 71.7 per cent in 2005. For females with primary education the rate of participation rose from 31.9 per cent in 2002 to 33.2 per cent in 2005. The level of participation for this group remains very low and this is an issue of much concern to the Council (NESC, 2005a and b). For males with only primary education there was a fall in the participation rate from 69.7 per cent in 2002 to 66.7 per cent in 2003; two thirds of this fall was immediately reversed in the subsequent year with a rise in participation to 68.9 per cent in 2004.

The combination of widespread gains in employment by Irish people, stable unemployment and rising labour force participation would all suggest that migration has not to date been associated with widespread negative displacement of Irish workers—although this may have occurred in certain instances. The recently-published ESRI/SIEPS study (Doyle *et al.*, 2006) on the impact of EU enlargement on Ireland and Sweden also reached the conclusion that the evidence did not indicate that widespread displacement was taking place.

### Implications of Migration for Those Outside the Labour Force

While migration has coincided with rising labour force participation, the availability of migrants may reduce the pressure to effectively address the obstacles to labour force participation among Ireland's marginalised citizens. The share of the working age population in employment in Ireland is lower than among the high EU performers (Denmark, Sweden, The Netherlands and the UK). Analysis of the employment rates of different groups, in the Council's report, *The Developmental Welfare State* (NESC, 2005a), showed that Ireland's relative under-performance compared to the best-practice countries reflected lower employment rates by women in general, especially for women with lower levels of educational attainment and older women. There is also a low rate of labour force participation among people with disabilities. Migrants with high levels of education and strong work motivation are often willing to undertake low-wage work and can represent a more attractive option for employers than recruiting Irish residents who are at present not in, or marginally attached to, the labour force<sup>5</sup>.

In *The Developmental Welfare State* (DWS) report, the Council identified a range of integrated reforms that are necessary to support higher employment among currently excluded groups. Likewise, the NESF in its 2006 report, *Creating a More Inclusive Labour Market*, argued that barriers causing labour market vulnerability must be addressed as 'otherwise low-qualified people will face increasing competition for available jobs in the future' (NESF, 2006: xxii). These policy issues are discussed further in Chapter 9.

### Exploitation of Migrant Workers

There is no doubt that there have been many instances of exploitation of migrant workers, as documented by trade unions, the Migrant Rights Centre of Ireland (MRCI) and others. In some instances exploitation may begin before the migrant arrives in Ireland and be continued by agencies located outside Ireland. Migrants

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5. Research among UK employers found a very positive attitude to employees from East and Central Europe; see the next sub-section 3.4.5 below.

may be pressured to sign away part of their future earnings before leaving home and to pay exorbitant fees for the cost of the journey. The MRCI has documented instances of unscrupulous employers in Ireland using tactics that include paying less than the promised wage (and sometimes less than the legal minimum), making illegal deductions from salaries and worse.

The conclusion of the IOM Consultants on the issue of exploitation was as follows:

The currently available information is too limited to draw conclusions about the extent to which the extensive rights and protections offered to migrant workers under Ireland's equality legislation are implemented and enforced in practice. In the absence of systematic evidence, the suggestion that the exploitation of migrant workers may be fairly widespread remains an open question. What can be said, based on the anecdotal evidence, is that at least some migrant workers employed in Ireland do experience limitations of their rights that exceed those provided for by Ireland's labour immigration policies. There is also some evidence that the hours worked by migrants in some sectors (e.g. health and social care, hotels and restaurants) are much longer than the average (IOM, 2006: XVI).

The limited mobility of work permit holders and the transition of some to illegal status after the expiry of their permits may lead to exploitation. With the enlargement of the EU, the work permit system has declined substantially in significance as a source of new entry and this may reduce the scope for exploitation.

#### **3.4.5 Experience of East Europeans in the UK Labour Market**

There has not been any systematic research of the recent experience of East European migrants in the Irish labour market. The UK has also experienced a large increase in migrants from the EU 10 following enlargement. The EU 10 migrants in Ireland and UK feature prominently in the same sectors. A study of the experience of EU 10 migrants and their employers in the UK has recently been published by the Oxford-based Centre on Migration Policy and Society (COMPAS) (Anderson *et al.*, 2006). The study was based on survey and interviews of over 500 employers and 600 East European migrants. The nationals of four of the accession states were chosen: Czech and Slovak republics, Lithuania and Poland as well as nationals from two other states: the Ukraine and Bulgaria. The surveys and interviews were conducted both pre- and post-enlargement.

A caveat to the study is that most of those included were purposely selected rather than selected through random samples. Thus, the study is not based on a representative sample of migrants. Notwithstanding this caveat, the results can be seen to provide an indication of potential patterns and relationships. It is likely that there are strong similarities in the experience of migrants and their employers in the UK and Ireland so the findings of this study are of considerable interest.

The sectors covered were agriculture, construction, hospitality and au-pairs. Within these sectors migrants were typically employed in the less-skilled (referred to as elementary) occupations. An exception to this was construction, in which around two thirds of migrant were employed in skilled trades.

The study found that average pay levels of migrant workers were generally lower than the average of all employees in the relevant sectoral and occupational groupings. For example, among the migrants surveyed, the average hourly wage for skilled workers in construction was £8.29, which was 85 per cent of the average for all employees in this category (£9.77). In view of the complexities of the minimum wage regulations, the data were not sufficiently detailed to determine the share of workers earning less than the minimum wage. ‘Nevertheless the survey data do suggest that a significant number of respondents were working at gross hourly pay rates that were close to—but not necessarily below—the national minimum wage, especially in hospitality and agriculture’ (Anderson *et al.*, 2006:32). The hours worked by migrants were relatively long compared to the average worked by all employees in the same category. The average weekly hours worked by sector were: hospitality (45.3 hours), construction (45.6 hours) and agriculture (47.9 hours). Many of those surveyed reported that they did not receive paid holidays. For example just half of those in hospitality and agriculture reported that they benefited from paid holidays. Even fewer benefited from sick leave (29 per cent in hospitality and 17 per cent in agriculture).

There was evidence that the educational qualifications and skills of the migrants were considerably higher than those normally required for the positions held. For example, more than half of those engaged in elementary occupations in hospitality had post-secondary education. The question arises as to why migrants accepted work that was often below their apparent qualifications and skills. In some cases this was related to their immigration status. Some migrants were participants in scheme that limited them to certain agricultural employers. Others were on student visas and working part-time, often in hospitality. The money that could be earned in these jobs compared to what was possible at home was a key factor for some. Other attractions of working in the UK were the ability to improve English skills and also the overall experience of living and working in another country<sup>6</sup>. Migrants typically perceived their positions to be temporary which is a factor in being willing to accept the trade-offs involved.

A substantial share—18 per cent—of those surveyed were employed through agencies rather than directly by the business for whom they were working. Some interviews regarded it as easier to find employment through agencies when they lacked the required documents. Most viewed agency work less positively than direct employment. The disadvantages cited included the temporary and casual nature of the work, commission charged, lack of pensions and sick pay.

The employers surveyed identified several obstacles to obtaining UK residents to fill the positions for which they were seeking migrants. These included jobs being hazardous or dirty, working hours being considered too long, salary not being attractive and the work being regarded as low status.

The study found that employers were ‘extremely positive’ about their experience of employing migrant workers. They recognised that they were able to obtain ‘high-quality’ workers at low wages. As noted above, migrants often had higher educational qualifications than would be the norm for the positions that they

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6. For a discussion of the reasons why Irish emigrants in the UK often experienced occupational under-achievement, see Section 3.5.6 below.

filled. Employers also referred to the ‘soft’ skills of migrants: their manners, high motivation and flexible attitudes. For example, one employer who had employed migrants for the work of cauliflower harvesting explained:

One of the reasons why the East Europeans have come and work so well is because they do have somewhat higher intellect and their understanding... unless the job is done well, there really isn't any point in doing it... we find them lovely people we really do (Anderson *et al.*, 2006: 70).

The study found indications of widespread evasion of migration regulations. Of the 548 migrants surveyed in April 2004 (pre-enlargement), the authors estimated that at least 22.4 per cent were illegally resident. Those who were illegally resident often experienced vulnerability, fear and anxiety. Exploratory analysis in this study did not find evidence of a statistically significant relationship between being illegal and earnings. Working beyond the terms permitted by a visa was more common than illegal residence. It was estimated that three quarters of those on student visas and more than half of au-pairs were working in breach of their conditions. Furthermore, a quarter of migrants surveyed said that they or their employers were not making national insurance contributions.

The picture that emerges of East European migrants in the UK is one of high-quality migrants in low-wage jobs, working long hours. The authors do not regard it as necessarily a story of exploitation; migrants are making choices and trade-offs, albeit difficult ones. The pattern of widespread irregular working and lack of paid holidays and sick leave is possibly replicated in Ireland. The evidence in this study indicates that concerns about the role of employment agencies may well be justified. The findings reinforce the importance of enforcement of employment regulation.

#### 3.4.6 Summary of Economic Evidence

A summary of the wide-ranging evidence presented in this section is presented in Chapter 6. It is clear that there are certain gaps in the data. These include data on earnings of self-employed workers and also limited CSO coverage of hourly earnings. There is a commitment in the new social partnership agreement, *Towards 2016*, to develop new CSO quarterly series and to establish a group to monitor labour market trends and employment standards.

### 3.5 Social Effects of Migration

The impact of migration reaches far beyond the confines of the economy. When we get migrants we do not simply get labour units we also get people with all the complexity that this entails. This section examines the wider social effects of migration. The section begins by examining the implications of migration for demographic change. Migration raises issues of identity, social cohesion and social interaction both for the host community and for migrant themselves and these dimensions of migration are examined in this section. In 1991 the Council published a study on Ireland's experience of migration (NESC, 1991). The final part of this section recalls findings from that study that are of relevance to

understanding the social implications of today's immigration to Ireland. In its recent Strategy report, the Council noted that the effects of migration on the economy, social policy and culture are probably related in complex but important ways. Making a success of migration in any one sphere will make it easier to make a success of it the others. Failure in any one sphere will tend to create problems in the other two (NESC, 2005b: 104).

### 3.5.1 The Demographic Implications of Migration

Migration is a key driver of population growth and population growth in turn has wide-ranging social and economic effects. The scale of population growth has implications for the provision of infrastructure and services. In addition, there are potential dynamic benefits of economies of scale and increased enterprise opportunities. Economies of scale can make a contribution to solving infrastructure problems; thus, while migration adds to congestion, the higher population resulting from migration can also underpin improved infrastructure provision, such as for example, investment in the Dublin metro. This sub-section describes the influence of migration on recent population trends and projections for the next two decades.

#### Population Trends

The population has grown strongly over the past decade (1996 to 2006) with an average annual growth of almost 61,000 people. The cumulative increase in population was 16.8 per cent or 609,000 people. Well over half of this increase consisted of net migration (56 per cent). Ireland's population growth is the second highest in the EU at present. The structure of Ireland's population growth is unique in the EU in that it comprises both a strong natural increase and a high level of net migration. Spain had a slightly higher increase in population in the years 2002/2003, but this consisted almost entirely of net migration.

#### Age Composition of Migration

Immigrants to Ireland are disproportionately concentrated in the prime adult working age-group of 25 to 44 year olds: there were 172,700 people or 49 per cent of all immigrants in this age category over the period 2000 to 2005. These adults often had accompanying children: over the same period there were almost 40,000 immigrants (11.4 per cent of the total) aged 0 to 14. There were a further 105,400 immigrants (30 per cent) in the 15 to 24 age group.

Emigrants from Ireland are typically younger than immigrants. Emigrants are concentrated in the 15 to 24 age group (91,600 or 68 per cent of emigrants over the 2000 to 2005 period) and generally do not have accompanying children. This pattern of concentration of emigration among young people under 24 was also a feature of emigration in the 1980s and 1990s.

Looking at net migration since 2000, this is strongly concentrated among those aged 25 to 44 and their children. Hence the net effect of migration to Ireland on the age structure of the population is to increase the share of the prime working age share of the population.

**Table 3.5 Total Migration by Age Group 2000-2005**

	Immigrants	Emigrants	Net Migration
0-14	39.9	3.9	36
15-24	105.4	91.6	13.8
25-44	172.7	33.4	139.3
45-65	25.2	2.1	23.1
65+	5.7	3.3	2.4
<b>Total</b>	<b>349.1</b>	<b>134.2</b>	<b>214.9</b>

Source CSO, *Population and Migration Estimates*, Sept. 2005.

### Population Projections

The CSO published population projections in December 2004. Population projections are built up from projections of births, deaths and net migration. The number of births is determined by the number of women in the child bearing age groups and the fertility rates<sup>7</sup> of these women. The fertility rate declined from 3.2 in 1965 to 1.85 in 1994. Since then it increased to 1.98 in 2003 before falling to 1.95 in 2004. Together with an increase in the number of women in child bearing age groups, this resulted in an increase in the number of births from 48,400 in 1994 to 61,400 in 2005. There is some uncertainty in projecting fertility rates forward. The CSO used a range of projections; its highest fertility projection (F1) was for the fertility rate to rise to 2.0 by 2011 and remain thereafter at that level, while its lowest projection was of a fertility rate falling to 1.7 (F3) and remaining at that level. In the projections below the focus is on the F1 scenario; i.e., assuming the fertility rate stabilises at around 2.0.

There is greater certainty in projecting mortality trends. Life expectancy is steadily rising and the CSO projections assume that the trend continues at its current rate. Life expectancy at birth is projected to reach 86.9 years in 2036 for women and 82.5 years for men.

Migration is the most uncertain element of population projections. The CSO develops both a high (M1) and low (M2) migration scenarios. Under the high scenario, migration continues at 30,000 until to 2016 and then falls to 20,000 in the decade to 2026. In the low migration scenario, the level of net migration is 20,000 for the period 2006 to 2011 and then falls to 10,000 and falls again to 5,000 from 2016.

7. The fertility rate is defined as the average number of children that would be born to a woman over her lifetime if she were to experience the current age-specific fertility rates through her lifetime. It is obtained by summing the age-specific rates for a given time-point.

Based on these assumptions it is possible to project the growth of population. In the high migration scenario, in conjunction with a fertility rate of 2 (M1F1), there is a very substantial increase in population over the next decade (to 2016) of 686,000 people. This is approximately equivalent to the entire population of Dublin City and Dún Laoghaire-Rathdown in 2002. Over the decade 2016 to 2026, there is a further increase in population of 545,000. The level of population is projected to reach 4.8 million in 2016 and 5.4 million to 2026. The projected increase in population is driven both by a substantial contribution from a natural increase (a projected 56 per cent of the total increase) and net migration (44 per cent).

**Table 3.6 Population Growth, Natural Increase and Net Migration (000s)**

**(A) High Migration (M1F1)**

	Natural Increase	Net Migration	Change in Population
2006-2016	+ 386	+300	+ 686
2016-2026	+ 345	+ 200	+ 545

**(B) Low Migration (M2F1)**

	Natural Increase	Net Migration	Change in Population
2006-2016	+ 370	+ 150	+ 520
2016-2026	+ 275	+ 50	+ 325

Source CSO (2004), *Population and Labour Force Projections 2006-2036*.

The level of migration could obviously be lower than the CSO's high migration scenario. Even with the CSO's low migration scenario, there is still a substantial increase in population: under the M2F1 projection, population still increases by over half a million (520,000) over the decade to 2016 and by a further 325,000 in the decade to 2026. Net migration in this projection contributes 29 per cent of the population growth in decade to 2016 and 15 per cent in the decade to 2026. The level of population rises in this scenario to just over 5 million in 2026.

In addition to contributing substantially to the rise in population, net migration is also changing the composition of the population. In 2002, the foreign-born population in Ireland was 400,000, while the non-Irish population (i.e., those not having Irish nationality) was 225,000. Under the assumption of high migration, Punch (2005) has projected that the foreign-born population could reach 1 million by 2030 which would be around 18 per cent of the total population. This is higher than the present rate in the high migration countries of Sweden, US, Germany and

Austria but lower than present rates in Canada, New Zealand and Australia. Since the foreign-born population includes Irish people born abroad, the non-Irish population would be somewhat lower, although there are no projections of this.

### Projections of the Dependency Ratio

The CSO projects that the dependency ratio will continue to increase in the years ahead. Over the next decade this is due to increases in both the young and elderly dependency ratios and, thereafter, due to a rising elderly dependency ratio<sup>8</sup>. Even with the high migration scenario (M1F1), the dependency ratio is projected to rise by 5.7 percentage points over the next 20 years. With low migration (M2F1), the increase would be somewhat higher at 6.7 percentage points. While migration helps to moderate the rate at which the dependency ratio increases, it is clearly unable to offset the underlying dynamics that are projected to increase the dependency ratio.

**Table 3.7 Projections of Dependency Ratios**

#### (A) High Migration (M1F1)

	Young	Old	Total
2006	30.6	16.4	47.1
2016	32.9	19.9	52.8
2026	31.1	25.1	56.1

#### (B) Low Migration (M2F1)

	Young	Old	Total
2006	30.6	16.4	47.1
2016	33.2	20.6	53.8
2026	30.4	26.7	57.1

Source: CSO (2004), *Population and Labour Force Projections 2006 to 2036*

8. The total age dependency ratio is defined as the number of people aged below 15 and over 64 as a percentage of people aged 15 to 64. The young dependency ratio is defined as the number aged under 15 as a percentage of those aged 15 to 64 while the elderly dependency ratio is defined as the percentage over 64 as a percentage of those aged 15 to 64.

The potential of migration to offset the effects of population ageing in developed countries generally has been examined in research by the OECD and the United Nations (UN). There is a consensus that the potential for migration to offset the effects of population ageing is modest. A UN report (United Nations, 2000) developed projections of the dependency ratio in 2050, based on its assumptions of what it considered to be the likely level of migration, and compared these to what the dependency ratio would be in the absence of migration. There was little difference between the two estimates, reflecting its assumption that migration flows would not be large. For example, in the case of the EU, the assumed level of migration was just over 16 million between 1995 and 2050.

This UN report also estimated the level of migration that would be required to maintain the dependency ratio at its 1995 level. The level of migration required to achieve this is very high and would result in countries having between 59 per cent and 99 per cent of the population composed of post-1995 migrants and their descendants. These results show that migration alone cannot solve the problem of a falling dependency ratio (see also OECD, 2001).

### Implications

While there are considerable uncertainties, all of the CSO's projections point to substantial population growth over the next two decades, with net migration making a significant contribution to this growth. These increases pose significant challenges for public services, housing and infrastructure. Ireland has struggled to cope with the implications of a rising population over the past decade. Housing output increased hugely but this there was not a corresponding provision of essential public services in rapidly growing places. The next two decades will see a significant further expansion of the built environment. In its housing report (NESC, 2004) the Council compared the challenge of achieving a sustainable pattern of development to accommodate the rising population to earlier challenges of opening up the economy and the establishment of partnership in the 1980s. Migration helps to reduce the dependency ratio from what it would otherwise be, but can only modestly offset the projected rise in the dependency ratio due to the ageing of the population.

In addition, the changing composition of the population has additional societal implications for identity, social cohesion and social interaction. The next subsections address these complex societal concerns.

#### 3.5.2 Migration, Culture and Identity

The effects of migration on national identity and social cohesion are not to be found in as developed a body of theoretical and empirical knowledge as is the case with the economic effects of migration. Questions about migration's impacts on national identity and social cohesion generally run far ahead of the ability of research to provide answers with a general applicability. On the other hand, different historical periods and different countries and cities provide rich and extremely diverse case studies illustrating, variously, how a national or regional identity is enriched and social cohesion strengthened by migration, particularly over the long run and, sometimes, how, especially in the short term, some people's

identity may be threatened, conflict may arise and social cohesion may be undermined. The following observations may be made:

- ◆ The scale and composition of migration can contribute, usually in a gradual way and over a long period of time, to influencing a nation's identity. Some of the cultural characteristics and specific history of the new migrants become interwoven with those of the host society and influence how it is seen by others and how it perceives itself. History is full of different instances of the length of time and the degree of social conflict that host societies have taken to absorb waves of economic migrants (migration based on conquest and colonisation can be considered a separate subject).
- ◆ The large, cosmopolitan urban centres that function as magnets for many knowledge-intensive economic activities today, develop urban identities that are, at the one time, unmistakably unique because of their geographic location and long histories (London, Paris, Brussels, Madrid, etc., could never be confused) and, at the same time, similarly cosmopolitan because the scale and mix of activities carried on in them can only be carried on with a very large presence of, and contribution by, migrants.
- ◆ It is at the level of urban neighbourhoods and small towns that identity can change in the most rapid and visible way (creating a 'Chinatown', 'little Italy' and the like) for it is at that level that migrants can come to constitute a significant proportion of all residents in a short space of time. The members of a host society may—and often do—feel and react differently to what they experience as the increased diversity of people on high streets and in public places and the extent to which a specific migrant group may have become a major influence on their own locality.

It also seems clear that societies absorb waves of economic migration most easily when certain contextual features hold, viz.:

- ◆ Buoyant economic growth provides opportunities for the migrants to contribute as workers and entrepreneurs and ensures that employment levels and wages for the indigenous population continue to improve.
- ◆ The host society is characterised by a confidence and openness towards globalisation and the future.
- ◆ The culture of the host society is vibrant and shaped in an on-going fashion by the population rather than having the status of a fixed and normative set of attributes and dispositions that can be used to define full belonging.
- ◆ Social interaction develops steadily between the native population and migrants, which keeps stereotyping and prejudice short-lived and speeds up some convergence in how those who have come to share the same society see that society and value it.
- ◆ The state articulates and operates a clear migration policy and develops a policy framework which is supportive of integration, hostile to discrimination and works with social organisations to combat racism.

The corollary of these features is that migration is most usually claimed to be diluting a cherished identity and contributing to undermining social cohesion in contexts where:

- ◆ Unemployment is high.
- ◆ Living standards are stagnant or falling.
- ◆ Globalisation is seen *a priori* as a threat and there is a deep anxiety about the future.
- ◆ The national or local culture is considered to need vigorous state-subsidised protection and dissemination.
- ◆ Segmentation in employment, housing, schooling, etc., is pronounced and reduces opportunities for social interaction, enabling stereotypes to survive unchecked.
- ◆ Public policy on migration is unclear to either migrants or the indigenous population.

These observations may seem to imply that migration should only be welcomed for its specific impacts on identity and social cohesion because, under the right conditions, these impacts are positive. However, the right conditions are not always within the capacity and competence of public authorities to provide at will. To promote large-scale migration, when some of the essential conditions for it not to generate existential unease in the host population and social conflict between the local population and new arrivals do not exist, would be poor judgement and bad policy.

### 3.5.3 Migration and Social Interaction

Several trends have increased academic and policy interest in what accounts for high levels of social interaction between the members of a society, the level of social trust that these interactions build upon and help to generate, and the extent to which social interaction contributes to a convergence in values, attitudes and behaviour among members of different social, ethnic, age and regional groups. It is clear that, quite separate from international migration, certain trends have modified the traditional channels of social interaction in many Western societies. These include the increased dominance of large cities, shifts in patterns of household formation (as more people live in independent households and a growing proportion of all households have no children), declining church attendance, trade union membership, political party membership and the like, and the growing opportunities that a more affluent and individualised society offers to people to tailor their own lifestyles. These trends are independent of the level of in-migration to a country. Nevertheless, significant in-migration of people, whose command of their host society's language and customs is initially weak, and elements of whose outlooks and lifestyles are wholly new to the indigenous population, can result in reduced levels of social interaction between people residing in the same area and contributing to the same regional economy.

It is interesting in this regard that an Oireachtas Joint Committee should already observe that even migrants 'who have succeeded in every material sense complain that their greatest difficulty is integration. They find it difficult to make friends with Irish people or to become part of Irish social networks, and are constantly thrown back on expatriate circles. The pace of change in Ireland in recent years has been so rapid that for many Irish people just 'riding the wave' is a challenge and the capacity to reach out and form new relationships and social links is difficult' (Houses of the Oireachtas Joint Committee on European Affairs, 2006: 28).

A provisional conclusion must be that there is nothing to be lost and, potentially, much to be gained if, at some level in the public system, systematic attention is given to fostering 'bridges' between migrants' networks and mainstream Irish society. This does not detract from the initial and wholly valid purpose of 'bonding' co-nationals who are sharing the experience of being expatriates. Policies to promote integration are discussed in Chapter 10 below.

#### 3.5.4 Migrant Identity and Attitudes to the Host Society

Migrants, as well as the host society, face issues of identity and relationship to their social environment. For the first generation of migrants strong elements of ambiguity can exist. On the one hand, there may be an appreciation of the opportunities which the host society has afforded, in work, living standards and opportunities. On the other hand, this may be strongly coloured by regret and perhaps resentment that their country failed to offer such prospects.

The Council's earlier study on Irish emigration (NESC, 1991) offers a useful set of tools with which to appreciate the migrant perspective. The report presents a range of Irish migrant approaches to integration in Britain. At either extreme are strategies of total immersion, adopting fully the host culture, or alternatively separation and ghettoisation. The report identifies negative features of both approaches. Both demonstrate an unease and uncertainty regarding identity and background. As the report highlights, both strategies are frequently played out in the intergenerational conflicts between over-identified 'Irish' parents and their over-identified 'English' children.

A third approach, confined to the first generation, is that of 'temporary exile'. In this context the migrant never finally resolves the nature of their status in the host society. They continue to entertain notions of 'returning home', long after this possibility may have ceased to be realistic in the context of a migrant's life.

The final, and in the view of the report the most 'successful' strategy is what is termed 'self-confident Irishness'. This approach seeks to engage with the complex multi-cultural nature of contemporary Britain, finding a place within what has become an increasingly fluid context.

This strategy, and the possibilities of its realisation, raises a vital component in the question of migrant adaptation, namely, the host society context. Once again the Irish emigrant experience may prove helpful. In America, Irishness, being an Irish American, came to represent a positive feature within American society and culture<sup>9</sup>. By contrast, Irishness within British society had traditionally been

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9. Clearly positive perceptions of Irish American identity was an historical 'achievement' not a fixed reality.

problematic and difficult. Thus the host society can either provide an open and broadly supportive context for exploring the fluid matter of identity, or it can demand of migrants simplistic choices regarding allegiance which can prove problematic for migrant and host alike.

The personal conflicts and tensions, which the first generation may experience, cut into the different experience of their children, some of whom may consider themselves fully part of the society in which they were born or grew up, sharing little of the provisional nature of their parents' engagement, feeling little loyalty to the 'old country'. Alternatively, second-generation migrants, in particular those who feel they have not found an acceptable way to express their identity within the host society, may build a cultural identity which can take on oppositional features expressive of separateness from and perhaps even hostility to the host society. Such a dynamic may reflect some features of the sending society but also the host society's inability to offer cultural space for the children of migrants to experience the range, complexity and fluidity of their identity.

The engagement of migrants in a society changes and ideally enhances both host and migrant. It is an encounter in which the greatest pressure of adaptation and engagement is demanded of the migrant, regardless of their status—first, second or even third generation. It is they who have the primary experience of uncertainty, experiencing feelings of conflict over one's identity. However, as noted above, such conflicts of identity and pressures to address and cope with change also arise for the host society. Some may assert that the presence of cultural distance separating migrants from the host society makes the impact of migration somewhat more challenging.

A substantial share of migrants—over one quarter in 2005—constitute returning Irish people. Returning Irish migrants would include people who left in the 1970s and 1980s or their children. Returning Irish migrants can face challenges in adjusting to life in Ireland, depending on how long they have been away. The Ireland encountered by returning Irish migrants is not the Ireland they left or the country that they have become used to while away. One of the changes for returning Irish migrants is the presence now of many non-Irish migrants. Returning Irish migrants should be borne in mind in the challenge of supporting integration.

### **3.5.5 The Emergence of Migrant Communities**

Migrant concentration, particularly in cities, is a feature of migration across the world, its rationale readily understandable. The Irish migrant experience in Britain and America is illustrative, with much migration driven by the stock of previous migrants, 'the family-and-friends effect'. These people assist and encourage new migrants, funding their fare, accommodating them when they arrive, providing an important introduction to the host country. Migrant communities serve a variety of vital needs—support, cultural identity and a link back to one's home, familiar foods, music and other cultural and social reference points. In addition, they provide networks to source employment, housing and information on services. Clearly there are a wide range of positive features of the emergence of migrant communities. Indeed, the Consultants identify migrant communities as a valuable bridge to integration (IOM, 2006: 161).

Despite these valuable features, visible migrant communities, particularly if they become associated in the public mind with marginalisation and poverty, can become problematic. They may provide a context in which migrants themselves feel they have little interest in or desire to integrate into the culture and social life of the host society—that all their needs can be met from within their own community. Equally, it could provide a context in which stereotypes of the host culture may develop and flourish. Thus a sense of exclusion could, in part, be self-imposed through continued reliance on networks which are exclusive to the migrant population, blocking the need, or desire, to reach out to the indigenous population, to form friendships and links with the host society.

### 3.5.6 Learning from Irish Emigration in the 1980s

The 1991 Council study, cited above, explored the economic and social implications of emigration for Ireland's society and economy (NESC, 1991). There are sufficient parallels between the outflow that Ireland experienced in the 1980s and today's inflow of migrants from Central and Eastern Europe to merit reference to several findings of the 1991 study.

There is a parallel in the contexts. The resurgence in emigration from Ireland in the 1980s was of a more educated outflow than in previous decades. This reflected the heavy incidence on young cohorts then leaving the educational system. Ireland's labour market experienced a triple shock in the 1980s. Industrial employment 'marked time' as new jobs created by inward investment were offset by job losses in indigenous industry; public sector employment was held back by the need for fiscal retrenchment; agriculture continued to contract as an employer. Frustrated school leavers and graduates availed of ready access to the UK and other EU 15 labour markets and of not so easy access to the USA.<sup>10</sup> A labour market shock on a similar scale has been produced in Central and Eastern Europe (CEE) by the transition from planned to market economies. In those countries, people with a good education have experienced a contraction in the opportunities open to them domestically. Many of them have availed of EU membership and Ireland's decision not to adopt transitional arrangements to access Ireland's labour market.

There is, as yet, little systematic research into just who is coming to Ireland from CEE and why, much less into how they are faring over time. It is suspected, however, that significant numbers of them are working in jobs below their potential, while a minority are made up of individuals insufficiently prepared for the challenge of finding and holding employment in the Irish labour market. Both these developments were prominent findings of the 1991 study on Irish emigration.

10. The proportion of graduates from full-time third-level education who emigrated to find work rose from 8 per cent of the outflow in 1980 to nearly 30 per cent of the 1988 outflow (NESC, 1991: 85).

## Occupational Underachievement

The 1991 study found that Irish emigration in the 1980s was no longer predominantly low-skilled, but drew from across the full spectrum of education and skills in Irish society, with the higher social groups, if anything, over-represented (93). Most migrants left after a substantial period in the Irish labour force, more than 40 per cent after a period of current unemployment, one in six from temporary or part-time jobs and over a third from permanent full-time jobs (160).<sup>11</sup> A large number of them (in Britain, where the data were available) ended up in employment that was significantly below their potential. Wherever and whenever this ‘occupational underachievement’ occurs, it entails losses on several fronts: to migrants themselves as their skills do not develop (and may even erode) and their prospects of following successful career paths recede; to the host economy because it is under-using a resource; and to the sending country because of the reduced likelihood that it will benefit one day from the enhanced human capital of its returning nationals. Occupational underachievement also raises the prospect that the weaker members of the host-society workforce are ‘bumped down’ or out of the labour force by superior competition for types of employment they would normally be expected to fill.<sup>12</sup>

The 1991 study found that occupational underachievement was occurring for several clear reasons:

- ◆ Migrants chose jobs beneath their ability because, in the short term, they paid well and allowed them to save quickly. For example, some Irish graduates chose building work in Britain and waitressing jobs in the USA.
- ◆ Non-manual jobs with prospects typically took four to six weeks to fill, and migrants needed to arrive with sufficient own-resources to support a period of job-search of that length if they were to fill them. If they arrived already indebted or with very limited resources, they were under pressure to take the immediate, best-paying employment they could find, whatever its prospects.
- ◆ Non-manual jobs with prospects typically had more formal recruitment procedures. Migrants’ unfamiliarity with British culture and lack of local knowledge could tell against them.<sup>13</sup>
- ◆ Employers in Britain were ignorant of the Irish educational qualifications and suspicious of their quality.<sup>14</sup>
- ◆ Emigrants relied on migrant networks to find their first job and tended, for this reason, to enter occupations that already had a substantial migrant presence (construction, hotels, retail, etc.).

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11. These findings were based on migrants to Britain, of whom British data sources enabled information to be captured.

12. This was the experience *within* Ireland in the 1980s as a surplus of young people leaving the educational system competed to fill a fixed or slowly growing pool of jobs and ‘qualification inflation’ resulted.

13. The 1991 study noted that Irish applicants for jobs in Britain were frequently considered not to ‘sell themselves’ well and to be lacking in self-confidence.

14. The Leaving Certificate was often interpreted as equivalent to ‘O’ levels while qualifications awarded by Ireland’s new Regional Technical Colleges (now Institutes of Technology) were largely unknown to employers in Britain.

- ◆ Emigrants encountered discrimination, prejudice and racism in British society, particularly when the Irish identity of people who were threats to British society emerged prominently in the media.

These mechanisms suggest ways in which occupational underachievement can be redressed and the desirability of facilitating the upward mobility of migrants in line with their qualifications and of diluting their occupational segregation, to the greatest extent possible. These issues are discussed in Chapters 8, 9 and 10, below.

### Social Vulnerability

A second major finding in the 1991 study that throws further light on the current migration into Ireland was that, despite the generally educated aspect of Irish emigrants to Britain in the 1980s, some 15 per cent of them were highly vulnerable. This minority tended to be young males from urban centres with low levels of educational attainment who left Ireland from unemployment and arrived in British cities with little preparation. In a short period of time they were in difficulty with accommodation, finding and retaining employment, and accessing social welfare (167-168). Homelessness, alcoholism and conflict with the law were the most visible signs of failed integration into British society for some of them. The authors of the 1991 study were led to reflect that economic 'push' factors appeared to dominate the migration decisions of the more poorly educated, while occupational status and 'pull' factors were much more important in the decisions of the better educated middle class (160).

### Applying the Lessons

The Council believes that the Irish authorities should be pro-active in informing governments, public bodies and NGOs in various countries of Ireland's experience with emigration in the 1980s. These lessons would include informing intending migrants as fully as possible of the opportunities, costs and requirements of being successful in Ireland's labour market,<sup>15</sup> ensuring that migrants receive their full entitlements while in Ireland, complementing their entitlements in Ireland with additional support from their home countries, ensuring that the qualifications of migrants are vouched for by recognised bodies and transparent to employers in Ireland, and keeping migrants in Ireland informed of developments and opportunities in their home countries from which they might benefit.<sup>16</sup>

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15. The 'know before you go' campaign of FÁS is one example of this.

16. Similar to the National Manpower Service's advertising campaign in the UK in the 1970s which alerted Irish emigrants to the improved opportunities in the country they had left.

The Council recognised in 1991 that high levels of emigration on the part of graduates and high-skilled persons would be a significant long-term loss to the Irish economy if many did not subsequently return. If return flows materialised, however, 'losses' would prove temporary and even convert into 'gains' where the returnees had acquired expertise, enhanced their skills and saved capital while abroad. The Council could not, and did not, foresee then the extent to which this positive development was to occur. Rather, it was aware of the potential for a much less favourable scenario to develop: one in which the freedoms and protection that Irish citizens enjoyed in the more advanced EU economies would lead many to settle there, in which return migration remained below the level of out-migration and in which Ireland's educational system continued to supply the more advanced economies of other Member States (NESC, 1991: 35).

Similarly today, countries in Central and Eastern Europe experiencing significant out-migration on the part of high-skilled workers and graduates do not know when, or how many, will eventually return. This will be discussed further in Chapter 4.

### 3.6 Conclusion

The conclusions which can be drawn from this review of the causes and effects of migration are outlined in Chapter 6, where the findings of Part I of the report are summarised.

**Appendix Table A3.1 All Persons (000s) Aged 18 to 24 and Early School Leavers, Classified by ILO Employment Status.**

	2002		2003		2004		2005	
	Early School Leaver	Total						
<b>Males</b>								
In employment	29.0	144.4	24.0	146.3	24.8	145.9	22.4	145.7
Unemployed	6.3	13.5	5.3	13.1	6.1	13.4	6.1	14.4
Not economically active	6.0	72.2	4.6	72.3	5.5	71.0	5.1	71.9
<b>Total</b>	<b>41.3</b>	<b>230.1</b>	<b>34.0</b>	<b>231.7</b>	<b>36.4</b>	<b>230.3</b>	<b>33.7</b>	<b>231.9</b>
<b>Females</b>								
In employment	11.3	121.2	9.5	125.5	8.2	121.7	8.5	130.4
Unemployed	2.0	8.0	2.0	8.9	3.1	9.4	2.8	9.8
Not economically active	10.6	95.1	9.8	93.3	9.8	91.3	9.7	85.2
<b>Total</b>	<b>23.8</b>	<b>224.4</b>	<b>21.3</b>	<b>227.6</b>	<b>21.2</b>	<b>222.5</b>	<b>21.0</b>	<b>225.4</b>
<b>All persons</b>								
In employment	40.3	265.7	33.6	271.8	33.0	267.6	31.0	276.0
Unemployed	8.2	21.5	7.2	22.0	9.2	22.8	8.9	24.2
Not economically active	16.6	167.3	14.4	165.6	15.3	162.4	14.7	157.0
<b>Total</b>	<b>65.1</b>	<b>454.5</b>	<b>55.2</b>	<b>459.4</b>	<b>57.6</b>	<b>452.8</b>	<b>54.6</b>	<b>457.3</b>

**Appendix Table A3.2 Unemployment Rates of Persons Aged 25 to 64  
Classified by Highest Level of Education attained**

Highest education level attained	2002	2003	2004	2005
<b>Male unemployment rate</b>				
Primary or below	8.2	8.4	8.6	8.3
Lower secondary	4.5	5.4	5.8	5.1
Higher secondary	3.0	2.7	3.2	2.9
Post-Leaving Cert	2.0	2.5	3.5	3.2
Third-level non-degree	2.5	3.1	2.6	2.3
Third-level degree or above	2.0	2.3	1.8	1.8
Other	2.4	4.3	5.4	3.8
<b>Total</b>	<b>3.8</b>	<b>4.1</b>	<b>4.3</b>	<b>3.9</b>
<b>Female unemployment rate</b>				
Primary or below	5.7	4.8	4.1	5.2
Lower secondary	5.0	5.1	5.4	4.9
Higher secondary	3.0	3.1	2.7	2.9
Post-Leaving Cert	3.1	3.2	3.2	3.4
Third-level non-degree	1.8	2.6	2.3	2.3
Third-level degree or above	1.5	2.0	1.6	1.8
Other	3.3	5.4	3.6	4.9
<b>Total</b>	<b>3.1</b>	<b>3.3</b>	<b>3.0</b>	<b>3.1</b>
<b>All persons unemployment rate</b>				
Primary or below	7.4	7.3	7.4	7.4
Lower secondary	4.7	5.3	5.6	5.1
Higher secondary	3.0	2.9	3.0	2.9
Post Leaving Cert	2.4	2.8	3.3	3.3
Third-level non-degree	2.1	2.9	2.5	2.3
Third-level degree or above	1.8	2.1	1.7	1.8
Other	2.8	4.7	4.7	4.2
<b>Total unemployment rate</b>	<b>3.5</b>	<b>3.8</b>	<b>3.7</b>	<b>3.6</b>

**Appendix Table A3.3 Labour Force Participation Rate of Persons Aged 25 to 64, Classified by the Highest Level of Education Attained, March-May 2002 to March-May 2005**

Highest education level attained	2002	2003	2004	2005
<b>Male participation rate</b>				
Primary or below	69.7	66.7	68.9	68.9
Lower secondary	89.7	89.3	89.2	89.6
Higher secondary	92.3	91.0	91.7	91.4
Post-Leaving Cert	93.2	93.2	93.0	92.9
Third-level non-degree	93.4	93.9	93.2	93.8
Third-level degree or above	93.4	93.5	93.2	94.4
Other	85.6	81.8	83.5	87.2
<b>Total</b>	<b>87.0</b>	<b>86.6</b>	<b>87.2</b>	<b>87.8</b>
<b>Female participation rate</b>				
Primary or below	31.9	31.1	30.5	33.2
Lower secondary	49.8	49.4	48.7	50.2
Higher secondary	64.5	63.1	64.2	65.1
Post-Leaving Cert	72.5	70.9	70.4	71.5
Third-level non-degree	80.7	81.3	80.5	80.1
Third-level degree or above	85.4	84.5	84.2	86.3
Other	64.7	58.1	64.7	62.4
<b>Total</b>	<b>61.3</b>	<b>61.3</b>	<b>62.0</b>	<b>64</b>
<b>All persons participation rate</b>				
Primary or below	51.8	50.2	51.2	52.6
Lower secondary	70.9	70.9	70.8	71.7
Higher secondary	77.3	75.9	76.8	77.4
Post-leaving cert	83.2	82.0	81.3	82.2
Third-level non-degree	86.2	86.9	86.2	86.0
Third-level degree or above	89.5	89.2	88.8	90.4
Other	76.3	70.9	74.8	76.4
<b>Total participation rate</b>	<b>74.2</b>	<b>74.0</b>	<b>74.6</b>	<b>75.9</b>

Appendix Table A3.4 ILO Participation Rates by Age and Gender

		1998Q1	2000Q1	2001Q1	2002Q1	2003Q1	2004Q1	2005Q1	2006Q1
<b>Aged 15 and over</b>	<b>All Persons</b>	56.8	58.6	59	59.6	59.5	60.1	61.0	62.2
	<b>Male</b>	69.8	71.0	70.9	70.9	70.6	71.1	71.4	72.5
	<b>Female</b>	44.2	46.7	47.6	48.7	48.8	49.5	50.9	52.2
<b>Aged 15-19</b>	<b>All Persons</b>	27.8	29.1	29.4	27.4	27.0	25.1	25.3	26.2
	<b>Male</b>	32.1	32.8	33.3	30.7	30.4	28.4	28.0	29.6
	<b>Female</b>	23.3	25.2	25.2	23.9	23.5	21.7	22.4	22.7
<b>Aged 20-24</b>	<b>All Persons</b>	74.4	74.7	73.3	72.3	70.6	72.0	72.6	73.6
	<b>Male</b>	76.1	78.9	78.0	76.3	75.9	76.2	76.7	79
	<b>Female</b>	72.5	70.4	68.4	68.2	65.3	67.7	68.6	68.3
<b>Aged 25-34</b>	<b>All Persons</b>	83.2	85.0	84.6	84.4	83.6	84.2	84.6	85.6
	<b>Male</b>	93.3	94.1	93.2	92.1	92.1	92.5	92.3	92.7
	<b>Female</b>	73.2	75.9	76.0	76.8	75.1	76.0	76.8	78.2
<b>Aged 35-44</b>	<b>All Persons</b>	76.3	77.6	78.7	79.3	79.4	79.4	79.8	80.4
	<b>Male</b>	93.5	93.3	93.4	93.2	92.8	93.1	93.4	94.0
	<b>Female</b>	59.4	62.2	64.2	65.6	66.2	65.7	66.3	66.8
<b>Aged 45-54</b>	<b>All Persons</b>	67.1	69.8	70.1	72.2	72.2	73.9	75.7	76.9
	<b>Male</b>	87.7	88.0	87.0	87.9	87.1	88.7	89.0	89.2
	<b>Female</b>	46.0	51.4	52.9	56.3	57.1	59.1	62.4	64.6
<b>Aged 55-59</b>	<b>All Persons</b>	52.5	55.0	55.6	56.6	57.9	59.1	60.3	62.1
	<b>Male</b>	73.3	74.8	74.9	75.4	74.8	75.7	75.0	76.8
	<b>Female</b>	31.1	34.6	35.8	37.3	40.6	42.0	45.3	47.2
<b>Aged 60-64</b>	<b>All Persons</b>	36.0	36.3	38.0	38.7	39.3	40.2	41.9	44.7
	<b>Male</b>	53.9	53.5	54.7	55.3	55.2	56.4	57.8	58.8
	<b>Female</b>	18.2	19.1	21.3	22.0	23.2	23.8	25.9	30.4
<b>Aged 65 and over</b>	<b>All Persons</b>	8.3	7.9	7.5	8.2	7.9	7.9	7.8	8.0
	<b>Male</b>	15.4	15.1	13.7	15.3	14.0	14.4	13.6	14.0
	<b>Female</b>	2.9	2.4	2.8	2.8	3.2	2.8	3.2	3.4

Appendix Table A3.5 ILO Unemployment Rates by Age and Gender

		1998Q1	2000Q1	2001Q1	2002Q1	2003Q1	2004Q1	2005Q1	2006Q1
<b>Aged 15 and over</b>	<b>All Persons</b>	8.5	4.7	3.7	4.3	4.6	4.4	4.1	4.2
	<b>Male</b>	8.5	4.8	3.7	4.6	5.0	4.7	4.5	4.4
	<b>Female</b>	8.5	4.5	3.6	3.9	4.0	3.9	3.6	4.0
<b>Aged 15-19</b>	<b>All Persons</b>	15.0	9.6	8.2	10.3	12.0	10.5	10.2	11.8
	<b>Male</b>	14.8	9.5	8.6	10.7	13.0	10.9	11.1	12.8
	<b>Female</b>	15.3	9.8	7.7	9.8	10.6	9.9	9.1	10.5
<b>Aged 20-24</b>	<b>All Persons</b>	11.0	5.7	4.8	6.8	7.0	7.0	6.7	6.8
	<b>Male</b>	11.3	5.5	4.9	7.6	8.1	7.3	7.4	7.4
	<b>Female</b>	10.6	5.8	4.7	5.9	5.8	6.7	6.0	6.1
<b>Aged 25-34</b>	<b>All Persons</b>	7.7	4.4	3.5	4.4	4.6	4.3	4.1	4.5
	<b>Male</b>	8.0	4.8	3.5	5.0	5.3	5.1	4.6	4.9
	<b>Female</b>	7.4	3.9	3.7	3.7	3.8	3.4	3.4	4.1
<b>Aged 35-44</b>	<b>All Persons</b>	8.1	4.5	3.0	3.4	3.7	3.8	3.4	3.2
	<b>Male</b>	8.2	4.5	3.1	3.6	4.1	4.1	3.6	3.1
	<b>Female</b>	7.9	4.4	2.8	3.1	3.2	3.4	3.2	3.3
<b>Aged 45-54</b>	<b>All Persons</b>	8.8	4.4	3.3	3.4	3.6	3.3	3.2	3.3
	<b>Male</b>	8.9	4.8	3.6	3.7	3.8	3.7	3.7	3.7
	<b>Female</b>	8.5	3.8	2.9	2.8	3.2	2.6	2.4	2.8
<b>Aged 55-59</b>	<b>All Persons</b>	6.0	3.3	3.1	3.0	3.0	2.6	3.5	2.9
	<b>Male</b>	5.9	3.4	3.3	3.1	3.2	2.8	3.5	2.7
	<b>Female</b>	6.1	3.0	2.8	2.7	2.8	2.2	3.4	3.2
<b>Aged 60-64</b>	<b>All Persons</b>	4.4	2.1	2.4	2.3	1.6	2.5	2.2	1.3
	<b>Male</b>	4.6	2.3	2.1	2.5	1.8	2.6	2.5	1.3
	<b>Female</b>	3.7	1.7	3.4	1.8	1.2	2.3	1.4	1.5
<b>Aged 65 and over</b>	<b>All Persons</b>	1.1	1.4	0.8	0.4	0.4	0.9	0.5	0.7
	<b>Male</b>	0.8	1.2	0.2	0.4	0.3	1.0	0.4	0.8
	<b>Female</b>	2.6	2.3	3.0	0.5	0.8	0.5	0.6	0.4

# 4

## Understanding Migration: EU Enlargement and Deepening

## 4.1 Introduction

This chapter places the large inflow of EU 10 nationals to Ireland in the wider context of the EU's experience with migration generally and of the steadily deeper ties that membership of the EU and participation in its procedures have created between Member States. Section 4.2 examines whether Ireland's recent experience is unusual in the EU history of enlargements and explores similarities and differences with the large south-north migration of the 1960s. Enlargement apart, the deepening of the EU has facilitated intra-EU migration and affected the obligations of Member States towards migrants; these are reviewed in Section 4.3. The next Section discusses how the EU seeks to manage the interaction and tension between extending the freedom to work and reside anywhere in the EU with the protection by Member States of their own labour markets and social standards. Finally, Section 4.5 reviews the more speculative issue of whether the EU should now expect a significant rise in the historically low number of EU citizens who, hitherto, have chosen to live in a Member State not their own.

## 4.2 EU Enlargements and European migration

### 4.2.1 Migration to Ireland of EU Nationals

When Ireland joined the then European Community in 1973, the prospect of a significant inflow of workers from the other Member States was negligible. The prospects and rights of Irish nationals who went elsewhere in the EC to work were the more prominent concerns. After membership, the Continental EU assumed major significance as a destination for Irish emigrants. It did not supplant the UK as their principal destination but regularly overtook the USA as the second most important destination by the 1990s (Hughes and Quinn, 2004: 7). Currently, some one fifth of Ireland's now small number of emigrants each year moves to parts of the EU other than the UK (CSO, 2005).

The enlargements of the EU after Irish membership—the southern expansion that took in, first, Greece (1981) and then Spain and Portugal (1986), the 'silent' enlargement of German reunification (1990) which added significantly to the population and workforce of the EU without adding another Member State, and the EFTA enlargement which took in Austria, Sweden and Finland (1996)—raised concerns in several Member States of significant labour inflows, but not in Ireland. The eastern enlargement on 1st May 2004 was the first to entail major

implications for Ireland's labour market of the EU's commitment to provide equal access to private-sector employment for workers across its entire territory. This was both because of its timing (the strength of labour demand in the Irish economy was creating opportunities) and the severity of the push factors in several of the new Member States.

### The 2004 Watershed

Data reviewed in Chapter 2 confirm the speed and scale of the response by nationals of the new Member States to opportunities in Ireland's economy. There have been remarkable developments. Over a 12-month period, the number of new arrivals from the EU 10 exceeded the stock of EU 15 nationals (excluding the UK), which had taken more than 30 years to build up. By mid-2005, the 2 per cent of Ireland's resident working age population comprised of EU 10 nationals was five times the EU 15 average (0.4 per cent) and even greater than in Austria (1.4 per cent) (Table 4.1). Prior to enlargement, Austria, on account of its history (the legacy of the Austro-Hungarian Empire) and land borders with four of the acceding countries, had the largest presence of EU 10 nationals while Ireland had virtually none (Kvist, 2004).<sup>1</sup> Ireland, in a short space of time, has become the Member State to achieve most parity between the proportion of its population made up of EU 10 nationals and that made up of third-country nationals. By mid-2005, there were two EU 10 nationals in Ireland for every three third-country (non-EU) nationals; in the other EU 15 countries, the number of third-country (non-EU) nationals far outweighed the number of EU 10 nationals (Table 4.1). The net result of a large presence of EU 10 nationals and low presence of third-country nationals, by EU 15 standards, was that Ireland had an overall population of foreign nationals comparable to the EU 15 average (7.8 per cent as against 7.6 per cent).

The large presence of EU 10 nationals in Ireland's population was built up almost entirely after May 2004. This is in contrast with the experience the larger Member States had of southern enlargement in the 1980s. In that instance, substantial migration took place *prior* to enlargement and the actual entry of Greece, Spain and Portugal to the EU had little further impact on migration flows. Transitional arrangements applied at that time also. Greeks (joined 1981) could not exploit free movement opportunities until 1988; Spaniards and Portuguese (joined 1986) had to wait until 1992. However, upon attaining full rights to move, settle and work in other Member States, no new increases in emigration took place. It seemed that 'the stock of foreign residents from the Southern EU members had already reached its equilibrium when free movement was introduced' (Boeri and Brücker, 2001: 12). Their composition changed, however, and became dominated by family dependants joining workers in the industrial heartlands of the EU.

Table 4.2 confirms the strong focus on employment of nationals from other countries living in Ireland and of EU 10 nationals in particular. The latter's employment rate was 85 per cent as against 69 per cent for EU 15 nationals and 67 per cent for Irish nationals. In fact, EU 10 nationals in Ireland had a higher employment rate than their fellow nationals living anywhere else in the EU 15, including in the UK or Sweden, the two other Member States that opened their labour markets fully to them in May 2004.

1. The likelihood of Ireland leading in this regard was not foreseen. For example: 'The smallest population share of Central and Eastern European Country nationals [in EU 15 Member States on the basis of 2001 data, ed.] is in Ireland and Portugal. ... Germany and Austria are expected to receive two-thirds or more of coming migrants, whereas the projected inflows to Ireland and Portugal are negligible' (Kvist, 2004: 308).

**Table 4.1. Composition of Resident Working Age Population by National Groupings, 2005 (row percentages)**

Country of residence	Nationality			
	National	EU 15 (inc. UK)	EU 10	non-EU
Belgium	91.3	5.8	0.2	2.8
Denmark	96.4	1.1	:	2.4
Germany	89.5	2.8	0.7	7.0
Greece	94.0	0.3	0.4	5.3
Spain	90.5	1.2	0.2	8.1
France	94.4	1.9	0.1	3.6
Ireland	92.3	3.0	2.0	2.8
Netherlands	95.7	1.4	0.1	2.8
Austria	89.2	1.9	1.4	7.5
Portugal	97.0	0.4	:	2.6
Finland	98.3	0.4	0.3	1.0
Sweden	94.8	2.3	0.2	2.7
United Kingdom	93.8	1.7	0.4	4.1
<b>EU 15</b>	<b>92.4</b>	<b>2.1</b>	<b>0.4</b>	<b>5.1</b>

Source European Commission (2006a).

Notes Italy is excluded as it does not disaggregate by nationality, and Luxembourg for its small size.  
 Italy is also excluded from EU 15 total.

Table 4.2 Employment rates by Nationality, EU 15 (Q2, 2005)

Country of Residence	Nationality			
	Nationals	EU 15	EU 10	Non-EU
Belgium	62	60	55	35
Germany	67	68	51	48
Greece	60	53	47	71
Spain	62	64	78	71
France	64	69	62	44
<b>Ireland</b>	67	69	<b>85</b>	57
Netherlands	74	76	64	41
Austria	69	72	66	60
Finland	69	67	55	45
Sweden	74	73	62	45
United Kingdom	72	69	75	58
EU 15	67	68	62	55
EU 10	65	67	62	55

Source: European Commission (2006a).

Notes: Italy excluded for lack of data on nationality; Denmark, Portugal and Luxembourg excluded due to small sample size.

### Why Such a Preference for Ireland?

The eastern enlargement of the EU undoubtedly occasioned a major migration flow to Ireland. It is also clear that it was unforeseen that Ireland would attract an inflow of EU 10 nationals of the scale that it did (e.g., Boeri, Brücker *et al.*, 2001; Kvist, 2004). It was estimated that between 2 and 4 per cent of the populations of Central and Eastern Europe would take up residence in the EU 15 as a whole in the long run in the wake of enlargement (Boeri *et al.*, 2002: 101); yet, for example, the equivalent of 2.4 per cent of Lithuanians aged 20-44 had received PPS numbers in Ireland alone by December 2005.<sup>2</sup>

Several contextual features contributed to Ireland's strong attractiveness to mobile EU 10 workers in the period immediately after their countries' accessions to the EU:

2. An indicator of the significance of migration to Ireland on the demography of the sending countries in the EU 10 is the number of their nationals who have applied for a PPS number in Ireland expressed as a proportion of the age groups most likely to emigrate. PPS numbers are issued to those whose stay may be very short (e.g., student workers), who seek but do not find employment, and who are not candidates for employment in the first place (e.g., children). However, they are unique to individuals. Thus, by December 2005, the 90,000 PPS numbers issued to Polish nationals were equivalent to 0.6 per cent of Poland's population of 20-44 year olds (the age group most likely to migrate), the 15,000 issued to Latvian nationals equivalent to 1.8 per cent of its 20-44 year olds, and the almost 30,000 issued to Lithuanian nationals equivalent to 2.4 cent of that country's population of 20-44 year olds.

- ◆ The Irish economy's strong and sustained demand for labour;
- ◆ The poorer employment and much lower earnings prospects facing EU 10 nationals in their own states;
- ◆ The weakness of the large EU economies (principally Germany) whose labour markets might otherwise have absorbed many of the EU 10 migrants who came to Ireland;
- ◆ The high profile enjoyed by Ireland in the media and referendum campaigns of Central and Eastern Europe as they debated the merits of membership. Ireland served as an example of how a country could benefit, a profile enhanced when the ceremony of enlargement took place in Dublin during an Irish presidency of the EU;
- ◆ The attractiveness to young EU 10 nationals (shared with the UK) of English as the single best language to learn during an employment spell elsewhere in the EU; and
- ◆ The fact that 12 of the EU 15 states did not open their labour markets fully to workers from the new Member States at the time of their accession but continued to require them to apply for work permits under 'transitional arrangements' (discussed further below).

#### How Unusual is Ireland's Experience?

The impact on Ireland's demography and labour market of the eastern enlargement of the EU in 2004 is a new chapter in a still unfolding story of how EU enlargement and deepening are affecting settlement patterns and labour markets across Europe. Each enlargement has been unique and reflected the socio-economic conditions pertaining in the existing Member States and the acceding states at the time in question.

The 2004 enlargement was not unusual in increasing significantly the total population of the EU. At 19.5 per cent, this increase was similar to the 20 per cent that the accession of Greece, Spain and Portugal added in the 1980s. The 1973 enlargement, which made Ireland a member along with the UK and Denmark, had added 31 per cent to the population of the then EC 6. The 2004 enlargement was unusual because of the gap in living standards between the states that joined and the existing members. At purchasing power parities, the average per-capita income in the 10 accession states was 45 per cent of the EU 15 level in 2001; it ranged from as low as 34 per cent in Latvia to some 70 per cent in Slovenia. By contrast, at the time of the southern enlargement in the 1980s, per capita income levels in Greece, Portugal and Spain were around 65 per cent of the EU 10 average.

The southern enlargement occurred in the same decade as the inauguration of the Single Market (1987). The juxtaposition of the two occasioned a major expansion of the EU's Structural Funds and the creation of the Cohesion Fund through which the richer EU Member States supported the infrastructural and human skills development of the poorer MS with the ultimate objective of lessening income and wage differentials. Ireland was a major beneficiary of the Delors-I (1989-93)

and Delors-II (1994-99) Community Support Frameworks through which these structural and regional funds were channelled. It appears that the EU was able and willing to commit to a higher level of transfers to Ireland, Spain, Portugal and Greece in the late 1980s than it has subsequently done for the EU 10. For example, the level of net EU transfers still being received by Ireland and the southern three (as a percentage of GNI) in 2004 was matched in only four of the EU 10 (Lithuania, Latvia, Estonia and Malta) (European Commission, 2006c: 24).<sup>3</sup>

Some commentators describe the extent of the per-capita income differentials between the EU 15 and the new Member States as the ‘one-core problem’ around which the economic implications of the eastern enlargement revolve (Sapir *et al*, 2003: 100). The EU is set to acquire further experience of these economic implications. The accession of Romania and Bulgaria in 2007 or 2008 will embrace two populations whose living standards (as indicated by GDP per capita in PPS) are only some 30 per cent of the EU 25 average (itself significantly lower than the average for the EU 15).<sup>4</sup> This next enlargement is discussed in Chapter 7.

#### 4.2.2 South-North Labour Migration in Europe

The income gap between the EU 15 and EU 10 countries in 2004 was similar to that between northern and southern Europe at the time of major south-north migration in the 1950s and 1960s. In several countries, in-migration was on a large scale and initially entered predominantly low-paying jobs. These features suggest that the experience of some northern European labour markets and societies with south-north migration at that time may be of interest to Ireland. One major difference, however, suggests the comparison should not be overdrawn. Migrants from the south in the 1960s were largely poorly educated whereas migrants into Ireland after 2004 have much higher levels of schooling. Another difference — that migration from the south took place prior to the southern expansion when their nationals needed work permits — whereas that into Ireland from the EU 10 has taken place after eastern enlargement, can, interestingly, be considered of less significance (see 4.2.3 below).

Between 1955 and 1973, an estimated five million people moved from the south to the north of Europe. Italians moved first in the 1950s, Spaniards followed in the early 1960s, while Portuguese and Greeks gathered momentum after the mid-1960s. These movements were largely initiated by employers in Germany, France and the Benelux countries actively seeking to recruit large numbers of Italian, Spanish and Portuguese nationals as guest workers (Maddison, 1995). Several factors contributed to creating a largely positive experience initially of this migration, even on its large scale, in host and sending countries alike. There were real labour shortages which migrants were filling and they facilitated upward economic and social mobility on the part of natives. The migrants were seen to make a major contribution to northern cities and economies. There was, also, little sense of an uncertain future being created as it was assumed that many migrants would return home once they had saved sufficient or if they became jobless. There

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3. Net EU transfers to all the EU 10 together (taking into account their contributions to the EU budget) are estimated to vary from some 1.6 per cent to 3.3 per cent of their aggregate GDP in the period 2007-2013 (Directorate-General for Economic and Financial Affairs, 2006: 25). By contrast, net receipts from the EU Budget to Ireland ranged from 4 per cent to 6.5 per cent of GDP in the 10 years after the launch of the Single Market.

4. The two countries will add 8.8 per cent to the EU's total population, similar to when Austria, Sweden and Finland joined in 1995.

was a belief that national control could be exercised in the last instance, based on the assumption that simply deciding to issue no new work permits would see inflows and, later, stocks of, foreign workers begin to dwindle.

There was a distinct profile to these migrant workers from the south (similar, save in gender, to that of Irish emigrants to Britain in the 1950s). They were, predominantly male, in their prime years, poorly educated and from rural backgrounds. They entered predominantly low-skilled employments.

The established model of mass Mediterranean migration to North European cities was that migrants were required for the lowest-status and most poorly-paid jobs which, in a tight labour market characterized by rising standards of education and thus employment aspirations, were shunned by the local workforce. Construction, factory employment and low-grade service occupations were typical employment sectors into which migrants were channelled (King, 1993: 23).

An analysis of 1999 French census data (Constant, 2005) found evidence of significant occupational segregation with immigrants occupying 'jobs shunned by natives'. 'While men are frequently in the construction, automobile or other heavy industry, women are in domestic services, hotels and restaurants. Over the years, *immigrants have remained in these jobs and, a quarter of a century later, their children are also in these same jobs*' (270, emphasis added). The consensus from the few French studies of this occupational segregation is that migrants were not displacing natives from these sectors of the labour market, but were either replacing French nationals moving up the labour ladder or holding employments that would otherwise have closed (and which, subsequently, a significant number did anyway).

The very different macroeconomic conditions in Europe after 1973 occasioned the abrupt cessation of guest-worker recruitment and a revision of many of the assumptions and policies governing migration. During the economic recession of the 1980s, in particular, industrialised Europe 'woke up' (Baganha *et al.*, 2005) to the fallacy of the 'return myth'. While some migrant workers from the south returned there, more were joined in the north by their spouses and other dependent family members. Northern cities also discovered that they had created, in instances where the sending countries had experienced no meaningful convergence with EU standards (North Africa, Turkey), concentrated communities of migrants particularly vulnerable to redundancies and low pay, who suffered disproportionately from the delocalisation of manufacturing and were poorly equipped to access much of the new services employment.

Several dynamic processes helped to mitigate the impact on Mediterranean migrant populations of the harsher economic and policy context after 1973. Children who joined their parents increased the latter's engagement with their host societies and accelerated their social integration; on becoming adults, they were more likely than their parents to marry a native than seek a spouse in the home country. Preparations for EU membership improved the sending countries' economic performance, facilitating the frequency and ease of communications, stemming the flow of new migrants, and ensuring that those who continued to

leave were better prepared, including by having higher educational attainment. Although, as already explained, no new surge in emigration took place when southern countries became EU members and the high level of pre-membership emigration flows was not reached again, to this day, traditional south-north migration continues. Work opportunities in construction and tourism in the richer Northern EU states are still sought by a sizeable proportion of the migrant population from the EU's southern Member States (Recchi, 2004).

Awareness of these aspects to the south-north migration experience of Europe prompts several observations about the east-west migration that has impacted on Ireland with singular strength in the wake of the May 2004 enlargement.

- ◆ The profile of the inflow to Ireland is younger and more educated than that of the south-north migration of earlier decades. We do not know the extent to which seeking employment in Ireland is a step in the training and career trajectories of these young people (e.g., learning English).
- ◆ Many of them are, nevertheless, going to economic sectors similar to those filled by the earlier south-north migrants (construction, factory employment and lower-grade service occupations). In Ireland today, as in the industrial heartlands of the EC in the 1960s, this means migrants are currently concentrated in employments particularly vulnerable to economic restructuring and the business cycle.
- ◆ The east-west migration is occurring at a time when transport and communications links are swifter, easier and cheaper than before. Temporary migration, migration for 'student' employment, repeat migration—in fact, multiple forms of 'light' attachment to Ireland's labour market on the part of Eastern European nationals—are more feasible for them than was the case for nationals from the Mediterranean countries in the 1950s and 1960s.
- ◆ A significant proportion of the inflow has already proven itself to be temporary (witness the much larger number of EU 10 nationals given PPS numbers since May 2004 than of EU 10 nationals resident 15 months later). However, we do not know what proportion of the new inflow may settle permanently in Ireland, or from where those that are currently single will predominantly choose their spouses.<sup>5</sup>
- ◆ The large stocks of nationals from several Central and Eastern European (CEE) countries already in Ireland can be presumed to generate further inflows. The influence of interpersonal networks that contained emigrant friends or relatives was of major significance in fuelling emigration from Ireland in the 1980s (NESC, 1990: 160). It is likely to be significant also as a factor increasing migration into Ireland of EU 10 nationals.
- ◆ Some convergence in income per capita with the EU 15 took place in CEE countries during the years preceding their accession but the current income gap will take decades, not years, to close.<sup>6</sup> While most of the EU 10 economies

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5. Two thirds of the gross inflow from the EU 10 are currently males (CSO, 2005, Table 8). Again, we do not know how many may have spouses/partners, with or without dependent children, in their home countries.

6. Per capita income in the EU 10 rose from an average 44.25 per cent of the EU 15 level in 1997 to more than 50 per cent in 2005. This was helped by pre-accession financial transfers.

have an educated and skilled workforce and a long industrial tradition, they face major institutional and structural challenges: coping with the legacy of industrial plant that is environmentally destructive, establishing greater transparency and probity at the interface between business and public administration, and establishing the quality and credentials of their workforces with employers in the EU 15 (Sapir *et al*, 2003). Convergence will be neither automatic nor swift: ‘if the growth rate of the EU 10 is about twice the growth rate of the EU 15, these countries per capita incomes could be catching-up with EU 15 levels in around 35 years’ (European Commission, 2006c: 35).

- ◆ The large German economy was assumed to be the primary recipient of east-west migration and a return to higher growth there can yet be expected to exert a major pulling power. We do not know whether few or many of the current individuals in Ireland would re-route themselves to a faster-growing German economy, or whether the networks already established between Ireland and EU 10 societies have established a lasting appeal for employment in Ireland.

#### 4.2.3 Enlargements and Transitional Arrangements

When enlargements of the EU have embraced countries with lower income levels, incumbent Member States have been concerned that their domestic labour markets would be disrupted by the immediate extension of free movement for workers from the acceding states. Transitional arrangements were adopted that delayed, in specified ways and for limited periods, the full opening of their domestic labour markets to job-seekers from the acceding states. (Enlargements that took in rich countries generally gave their workers free movement immediately on accession). These transitional arrangements cannot challenge freedoms constitutive of the very identity of the EU—the free movement of persons and the entitlement of workers to apply for employment anywhere without discrimination by nationality. They are, essentially, temporary measures aimed at smoothing the adjustment of national labour markets to a new environment.

The 2004 enlargement, because of the scale of the income gap it was bridging and because of the levels of unemployment existing at the time in much of the EU 15, saw recourse to transitional arrangements on the part of 12 existing Member States. Ireland, out of principle and confidence, was one of only three countries willing to give nationals of the new EU 10 countries immediate access to its labour market. At the last moment, Ireland shared the concern of other EU 15 countries that its welfare state could be exposed unfairly to ‘benefit shopping’ on the part of EU 10 nationals and adopted a ‘habitual residency condition’ governing access to social assistance payments. In keeping with the principle of non-discrimination by nationality, this was a change in Ireland’s welfare state for everyone (as some returning Irish nationals subsequently discovered) and not the introduction of special arrangements for EU 10 nationals only (prohibited by EU law).

When the transitional arrangements (TA) came up for obligatory review after their first two years, the European Commission found no evidence that migration flows from the EU 10 had caused significant labour market disturbances anywhere (European Commission, 2006a; 2006c). It accepted that TA had probably created 'biased' destination patterns, with a country like Ireland receiving more migrants than would have selected it if the EU 15 had provided a 'level playing field'. It argued that countries which adopted TA had possibly received less-skilled inflows, inflows more skewed towards short-term and seasonal workers, and greater proportions of posted workers, self-employed workers and illegal workers than would have arisen in the absence of TA. Perhaps its key conclusion was that 'ultimately, mobility flows are driven by factors related to supply and demand conditions' (2006a: 9). In other words, the actual prospects of improving earnings influenced where EU 10 nationals went more than greater or less complexity in the regulatory and administrative arrangements governing their access to national labour markets. This would suggest that, had Ireland adopted TA itself in 2004, given the strength of aggregate labour demand in the Irish economy (and assuming the same switch in policy on work permits to reflect the principle of Community Preference), it may have altered the terms and conditions under which many EU 10 nationals arrived rather than severely reduced their numbers.

In mid-2006, Spain, Portugal, Greece and Finland joined Ireland, Sweden and the UK in lifting all restrictions on access to their labour markets by EU 10 nationals<sup>7</sup>; France, Belgium, Luxembourg and Italy lifted them only for specified sectors where they had labour shortages; Germany, Austria and Denmark decided to continue with the restrictions they had in place.

### 4.3 EU Deepening and European Migration

Successive enlargements of the EU have become steadily more challenging for new and existing Member States because the Union itself has become a more developed entity over the years with 'deeper' integration between its Members. The deepening of the EU refers to the degree of integration created by its law and procedures between the economies and societies of the Member States. While each enlargement of the EU has extended the territory throughout which its law and institutions apply, the state of development of this law (the *acquis communautaire*) and the interaction between national institutions and EU bodies which membership involves have become more demanding and complex. On the one hand, this has tended to prolong negotiations for membership and candidacy periods; on the other, it has entailed a closer embrace by existing Member States of new economies and societies once their accession periods and the associated transitional arrangements have been completed.

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7. The Netherlands may still do so by the end of 2006.

### 4.3.1 The Influence of Economic Integration on Social Policy

The story of the deepening of the EU and, within that, of the ebbs and flows in balancing the drive towards economic integration with the more effective co-ordination of national social policies, is long and complex.<sup>8</sup> A familiarity with this story can improve our understanding of the current EU migration taking place into Ireland and of how its potential impact on Ireland's labour market standards and social conditions can, and should, be managed. Some of the essential elements of the story are well known. The construction of the Common Market and then Single Market (SM) had a strong Treaty base and the central institutions of the EU are empowered to play a major pro-active role in seeing that it is built. Social policy and the welfare state, however, remain the prerogatives of the Member States. EU action on social policy needs either to have a defensible 'treaty base' which links the need for EU action to health and safety at work (maternity, working time, etc.), gender equality or the task of constructing the SM<sup>9</sup>, or to take the softer form of engaging the Member States in a mutual learning exercise (via the Open Method of Co-ordination). The influence of the process of European economic integration on national labour market and social policy-making can be presented as taking one of three forms (Leibfried, 2005):

1. **Direct, 'positive', initiatives:** high-profile initiatives to develop uniform social standards at EU level, in areas such as gender equality, health and safety, and anti-discrimination;
2. **Direct, 'negative', pressures of integration:** adaptations of national social policy, sometimes deriving from decisions by the European Court of Justice, necessary to ensure the 'four freedoms'—particularly the free movement of workers—often requiring extension of social security rights to workers who come from other member states;
3. **Indirect, 'market', pressures:** where the actual mobility of capital, labour, services and goods creates a range of indirect pressures that do not legally require, but nonetheless encourage, Member States to adapt their approach to social security or taxation.

Thorough assessments of the net impacts on labour standards and social protection of these three types of influence support neither the thesis of a 'race to the bottom' nor that of an automatic 'levelling up'. A complex interplay is continuing to unfold between the interests of low-wage and high-wage Member States, between national measures and the strategies of social partners, and between the social benefits of employment gains and the employment costs of social gains.

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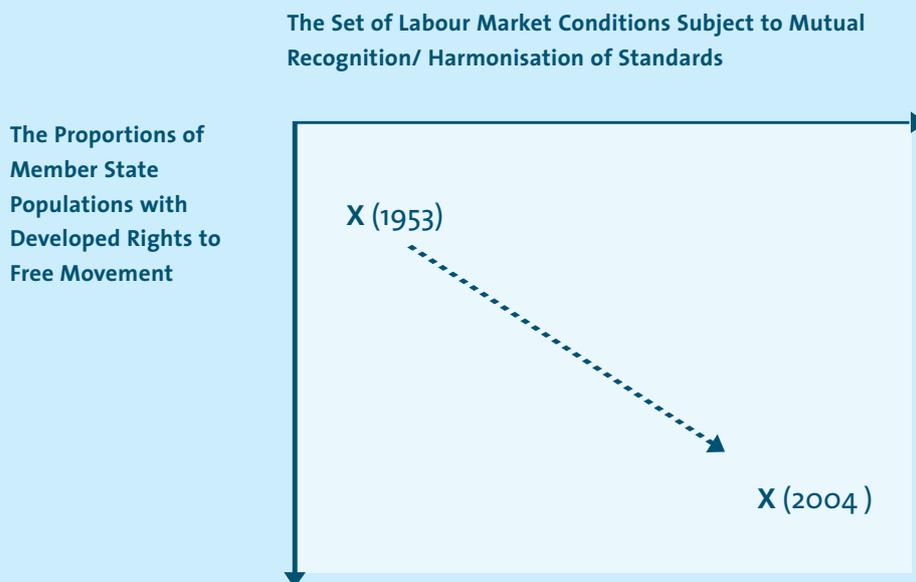
8. Good introductions include Wallace *et al.* (2005), *Policy Making in the European Union*; and Adnett and Hardy (2005), *The European Social Model: Modernisation or Evolution?*

9. The treaty base 'game' currently features the hugely important exploration by the European Court of Justice of the extent to which welfare institutions (e.g., public health bodies), particularly when they have recourse to market instruments, can be considered 'enterprises' and engaged in 'economic activity'. Where this is the case, the requirements of EU competition law can be considered applicable to them too.

### 4.3.2 More Developed Entitlements for More in the Population

Responding effectively and fairly to the large inflow to Ireland of EU migrant workers requires diffusing widely in Irish society an appreciation of the protection and entitlements now provided to all EU worker-citizens under Community law, be they Irish nationals elsewhere in the EU 25 or EU 10 nationals recently arrived in Ireland. Appendix 4.1 to this Chapter records some of the major milestones in the 50-year development of this part of the EU's *acquis communautaire*. Figure 4.1 summarises the twofold direction in which this *acquis* has developed, the steady increase in the set of labour market conditions and social standards subject to mutual recognition or the harmonisation of standards and the growing proportion of Member States' populations empowered to choose where in the EU they will reside and work.

Figure 4.1 The Evolving European *Acquis Communautaire*



The horizontal axis depicts the steady growth in the set of working conditions which the EU has sought to co-ordinate at the national level in order to ensure both that national standards did not function as obstacles to the free movement of workers and that the free movement of workers did not lower standards. From such early conquests as the 1957 requirement that EU migrant workers with employment could no longer be refused residence permits, the list has developed

through health and safety, gender equality and the portability of social insurance entitlements/benefits, to touch on aspects of work/life balance and of workers' rights to information and consultation. While the list has lengthened, some key issues have been kept resolutely from any sphere of EU competence, principally, pay, the right of association, and the rights to strike and to impose lock-outs.

The vertical axis depicts the steady growth in the proportion of Member States' populations who have become the subjects of EU-guaranteed rights. Beginning with qualified workers in the coal and steel industries of the Member States of the 1953 European Coal and Steel Community, the 1957 Treaty of Rome then focused on the right to seek and take work in another Member State of all private sector employees and their family members. Over further decades, it became steadily more difficult for Member States to withhold or withdraw the status of 'worker' from individuals when their employment was interrupted or ended, or to withdraw rights from family dependants when their link with a worker was broken (by separation, bereavement, or other causes). Further groups of workers also came steadily into focus. The right of Member States to restrict public sector employments to their own nationals was made subject to more transparent and demanding criteria. Self-employed workers began to benefit from a growing focus on the freedom to provide services and to establish in another Member State. Finally, in the wake of the 1992 Treaty on European Union (Maastricht), the creation of EU citizenship gave a new impetus to clarifying and strengthening the residence rights of migrants not engaged in economic activity, viz., students, pensioners and others who move to another Member State but for purposes other than paid activity.

As many EU 10 nationals have come to Ireland for employment purposes, both they and many members of Irish society have had to become aware of the finer details of how the *acquis communautaire* seeks to ensure, on the one hand, that workers enjoy genuine mobility and, on the other, that Member States are protected from inflows of people coming to 'live off' higher social standards to which they have not contributed. In fact, the current obligations of a host state to EU migrants vary significantly depending on whether the migrant in question is (i) in employment, (ii) a job-seeker who previously worked, (iii) a job-seeker with no work record, (iv) a self-employed worker, or (v) a person who is not economically active. These are summarised in Appendix 4.2 to this Chapter.

As with so much else in the process of EU deepening, the balance struck between fostering genuine free movement for workers and protecting tax payers in Member States which fund high levels of social protection out of general taxation is provisional and will continue to change as experience and European Court of Justice (ECJ) decisions accumulate. Ireland's Habitual Residency Condition<sup>10</sup> is an example of a change induced in a Member State's social assistance system by the perception of a potential for 'welfare shopping'. Sweden is watching closely for evidence of 'social raiding' whereby migrants from elsewhere in the EU hold employment for just as long a period as brings them entitlement to that country's generous insurance benefits (Kvist, 2004). Interpreting such developments as a 'race to the bottom' quite ignores the major benefits being reaped from EU

<sup>10</sup> To be entitled to apply for most means-tested social welfare payments, applicants must have been 'habitually resident' in the State or any other part of the Common Travel Area for a continuous period of 2 years at the date of making the application.

enlargement and deepening. Interpreting them as poor Member States and regions ‘catching up’ with the higher standards of richer States and regions risks implying that the process is more automatic and inevitable than is, in fact, the case. Across the EU 25, each MS is engaged in adjustments to its national system which ensure, on the one hand, its due contribution to creating the freedom of movement that is at the heart of EU citizenship<sup>11</sup> and, on the other, that standards of protection which its own nationals currently enjoy are not reduced. The hallmarks of the process continue to be the coordination, not harmonisation, of what remain national insurance systems and that nationally determined and administered floors to social assistance are neither forced down or up, but remain for individual countries to tailor in the light of their own economic and social conditions and cultural traditions.

The Council believes there is a need for national authorities in every Member State, and not just in Ireland, to communicate more vigorously the principles, reciprocity and successes which characterise the progressive implementation of the rights to freedom of movement, residence and work that are a significant part of the value-added of European citizenship.

#### 4.4 Managing the Impact on Standards

Irish society and its welfare state are, in fact, caught up in an unfolding process that is extending and deepening the individual freedoms that all nationals of the EU Member States enjoy in their complementary and common identity as EU citizens. The process is neither smooth over time nor even in its impact on different groups. EU measures that support the unimpeded movement across borders of workers and the freedom to provide services necessarily and inevitably conflict at times with specific national labour market standards and the diversity of institutional systems. The story of how these measures have developed, however, illustrates, on the one hand, the lack of a template or detailed blueprint that can guarantee a risk- and tension-free path in developing mutual recognition and harmonisation and, on the other, the ability of diverse actors working through a sophisticated set of institutions and procedures to forge new arrangements for doing so. It is, clearly, neither a systematic levelling down, nor forcing up, of existing national standards of social protection. Two contemporary examples of this process at work concern the situation of posted workers and the draft Services Directive.

##### 4.4.1 Posted Workers

Posted workers are employees who, for a limited period, carry out their work in the territory of a Member State other than the State in which they normally work for their employers. In 1996, the **Posted Workers’ Directive (96/71)** applied the ‘host country principle’ to companies which carry out project work in other Member States by bringing their own workforces with them. It specifies that they are to comply with all the national regulations on pay and working conditions of the ‘host’ Member State where they carry out the project work.<sup>12</sup> This requirement was

11. Described, for example, by the European Parliament (2001) as ‘a fundamental right of citizens of the European Union which has not yet been carried fully into effect’.

12. Unless the terms of the individual’s contract are more ‘generous’, in which case their contract rights apply. In this way, clarity is provided on the terms and conditions that apply in particular circumstances.

adopted largely to close off opportunities for companies in one Member State to win contracts to carry out work in another Member State purely on the basis that the lower living standards where its workers habitually live enable them to pay lower wages than workers receive in the country where the work is carried out. Underlying the directive and its adoption is the acknowledgement that 'social dumping' is a threat, that it is undesirable and that companies are expected to seek competitive advantage on the basis of higher productivity and not of lower labour standards.

The 2004 enlargement significantly increased the number of employers in the new Member States with an interest in posting their workers to carry out work in the EU 15. Imprecision and 'grey areas' in the wording of the 1996 Posted Workers' Directive have come more sharply into focus, particularly the manner in which the Directive specifies the body of national measures that describe the pay and working conditions of the host state which are to be applied to posted workers. Prior to 2004, several Member States took individual action, little noticed beyond their borders, to adjust their national legislation in the light of the Directive (Bilous, 1999).<sup>13</sup> Sweden, however, has experienced that the Directive seems to favour industrial relations regimes that rely on centralisation and statutory and regulatory provisions, over a system like its own which is decentralised and reliant on collective bargaining at the sectoral and local level (see Box 4.1).

The Laval case highlights two poles that are in tension. In the first place, it highlights the interest of lower-wage states and that the actual levels of wages, taxes and social welfare transfers are for Member States to determine. For example, there is concern not to replicate at the EU level the situation that arose in Germany's eastern länder after reunification. When wages and social benefits were raised to West German levels, the region's economic development was slowed to an extent which even massive federal transfers could not counteract. Ireland's own economic development is a case in point. It was required by EU law to raise labour market standards in several spheres (gender equality, health and safety, working time, etc.) and induced by the Open Method of Co-ordination to meet exacting targets for outcomes in key areas (employment rates, take-up of training, etc.), but without hindering its ability to benefit from wage levels, social insurance rates and tax policies of its own choosing. Ireland's wages and social spending were pulled up by its economic success, not forced up by the interest of richer Member States in containing competition from enterprises operating from Ireland. The Structural and Cohesion Funds were a significant mechanism in Ireland's case, helping to reassure its richer EU partners that the country's low living standards and costs would not last indefinitely and Ireland herself that businesses based in the country would eventually be able to compete in the Single Market on the basis of productivity rather than of low costs.

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13. For example, Germany was concerned that posted workers (e.g., Portuguese and Irish) would put downward pressure on German construction workers wages because, while working in Germany they paid the lower contributions and were covered by the lesser entitlements of their home countries' Insurance Funds. It introduced binding minimum wages for construction work in its economy. Its 1996 Posted Workers Law made required the Minister of Labour to extend the collective wage agreement in construction to the whole sector in order to set a minimum construction wage that embraced posted workers.

### Box 4.1 The Laval Case

In April 2005, the Swedish Labour Court referred a high-profile industrial dispute to the European Court of Justice. A Latvian company (Laval un Partneri) had won a public sector contract to build a school in Sweden and 'posted' its own workers to the Swedish construction site. It did not affiliate temporarily to a Swedish employers' body and, thus, did not become party to the sectoral collective agreement in construction that would have protected it (unconditionally) from industrial action while obliging it to follow through and negotiate a rate for the job through a site-specific collective agreement. The Latvian company concluded a collective agreement with unions in Latvia instead. A 1991 Swedish law, however, gives precedence to Swedish collective agreements over those concluded in other countries.<sup>14</sup> The Swedish unions took strike action, construction work was halted, the Latvian company withdrew but took an action against the unions in the Swedish labour court. The

latter referred the case to the ECJ, seeking clarity about the status of Swedish collective agreements in applying the Posted Workers Directive. As these agreements are not 'declared universally applicable', nor 'national' or 'law', it is not clear that the Directive regards them as constituting part of the Swedish pay and conditions to be extended to posted workers. The Latvians argue that they were, in effect, blocked as foreigners from carrying out short-term work under pay and conditions they regarded as satisfactory; the Swedish unions argue that the pay of the Latvian workers was undercutting going rates in a local labour market. The Irish government's position is that this dispute has arisen in the specific context of the Swedish labour market model and that EU law should continue to respect and uphold the integrity of national traditions in the area of social partnership, industrial relations and dispute resolution mechanisms and practices.

In second place, the Laval case highlights the possibility that employers, whose sole basis for competitive tendering in a richer Member State is the level of wages they pay in a Member State with lower living standards, may undermine labour market standards in the region where they intend to carry out the work, rather than promote the economic development of the region where their workers are based. The resolution of the Laval case, therefore, is a further test of the collective commitment and capacity of the social partners, national labour market institutions (in this case the Swedish Labour Court), EU bodies and Member States (the opinion of each of whom has been sought by the ECJ) to balance market widening with the protection of labour standards.

14. Popularly known as the 'Lex Britannia' after the ship, M/S Britannia, whose arrival in a Swedish port prompted a dispute. The law established that it is lawful for a Swedish union to impose a loading or unloading ban or take other forms of industrial action against, for example, a ship sailing under a foreign flag and with a foreign crew, regardless of the fact that the shipowner has concluded a collective agreement with a foreign union.

#### 4.4.2 The Draft Services Directive

A major example of the European process is the debate that took place about appropriate measures for fostering the provision of services across national borders while, at the same time, ensuring that service providers who undertake activities in Member States are adequately regulated.

Services activity is dominant in modern economies and extremely diverse. Some services require significant levels of trust and inter-personal knowledge in order to be provided effectively. To the extent that its regulation remains a national matter, however, there is significant scope for national regulations to restrict national service users to national providers, even where providers based in other Member States have the capacity and ability to provide services of equal or better quality and to do so more efficiently.<sup>15</sup> After a long build-up, the Commission proposed a Draft Services Directive in 2004, designed to make it easier for service providers based in one Member State (and SMEs in particular) to provide their services to users in other Member States, either by moving temporarily into them or establishing there. Several aspects of the draft gave rise to a major debate that caught media and public attention and culminated in the European Parliament, in February 2006, proposing major amendments to it. These were substantially adopted by the Commission and the European Council subsequently gave its political agreement to the Commission's amended Directive in April 2006.<sup>16</sup>

The chief areas of controversy, and the major amendments made to the draft by the Parliament, serve to illustrate well both the 'work-in-progress' nature of the 'European' labour market and the prospect of eventual success in the fraught process of adjusting national labour markets to the opportunities and challenges of a genuine Single Market and mobile EU workforce.

#### From 'Country-of-Origin' to 'Freedom-to-Provide Services'

The 2004 draft had proposed a 'country-of-origin' principle, whereby the providers of services would be subject only to the law of the country in which they are established when providing services in another Member State. Strong concerns that this principle gave service providers in countries with the lowest standards a competitive advantage, so that their standards would in effect be 'exported', led to the country of origin principle being dropped and replaced with a 'freedom-to-provide-services' rule. This requires a Member State to respect the right of service providers from other Member States to supply services and to guarantee them 'free access to and free exercise of a service activity within its territory'.<sup>17</sup> MEPs also expanded the list of reasons allowing Member States to exempt certain services from application of the rule; these include public policy, public security, environmental protection and public health.

15. A Commission report of July 2002 provides a formidable list of the obstacles preventing the creation of an internal market in services (European Commission, 2002). See also Vogt (2005).

16. The next step will be a second reading in the European Parliament in the Autumn with the aim of adopting a final text during the Finnish Presidency in the second half of 2006. For the text of the Commission's amended Directive and updates on progress, see <http://ec.europa.eu/>

17. This guarantee is underpinned by a ban on a number of obstacles to the free movement of services. For example, in general it will no longer be possible to require a service provider to open an office in the country where he/she is temporarily providing a service nor to prevent him/her from setting up 'certain infrastructure' in that country. The provider must not be forced to register with a professional body nor be banned from using his normal equipment at work. In addition, Member States must not apply 'contractual arrangements between the provider and the recipient which prevent or restrict service provision by the self-employed'.

### From Monitoring From Afar to Monitoring Near at Hand

The 2004 draft proposed that compliance should be the responsibility of authorities in the country of origin, no matter where in the EU the service is provided. Doubts surfaced over the feasibility of monitoring in this way at, potentially, a great distance from where the service is received. The European Parliament proposed, instead, that the 'member state of destination' be responsible for supervising service providers in its territory. This, for example, removes the fear that workers working for a service provider from another member state or domestic users of its service would have to pursue labour law or consumer claims in the provider's home state (and language).

### Ring Fencing Labour Law

The text now clearly says that the directive does not affect labour law in the Member States. It further specifies that Member States continue to apply their own rules on conditions of employment, including those laid down through collective bargaining agreements. However, any requirements placed on service providers in/from other Member States must comply with the principles of the treaty: non-discrimination (for example on grounds of nationality), necessity (public policy, public security or protection of health or the environment) and proportionality (the requirements must be appropriate for achieving the objective). The new draft of the Directive allows member states to give legal effect to collective bargaining agreements, which would have to be respected by service providers from other EU states.

### Services Not Included

Services of general interest, which mean most public services, have been excluded from the revised directive's scope. The power to decide which services belong to this category has been left to the Member States. Industries already covered by sectoral legislation were excluded in the 2004 draft and continue to be so, e.g. financial services, electronic communications services and networks, and transport. In addition, an activity on which a proposal for specific legislation has been stalled, temporary work agencies, is excluded. This exemption is intended to restore impetus for proceeding with specific legislation in this area. Other areas excluded are legal services, audiovisual services, gambling and lotteries, professions and activities linked to the exercise of public authority (e.g. notaries) and tax services.

## 4.5 Secular Trends in the Mobility of Europeans

There are extensive rights of which the individual EU citizen can now avail across a wide territory marked by significant differences in living standards, climate and personal security. Up to the time of the eastern enlargement, the consensus was that, by comparison to the US, EU citizens showed surprisingly little mobility (e.g., European Commission 2001). It was usual to point out that the presence of third country nationals living in EU Member States was typically larger than the presence of other EU nationals (as Table 4.1 above confirms) and that, within the

larger states, migrants were more mobile than nationals and contributed disproportionately to containing regional imbalances (Boeri *et al.*, 2002). Indeed, there has long been a concern that a reluctance on the part of Europeans to move contributes to the lesser efficiency and competitiveness of the European Single Market as compared to the US (e.g., Sapir *et al.*, 2003: 105). Sapir goes further to argue that this has facilitated a continued reliance on income, payroll and consumption taxes to provide public goods:

Although freedom of establishment and freedom of movement for individuals belong to the very basic principles of the EU, the mobility of persons has been so negligible that its impact on the Member States' ability to tax residents for financing public goods has remained of a second order.' (100)

It is also the case that passing the major milestone of EU citizenship appears to have done little to alter the traditional distribution of EU nationals living outside their own country established before 1993. These are still dominated by (a) the labour migration of the 1955-1973 period (France is still the second largest Portuguese-speaking and Spanish-speaking country in the EU; Germany is still the principal second home abroad for Greeks and Italians), and (b) 'neighbour effects', reflecting historical links, language or simple territorial proximity. For example, most Irish nationals living elsewhere in the EU are to be found in Britain, most Finns in Sweden and Swedes in Finland, more Austrians in Germany than elsewhere, etc. (Recchi, 2004: 10).

In this context, Ireland's experience subsequent to the eastern enlargement begs the question as to whether Europeans' traditional reluctance to move has been overstated, or is undergoing something of a slow sea change.

Are Europeans reluctant to move? The contrast with the USA, which appears to confirm that they are, may be unrealistic as the USA is a single nation, has a strong common language, and a dense network of federal institutions. Using mobility levels across states within the USA as a benchmark may only serve to conceal the significance of a rise that is taking place in intra-EU migration. The EU is bigger and more diverse, and offers a range of earnings opportunities, costs of living and styles of living arguably broader than within the USA. As EU citizens, 440 million people now have historically unprecedented rights to choose where to work and live throughout an immense territory, and significant new frameworks are protecting them and facilitating them in doing so. The traditional observations—that most Europeans stayed put because life was not that different in other Member States, they were strongly attached to their national identities and life habits, and they associated well-being and affluence strongly with geographical stability (Recchi, 2004: 14)—may not apply as the 21st century unfolds.

In particular, migration may rise within the EU because of the greater ease with which it can be short-term and circulatory. This could make it more attractive to more people ('bite-and-go' migration, particularly evident on the part of young people living in cosmopolitan centres). It should not be assumed either that settling for years at a time in other EU Member States will be an option exercised primarily by educated young people. People targeting lower-skilled jobs and/or seeking alternative lifestyles are also becoming more informed and empowered to live elsewhere in the EU.

It is possible to identify several current developments that are likely to raise the historically low level of intra-EU migration:

- ◆ The growing recourse to ‘temporary migration’ (limited stays in another Member State);
- ◆ Growing corporate migration (occasioned by management at a European level of their human resources by large companies, and by the increasing number of businesses with operations in several countries);
- ◆ Growing mobility between industry and academia (fuelled by rising R&D spending);
- ◆ Increased cross-border commuting (e.g., ‘weekend’ commuting, facilitated by cheaper travel);<sup>18</sup>
- ◆ Increasing retirement and resort migration (as pensioners from Northern Europe seek more favourable weather and a lower cost of living in the South—they may also activate network effects on relatives and friends; second homes abroad are also more widespread);
- ◆ Institutional and policy developments at EU level that *facilitate* working and living in another Member State (the freedom of movement and residence constitutive of European citizenship, the co-ordination of social security systems for workers who move, the establishment of EURES, improved recognition of qualifications, the creation of the European Research Area, etc.);
- ◆ The extent to which a greater mobility across the EU of qualified and professional workers is being *proactively* sought as integral to attaining the growth and employment objectives of Lisbon. Mobility across the EU allows individuals to improve their job prospects and employers to recruit the people they need with higher employment and productivity as a consequence; and
- ◆ The growing ‘Europeanisation’ of young people in third-level education in particular (through exposure to the Erasmus/Socrates programme, improved language skills, and the proposal for a European Higher Education Area).

The contrary developments, that can be considered to reduce the propensity of Europeans to reside and/or work in Member States other than their own, are fewer:

- ◆ The ageing of the workforce. People aged 16-30 are the most likely to work in another Member State and, other things being equal, the growing proportion of the EU workforce aged over 30 will mean less migration;
- ◆ The extent to which ‘country-specific’ human capital is sought by employers in providing particular services. Limited language skills and poor ‘local’ knowledge reduce the productivity of mine workers or factory hands (as were many of the guest workers of the 1950s and 1960s) less than that of employees recruited to provide customer care or home-based care; and

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18. Salt (2005) emphasises the widening diversity of motivations behind migration today and distinguishes no less than 10 different categories of high-skilled migrants alone, viz., corporate transferees; professionals (health, etc.); project specialists and visiting “firemen”; consultant specialists; people seeking opportunities that promote their training and career development; clergy and missionaries; entertainers, sports people and artists; business people and the independently wealthy; academics; military personnel.

- ◆ The growing proportion of third country nationals in the EU workforce (who, generally, do not have rights to free movement).

Overall, Sapir concludes that ‘the **no-mobility assumption**... is less and less correct... If (current) trends continue and accelerate, they could end up producing a sea change in the EU rules of the game, as an increasing number of public and social services would stop being of exclusive national concern’ (112). The speedy introduction of the Habitual Residency Condition, already referred to, is an example of a significant change, in this case in the rules of the game governing access to Ireland’s social assistance payments, occasioned by an awareness that an age of considerably increased mobility could be dawning.

Sapir’s conclusion points to a rise in the historically low level of intra-EU migration and in the stocks of EU nationals resident in Member States not their own. A net inflow on the scale Ireland experienced in the immediate aftermath of the 2004 enlargement, however, is extremely unlikely. Consideration of the contextual features (4.2.1 above) that served to make Ireland a particularly attractive destination for mobile EU 10 workers in the immediate post-enlargement period reinforces an important observation arising from empirical studies and theory in the international literature on migration: the levels of inflow from the EU 10 into Ireland in the first period after enlargement are extremely unlikely to be sustained. The empirical evidence points to stocks of migrants produced by intra-EU flows reaching equilibrium levels, with return flows balancing new arrivals. While the theory posits that the propensity to migrate is not evenly spread across the population of a sending state but that, the more who leave, the lower is the average propensity of the remaining population to move (notwithstanding network effects) (Boeri *et al.*, 2002: 93-103). There is not a compelling case, therefore, that Irish policy should now be shaped to anticipate a scenario based on the extrapolation of current trends. There is a strong case that it should address the consequences of ensuring the lasting success of the quite exceptional level of inflows which marked a unique combination of circumstances.

## Appendix 4.1: Major Milestones in the Development of the Freedom of Movement of Persons within the European Union

**1951, the European Coal and Steel Community (ECSC)**, harbinger to the European Economic Community, gave workers with ‘recognised qualifications in a coalmining or steel making occupation’ (art 69) the right to accept offers of employment in other Member States.

**1957, the Treaty of Rome** affirmed the right of workers who are nationals of one Member State to accept offers of employment (outside the public sector) in other Member States, to move freely within the European Economic Community (EEC) for that purpose, and to reside and remain in another Member State after having been employed (art 48). The objective was to improve the mobility of workers rather than the free movement of persons as such, in line with the initial definition of the EEC in economic terms. A core distinction was established between two

groups—which remains to this day, though with much greater blurring between them being progressively acknowledged— (a) Community nationals who move to another Member State to engage in economic activity (as employees or self-employed) and (b) Community nationals residing in another Member State who are not economically active (students, pensioners and others). Generally, the latter had—and still have—to be self-sufficient.

Community nationals migrating for work in the early years still had to apply for residence permits and these could be discretionarily denied. Regulating the movement of persons remained a highly guarded national prerogative. Workers from other Member States could be denied entry or expelled ‘on grounds of public policy, public security and public health’, and this remains the case today. However, progressively greater deliberation and transparency came to be required of Member States if they refused entry to a Community national or expelled him, and the individual concerned has been given steadily stronger grounds for judicial redress.

For example, in **1968, Directive 68/360** specified that only an identity card or valid passport may be required of workers who are Community nationals entering another Member State (and not a visa or additional documentation) and gave these workers, including the self-employed, the entitlement to a residence permit of at least 5 years, and to its automatic renewal, on presentation of an employment certificate (or appropriate evidence of activity if self-employed). Neither could this permit be withdrawn in the wake of involuntary unemployment.

Also in **1968, Regulation 1612/68** forbade discrimination on the basis of nationality between a country’s own workers and those from other Member States in the operation of tax and social welfare codes and for training and housing benefits. The European Court of Justice subsequently clarified that social advantages not expressly linked to the status of worker—such as, for example, Ireland’s Child Benefit and the recently introduced Early Childcare Supplement—had to be paid to all EU workers equally.<sup>19</sup> Otherwise they would constitute an advantage enjoyed by workers who were home nationals (and their employers) over workers who were nationals of other EU states (and their employers).

In **1971**, the coordination of national social insurance systems received a major impetus with **Regulation 1408/71**. It was clear that freedom of movement for workers would mean little unless they were able to retain their social insurance benefits when they moved within the EU. What those benefits were, and the contributions or residence records that conferred an entitlement to them, was—and remains—a national prerogative to determine, but it was important that a worker would not find himself in situations where he was paying contributions to two national systems in order to insure the same employment, and that he would not have to start qualifying periods and contribution records from scratch each time he took new employment in another Member State. Initially, the focus was restricted to employees and their families but, subsequently, it widened to include

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19. In 1979, the ECJ first clarified that the social advantages which Member States had to extend to EU migrant workers in their territory included those which, ‘whether or not linked to a contract of employment, are generally granted to national workers primarily because of their objective status as workers or by virtue of the mere fact of their residence on the national territory and the extension of which to workers who are nationals of other Member States *therefore seems suitable to facilitate their mobility within the Community*’ (emphasis by Barnard, 2004: 221). It quickly became clear that this included **family benefits**, paid no matter where in the EU the dependants of the worker were living.

the self-employed (1981), students (1999), third country nationals<sup>20</sup> (2003) and, by 2004, any person with statutory social insurance cover in one Member State who takes residence in another (**Regulation 883/2004**).<sup>21</sup> The principles and administrative procedures governing this coordination of national social insurance systems were steadily clarified and brought to function more smoothly.<sup>22</sup>

In general, **case law** of the **ECJ** progressively widened the scope of free movement by extending the right to free movement and residence of workers as *individuals* to members of their *families*. The rights of workers to equal treatment and non-discrimination on the grounds of nationality were seen to imply the access of their family members also to the host country's labour market and their *acceptance by society* in every sphere (social, cultural and educational). This applied even if family members of an EU worker were third country nationals; it also applied when the EU national on whom they depended became unemployed, died, departed to another Member State, or—under certain conditions—where marital dissolution occurred. In effect, ECJ jurisprudence established that the EU migrant worker has equal opportunities only when fully accepted as a person by the host Member State.

The ECJ was also instrumental in opening up public sector employment more to nationals of other Member States. Initially (art 51 of the 1957 Treaty of Rome), the primary focus was on the right to work as an employee in the private sectors of other Member States, while Member States were entitled to reserve public sector employment to their own nationals if the posts in question involved 'the exercise of public authority and responsibility for safeguarding the general interest of the State' is involved (Article 39[4]). The ECJ, however, has been increasingly active in ensuring that such criteria in effect apply and, in practice, there has been a fairly wide opening of public sector recruitment to nationals of other Member States.

**1989**, the European '**Social Charter**' (Community Charter of the Fundamental Social Rights of Workers) recapitulated the freedoms and conditions that should characterise Europe's labour market (the UK opted out until 1997). It was inspired partly by the fear that the higher labour market standards of some Member States could be undermined as the Single European Market became more of a reality ('social dumping'). Despite its status as a non-binding political declaration, the fact that it was a high-level declaration of intent created a dynamic for further Community action programmes and legislation and was used by the ECJ in support of several significant directives (e.g., on pregnancy and maternity, the organisation of working time and young workers). Its focus on the social rights of workers not citizens reflected the preference of a majority of MS that using the discourse of

20. Third-country nationals are not given the right to move to another Member State but, should they legally take up work/residence in another Member State, they are covered by the regulation in the same way as EU nationals).

21. The seminal Regulation 1408/71 was accompanied by **Regulation 574/72** which fixed the procedures to be following in implementing it. Over the next two decades, these two basic regulations were repeatedly modified to reflect evolutions in national codes and the ambition to protect the freedom of movement of additional groups. The heavily amended Regulation 1408/71 was replaced by a new Regulation 883/2004 in 2004. It will only apply when a new implementing regulation to replace 574/72 is also adopted. On 31 January 2006, the Commission adopted its proposal for this implementing Regulation (COM(2006) Final) but it still has to be formally adopted by the Council and the EP.

22. Three basic principles were refined. The 'applicable legislation' principle establishes that a worker is subject only to the requirements, and entitled to the benefits, of the country in which the activity in question is being carried out (there are exceptions, the best known being that of the 'posted worker' discussed below). The 'aggregation' principle ensures that contribution and residence records built up in different Member States are transparently and fairly aggregated in establishing a worker's rights to benefits. The 'export' principle establishes that the benefits to which a worker has acquired entitlement on the basis of a work or residence record in a Member State must be paid without any reduction or modification to that person wherever in the EU he subsequently resides. A prominent exception is unemployment benefit which is 'exportable' only in specific circumstances and for a maximum of three to six months.

fundamental social rights should not entail extending the EC's competence in social policy but only to protect further and improve minimum standards for workers.

**1990**, two Directives (**90/364** and **90/365**) clarify that the right of EU nationals to reside in another MS when they are not engaged in an economic activity or have had retired after doing so is conditional on their having 'sufficient resources to avoid becoming a burden on the social assistance system of the host Member State' and being covered by sickness insurance.

**1992**, the Treaty on European Union (the 'Maastricht Treaty') establishes that, henceforth, 'every person holding the nationality of a Member State shall be a citizen of the Union ...' (Article 8). The established right to move and reside freely within the territory of the Member States is solemnly and formally linked to European citizenship. Henceforth, the strong language of citizenship began to figure more in the case law of the ECJ. The Treaty also formally recognised a contractual role for the social partners and inaugurated procedural arrangements for consulting them prior to adoption of Community legislation on social matters. It also acknowledged the possibility of this consultation issuing in contractual agreements between them instead of regulation. Leibfried (2005) describes this as drawing in major representative organisations of the social partners at the EU level to provide a 'Euro-corporatist' anchor; Falkner (1998) speaks of the 'corporatist policy community' at EU level.

**1996**, the **Posted Workers' Directive (96/71)** applied the 'host country principle' to companies which carry out project work in other Member States but bring their own workforces with them. They are to comply with all the national regulations on pay and working conditions the Member State where they carry out the project work.<sup>23</sup> This 1996 Directive built on case law of the European Court of Justice which first ruled, in 1989, that a Portuguese construction company which had won the contract for a public construction project in France and brought its own Portuguese workforce to carry out the work had to comply with the statutory and regulatory provision of French labour law.

**1997**, the Amsterdam Treaty includes an Employment Title that, for the first time, makes attaining 'a high level' of employment and developing 'a skilled, trained and adaptable workforce' Union objectives. This led to stronger Commission initiatives for facilitating the mutual recognition of qualifications, improving the mobility of persons in general and of researchers, students, trainees and others in particular, and—generally—strengthening the transparency of EU-wide labour markets (through EURES and other services).

**2004**, a new '**Residence Directive**' was drawn up (Directive **2004/38/EC**) which summarises, simplifies and gives a new coherence to all the measures that govern the right of Community nationals and their family members to move and reside freely within the territory of the Member States. (In several areas, it adds to this right also.) It was transposed into Irish law at the end of April 2006.<sup>24</sup> By 2004, legislation was particularly well developed around the residence rights of salaried

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23. A posted worker is an employee who, for a limited period, carries out his work in the territory of a Member State other than the State in which he normally works for his employer. He is temporarily dispatched abroad but remains in the social insurance scheme of his home Member State.

24. The European Communities (Free Movement of Persons) Regulations 2006 of 28 April, 2006, have introduced some important innovations, e.g., a new status of permanent residence for EU citizens and their family members (including those who are non-EEA nationals), a residence card for non-EEA children of EU citizens resident in Ireland (previously only those aged 16 or over had to register their presence in Ireland). For more see INIS website.

and self-employed workers (specifying, for example, how and when the status of workers was retained, and for how long, by people who became unemployed or who retired from work). Other legislation articulated independently a more circumscribed right to residence for—respectively—students, retired people, the providers and recipients of services, and inactive Community nationals in general. The 2004 Residence Directive recast this corpus of existing legislation from the single vantage point of the ‘Union citizen’. The fundamental ordering classification it adopted was between the Union citizen on a short stay (less than 3 months), the one residing for between 3 months and 5 years, and the citizen whose legal stay lasts more than 5 years and who, thereby, acquires a right to permanent residence (termed as such for the first time by this Directive). It further classified Union citizens as either (i) workers or self-employed persons, (ii) persons who are self-supporting and have their own sickness insurance cover, (iii) students, or (iv) family members of one of the first three. This fourfold classification particularly affects the conditions under which Union Citizens have a right to residence for stays of between 3 months and 5 years.

Differential progress in clarifying the requirement of being self-supporting for Union citizens who are not workers or self-employed (the ‘inactive’) and what the obligations of a host state are to them has also been made for the different areas of social protection. In health, considerable progress has occurred in ensuring prompt access to healthcare in the public systems of other EU member states should nationals of one Member State become ill or injured during temporary stays elsewhere in the EU (the European Health Insurance Card, adopted by Ireland on 1st June 2004). In income support, the entitlement of Union citizens to social assistance in Member States other than their own is more complex. Generally, EU measures have evolved to make it steadily more difficult for Member States to refuse social assistance to *bona fide* job-seekers from other Member States while also consistently reiterating that there is no obligation to extend it to nationals of other MS on their territory who are not seeking work with a prospect of success or did not hold employment on their territory for a period of time. Academic analysis of ECJ jurisprudence confirms that the *duration* of (legal) stay has, in fact, been the key dimension along which the right of Community nationals to apply for social assistance in Member States other than their own as been interpreted by the Court (Barnard, 2005).

## Appendix 4.2: Key Distinctions Among EU Nationals

The current obligations of a host state to EU migrants vary significantly depending on whether the migrant in question is (i) in employment, (ii) a job-seeker who previously worked, (iii) a job-seeker with no work record, (iv) a self-employed worker, or (v) a person who is not economically active.

### Workers

If EU citizens have the status of **workers**, they have extensive and well-focused entitlements for themselves and their families to be treated anywhere in the EU as Member States treat their own nationals. This has been achieved without the term ‘worker’ ever being defined in an EU Treaty. It is ECJ case law which has progressively explored the boundaries of what constitutes the employment relationship (its minimum duration, hours, level of remuneration, etc.) and, thus, enables a ‘worker’ to be identified.<sup>25</sup> Unlike the non-EEA migrant worker, the skill level of the EU migrant worker makes no difference to her or his rights and treatment in a host Member State. Once they have the status of worker, no matter their skill level, they have the protection of an extensive body of EU legislation.

The manner in which this legislation developed serves as a cameo of EU deepening in general. A single clear principle—viz., that workers of one Member State should be free to take work and reside in another Member State on an equal footing to its own nationals—had its implications progressively ‘unpacked’ for the worker’s family, the breadth and duration of their social protection, and their stage in the life cycle (when students /trainees, seeking a first job, moving up the career ladder, during bouts of unemployment, and in retirement).<sup>26</sup>

### Job-Seekers Previously Employed

The situation of **job-seekers** is particularly complex as, under different circumstances, they are viewed alternately as workers without current employment or as citizens engaged in job-seeking.

Unemployed individuals with a work record have support in EU legislation to search for employment in other Member States. If a person has built up entitlement to Unemployment Benefit (UB) in their home country, and been available to their own Public Employment Service for at least 4 weeks prior to moving, she can move to another Member State and continue to draw her home UB for up to 3 months, (extendable on a discretionary basis to 6 months). While searching for work in the new Member States, her UB is, as it were, ‘exported’.<sup>27</sup> If she does not find work within 3 to 6 months, she must return to her own country

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25. An authoritative summary of ECJ case law specifies that the term ‘worker’ covers any person who (i) undertakes genuine and effective work (ii) under the direction of someone else (iii) for which he is paid. COM (2002) 694 final.

26. While achieving genuine worker mobility has long been a major objective of the EU and can be considered substantially realised for salaried and waged people, there is still work to be done. In second tier pensions, for example, it is still under clarification how a worker who makes voluntary and tax-supported contributions to an occupational and/or personal pension fund while employed in one Member State can be assured of continuity in the opportunity and support for doing so if she takes employment in another Member State. The mobility of workers is otherwise restricted if individuals lose out on the occupational and private pension entitlements they acquire when they confine their switches of employment to within the same Member State rather than carrying them out across the Member States.

27. She must register with the Public Employment Service in the country she enters (bringing with her a form, E 303, completed by the Authorities in her home country) and is subject to the rules and conditions governing UB in the host country.

if she wishes to continue receiving UB. She can, of course, reside and search for work at her own expense; the normal rules governing the freedom to move and reside in other Member States of the EU citizen then apply to her. If her own means should become exhausted after a period of time, she should be able to rely on social assistance where it is clear that doing so does not constitute ‘an unreasonable burden on the host Member State’ (the host State ‘should examine whether it is a case of temporary difficulties and take into account the duration of residence, the personal circumstances and the amount of aid granted’) (see note 25).

### Job-Seekers with no Work Record

An EU national with no contribution record as a worker in their home Member State but who wants to seek employment in another Member State is in an intermediate zone. EU legislation has advanced their cause as a job-seeking ‘worker’ but, generally, such a person is still viewed more as a citizen who is job seeking than a worker who is unemployed. The conditions that attach to the non-economically active EU citizen then apply fully to her. She is expected not to ‘become an unreasonable burden on the social assistance system of the host Member State’ and expulsion, should she become so, remains the prerogative of the Member State. On the one hand, the 2004 Residence Directive reiterates that it is wholly for the host Member State to decide whether it will grant social assistance to recently arrived job-seekers (Preamble 21). On the other hand, it makes it extremely difficult to expel genuine job-seekers who continue to have real prospects of finding employment (Art. 14 [4] [b]).

### Self-Employed

By comparison to salaried workers who are Union citizens, **self-employed** Union citizens who wish to engage in activity in another Member State and/or to establish an undertaking there in order to do so came later into focus for EU policy-makers and have, currently, lesser supports to be fully mobile across the EU. They have significant rights to be treated on equal terms to host country nationals. However, two principal factors continue to make the Internal Market only a partial achievement for self-employed workers and other service providers. First, there are derogations for many types of services and, secondly, widely differing sets of national regulations govern various service activities and provide scope to harbour obstacles and barriers to cross-border provision of services and restrict the freedom to carry on a service activity in another Member State. These challenges are being focussed in the Services Directive currently in preparation (see below).

### In-Active Citizens

The right to residence in another Member State of EU **citizens not engaged in any economic activity** (as salaried or self-employed) has been relatively clear down through the years. They are required to support themselves and their family members without becoming a burden on the social assistance system of the host Member State and to have sickness insurance. The grey area concerns what happens if an individual loses this ability after a period in another Member State and how soon they become entitled to apply for means-tested support on an equal basis to the host country’s nationals. Generally, it depends crucially on the duration of stay that has elapsed as to whether and how they are then supported by their host state.

Some analyses of ECJ case law argue that the post-Maastricht introduction of the language of citizenship has begun a rich legal exploration by the Court of just how obligations in solidarity arise toward migrants from other Member States on the part of nationals of the host State (Barnard, 2004). The argument is that a clear proportionality has emerged in ECJ jurisprudence between the degree of integration a migrant has with the host society (largely, but not only, a function of their length of stay) and the obligations that come on the host state, not just to protect the migrant from overt or covert nationality-based discrimination, but to extend to the migrant the positive and substantial conditions of satisfactory integration (adequate income, housing, education, etc.). When an EU migrant has just arrived in a host state, they are not yet integrated into the host society, which is why no EU law imposes an obligation on the host state to provide support to the migrant out of general taxation (which national legislation obliges nationals of the same state to do for each other).<sup>28</sup> The longer the migrant is in the host state, however, the clearer the Court has become that access when needed to income support, student maintenance grants, adequate health services, adequate housing, etc., must be made available on similar grounds as to host country nationals.<sup>29</sup>

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28. For example, an Irish national appealed the refusal of Job Seeker's Allowance for which he had applied immediately on entry to the UK. He was **not** supported by the ECJ on the grounds that he lacked any connection with that state or link with its domestic labour market (the Collins case in 2002: cited in Barnard, 2004).

29. A French national appealed the refusal of Belgian social assistance for which he applied when his sources of income dried up in his fourth and final year as student in that country. He **was** supported by the ECJ which ruled that, after 3 years complying with the EU requirement that EU citizens who moved to be students should be self-supporting, 'a certain degree of financial solidarity' existed between this French national and Belgian citizens (the Grzelczyk case of 1999: cited in Barnard, 2004).



# 5

## Understanding Migration: Global Change

## 5.1 Introduction

The purpose of this chapter is to contribute to an understanding of Irish migration by examining the global environment in which migration to Ireland is taking place. A brief overview of historical trends in global migration is provided in Section 5.2. Section 5.3 discusses the global situation in regard to refugees and asylum seekers. There are some similarities between the way in which migration and international trade affect the economy and, consequently, the global increase in trade is examined in Section 5.4. The future prospects for migration from less-developed countries are considered in Section 5.5.

## 5.2 Historical Overview<sup>1</sup>

International migration has been a recurring phenomenon in human history. However, as Castles and Miller (2003) point out, it has never been as globally pervasive as it is today, affecting more and more countries and regions. The 19th century was a period of essentially open migration. There was a particularly high level of migration to the US and Australia at the end of the century and continuing into the early 20th century. In the forty years from 1880, around 30 million Europeans migrated to the Americas and Australia. After 1914, migration was disrupted by war, and in the US restrictive legislation in the 1920s was also significant in limiting migration. Total migration to the US fell from 4.1 million in the 1920s, to just over 528,000 in the 1930s.

The post-war period was characterised by widespread expansion of migration. Migration to the US increased to 1 million in the 1940s, 2.5 million in the 1950s while it had reached 7.4 million in the 1980s. In this period, large-scale migration to the US was accompanied by large-scale migration to a number of European countries. Total migration to Germany for the period 1950-1988 was 24.5 million, while the level of migration to France was almost 22 million for the same period. If one adds Australia and Canada, then total non-US migration for the period 1945-1990 was around 80 million. The combined total of migration to OECD countries in the post-war years was well over 100 million. Hence, the scale migration to OECD countries in the post-war period was more than three times the trans-Atlantic migration of the period from the 1880s to 1920. However, O'Rourke (2004) points out that relative to the native population, even by the 1990s the rates of migration to the US, Canada and Germany were smaller than those of the late 19th and early 20th centuries.

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1. This section draws on the following sources: OECD (2003), OECD (2005) and Held *et al.* (1999).

From the mid-1980s, there was an intensification of migration flows to OECD countries. This period was characterised both by economic migration and increasingly large flows of asylum seekers. The crisis in the Soviet Union and Eastern Europe in the late 1980s led to new East-West migration flows. This trend of increased migration was reversed in the early 1990s; from 1992/1993 entries of foreign nationals fell significantly. This was partly due to the efforts by the receiving countries in tightening controls over migration flows. The late 1990s saw a return to migration growth to OECD countries. This resulted mainly from increased migration of workers, both temporary and permanent. This was driven by the emergence of labour shortages in several OECD countries.

### 5.3 Refugees and Asylum Seekers<sup>2</sup>

There was a dramatic increase in the number of asylum seekers and refugees worldwide from the mid-1980s to the mid-1990s. A refugee is a person outside her own country who is unable to return due to a well-founded fear of persecution. An asylum seeker is a person who has crossed international borders in search of protection but whose claim for refugee status has not yet been decided. According to Castles and Miller (2003), refugees come mainly from countries hit by war violence and chaos, including countries such as Afghanistan, Iraq, Sierra Leone, Sudan, Somalia, Bosnia and Angola. It is worth noting that only a small proportion of the world's refugees arrive in developed countries; most remain in poorer countries.

The global refugee population rose from 10.5 million in 1985 to a peak of 18.2 million in 1993. Since then there has been a large fall to just over 9 million in 2004. The current number of refugees is the lowest in 25 years. This fall is attributed by the UNHCR to a fall in the number of armed conflicts and several large-scale repatriations. More than 4 million people have returned to Afghanistan alone.

The number of asylum applications globally has been falling since 2001. At the start of 2005 there were 838,000 asylum seekers worldwide. Most countries, including Ireland, are now reporting their lowest annual number of asylum applications for several years. In addition to changed political situations in source countries, the UNHCR (2006) identifies the introduction of restrictive policies by destination countries as a significant factor in the fall in the number of asylum applications.

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2. This section draws on UNHCR (2006) and Castles and Miller (2003).

While the number of refugees and asylum seekers is falling, the number of 'internally-displaced persons' has been static in the last few years and has increased hugely over the past two decades. Internally-displaced persons are people who have been forced from their homes for the same reasons as refugees but have not crossed an international border. It is estimated that there are now around 25 million of such people, almost three times the number of refugees. Often they are in more serious situations than refugees but do not benefit from the protection afforded to refugees. No international agency has a formal mandate to assist them.

The UNHCR (2006) identifies a number of reasons for the recorded growth in the number of internally-displaced persons. First, there is increased recognition of this group. Second, it reflects the restricted access that states have created for asylum seekers; this results in an inverse relationship between the rising number of internally-displaced persons and the declining number of refugees. Third, inter-state conflict has become less prevalent than intra-state conflict.

While refugees and asylum seekers represent special categories of migrants, the UNHCR (2006) notes that the issues of refugee and asylum protection have become inextricably linked with the question of international migration. This arises in three main ways. First, many migrants who are seeking employment rather than protection, apply for refugee status as they have no other legal means of entry. Second, people coming from a particular country may include both those who have a genuine claim to refugee status and those seeking to improve their economic position; this can easily occur where a country is simultaneously affected by persecution, armed conflict, political instability and economic collapse. Third, refugees and asylum seekers are often obliged to move illegally across borders because they have been unable to obtain essential travel documents.

The UNHCR report (2006) notes that states have responded to this situation with measures to obstruct or deter irregular migrants in general, and asylum seekers in particular. The report expressed concern that this is making it increasingly difficult for those with a *bona-fide* claim to refugee status to effectively seek and obtain asylum in another state.

## 5.4 Migration and Trade

### 5.4.1 The Effects of Trade on the Labour Market

It has long been recognised by economists that trade and migration are potential substitutes. For example, where a rich country imports labour-intensive products from a poor country, this may have a similar effect on the rich country's labour market as the movement of people from the poor country to the rich country. In the same way that migration of lower-skilled labour has the potential to bid down the price of low-skilled labour in rich countries, trade between rich and poor countries can have this effect. The famous Stolper-Samuelson theorem states that, under certain assumptions, trade alone will be sufficient to equalise wages and the return to capital in different countries.

There has been extensive empirical research on whether trade with less-developed countries has contributed to the growth of wage inequality in richer countries. Different research methodologies have yielded different results. Most economists have concluded that technology, rather than trade, is the main driving force in increasing inequality in developed countries. Others have argued that trade with lower-income countries has had a significant effect on income distribution in richer countries. For example, Palley (2005) points out that over the past two decades, two and a half billion people—in China, India, Eastern Europe and the former Soviet Union—have effectively joined the global economy. This, he contends, is resulting in a ‘super-sized’ Stolper-Samuelson effect, which is having a depressing effect on the wages of American worker.

#### **5.4.2 Trade and the Irish Economy**

The Irish economy is now highly trade dependent, with exports equivalent to 95 per cent of GNP in 2005. The process of gradually opening the economy to free trade from the 1960s had profound effects. In conjunction with other policies, it led to a marked improvement in economic performance. At the same time, there were very considerable adjustment costs. Irish manufacturing had great difficulty in adjusting to freer trade, notwithstanding considerable support from public agencies. Buoyant domestic demand helped maintain employment in indigenous manufacturing enterprises in the 1960s and 1970s. In the 1980s, global recession and fiscal adjustment meant a contraction of domestic demand. The economy performed very poorly in the first half of the 1980s and manufacturing, in particular, experienced a very large decline in employment between 1979 and 1987. It could be argued that it is only since 1987 that public policy managed to adopt a coherent approach that was fully consistent with the realities of a small and very open economy.

In recent years, pressures of international competitiveness have again been evident in the manufacturing sector. Between 2000 and 2005, employment in the sector fell by around 5 per cent. The social and regional impact of this has, to date, largely been offset by the boom in the construction sector. An ending of the construction boom is likely to make the loss of manufacturing employment a more difficult issue.

The effects of migration on the Irish economy have been examined in Chapter 3 above. The analysis found that the effects on the whole were positive, with some potential negative effects. However, the economic effects identified, either positive or negative, are modest in comparison to the profound effects of the movement to free trade, in conjunction with other policies, since the 1960s.

#### **5.4.3 Comparing Trade Liberalisation and the Relaxation of Constraints on Migration**

Recent research by Walmsley and Winters (2003) used economic modelling to measure the effects of a possible relaxation of temporary migration controls on global income. They simulated the effects of increased quotas for temporary migration (both high-skilled and low-skilled) on a scale sufficient to increase labour supply by 3 per cent of the labour force in developed countries. They found

that this would result in a large net increase in income globally; their estimate was of an increase in global income of US\$156 billion (0.6 per cent of global income). These gains would arise because migrants from less-developed countries have higher productivity and would generate higher incomes if they moved to developed countries.

Most of the increased income would go to the temporary migrants. They did not find gains for the permanent residents in most of the sending countries, since they would experience a loss of high-skilled labour. In the developed countries to which people would migrate, wages were estimated to fall due to the increase in labour supply. There would still be a net gain in developed countries due to the rise in capital income and tax revenue.

Walmsley and Winters also estimated that the gains from relaxation of restraints on migration would be 50 per cent higher than the benefits from liberalisation of all remaining restrictions on trade in goods.

The possible substantial net gains from liberalisation of migration, including low-skilled migration, merits consideration in deciding policy on migration. There are other factors to be considered, including the internal distributional effects and societal effects. Policy on regulation of migration to Ireland is discussed in Chapter 8.

## 5.5 Future Global Migration Flows

Migration to developed countries results from a combination of policy and underlying economic and demographic fundamentals. Williamson (2002) points to strong pressure for increased migration from Africa: 'Rapid growth in the cohort of young potential migrants, population pressure on the resource base, and poor economic performance are the main factors driving African migration' (Williamson, 2002: 32). Indeed he argues that if Europe were to open its doors to migration, 'there is an excellent chance that by 2025 Africa would record far greater mass migrations than did nineteenth century Europe' (Williamson, 2002: 32).

On the other hand, it is projected by Hatton and Williamson (2005) that demographic pressures could ease in other key immigration regions: East Asia, Central America and Eastern Europe. In these three regions, it is projected that population will age and that there will be either a modest increase (Central America) or reduction (East Asia and Eastern Europe) in the population aged 15 to 29.

In the world as a whole, there is a continuing trend of economic divergence between rich and poor countries which increases migration pressures. Notwithstanding divergence overall, economic development is most likely to release poverty constraints on immigrants from some of the poorest parts of the world, thus also adding to pressure for migration. On the other hand, the rapid growth of income in China and India is likely to reduce migration pressure from two key emigrating countries. Other factors tending to increase global migration are the growing share of foreign-born migrants in high-income countries and improved global transportation and communication networks.

It is difficult to predict aggregate trends, as demographic and economic pressures are not all pointing in the same direction. Immigration from Africa looks set to increase and the overall level of migration is likely to continue at a high level.

## 5.6 Conclusion

While the current level of non-EU migration to Ireland is modest in the context of overall Irish migration flows—15 per cent of total migration consisted of non-EU nationals in the year ending April 2005—it is clear from the discussion above that international migration is a pervasive feature across the world and that pressure for migration from poorer countries will be sustained. Hence, it is important for Ireland to have policies in place both to regulate entry of migrants from outside the EU in an appropriate way and also to foster the integration of migrants from a wide range of countries into Irish society. These issues are addressed in Part II of this report.

## **PART II**

### Policy

# 6

## Framing Ireland's Ends and Means

## 6.1 Introduction

This chapter is the transition from Part I, ‘Understanding Migration’, to Part II, ‘Policy’. In Part I we have presented evidence, much of it drawn from the IOM Consultants, designed to provide an understanding of migration. Our starting point for this chapter is also drawn from the Consultants, their frank assessment of the need for a clearer statement of Ireland’s vision and policy on migration. They say:

There is, as yet, no explicit policy statement that:

- ◆ Expresses a widely-shared vision of how integration might contribute to a dynamic, secure and socially-cohesive Irish future;
- ◆ Explains how government will manage the costs and benefits of migration;
- ◆ States when and under what circumstances migrants are expected to return to their countries of origin or expected to remain and become integrated in Irish society; and
- ◆ Thus, provides guidance for employers, unions and civil society regarding Ireland’s overall approach to immigration (IOM, 2006: XVII-XIX).

Elsewhere, they suggest that it is useful to distinguish three fundamental questions that require separate discussions in the debate and design of a country’s labour immigration policy:

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

The ordering of the questions makes the obvious but important point that any policy recommendation on labour immigration has to be preceded by separate discussions about the impacts of migration and the objectives of labour immigration policy. Given Ireland’s relatively short history of employing significant numbers of non-Irish migrant workers, both discussions, about impacts and objectives, remain seriously underdeveloped at this point in time (IOM, 2006: 99).

The Council uses these statements as the starting point and agenda for this chapter.<sup>1</sup> Section 6.2 summarises what Part I of the report tells us, distinguishing

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1. Although *Skill Needs in the Irish Economy: the Role of Migration*, by the Expert Group on Future Skill Needs, is an important contribution.

between three elements of our understanding: *awareness* of the possible effects of migration, *findings* on Ireland's experience to date, and *uncertainties*. Section 6.3 outlines Ireland's economic and social goals, as understood by NESC, and confronts these with four propositions about migration. This suggests that three broad goals should inform Ireland's policies on migration: economic and social development, the rule of law and integration. Section 6.4 identifies the place of migration in advancing Ireland's economic and social goals and explains the approach taken in Part II of the report.

## 6.2 Understanding Migration: What Part I tells us

### 6.2.1 The Nature of Our Understanding

Chapter 2 identified the main channels of migration to Ireland, the trends evident in recent years and the significance migrants have acquired in the economy. Chapter 3 reviewed what is known about the causes and effects of migration generally and gathered what evidence there currently is on the possible effects of recent migration to Ireland. Chapter 4 placed Ireland's recent experience in a European context, and Chapter 5 identified the global changes—in geo-politics, economy and society—that are driving international migration. What kind of understanding of migration does this analysis yield? In the Council's view, there are three elements to our current understanding of and perspective on migration:

- 1) **Awareness** of the range of possible economic and social effects of migration and of the experience of other countries;
- 2) **Findings** on the pattern, scale and effects of migration to Ireland to date; and
- 3) **Uncertainties** about some existing elements of migration and many future trends and effects.

Below, we set out our current understanding and perspective, under these three headings. In its recent Strategy report, the Council set out some propositions on migration, drawing on the expert analysis of the IOM consultants and discussion within NESC. The summary here should be read in conjunction with that text (see NESC, 2005b: 90-91; 100-101; 104; 133-143).

### 6.2.2 Awareness of the Possible effects of Migration and of the Experience of Other Countries

#### Total GNP and GNP per Head

One of the factors that drives labour migration is a gap in what workers at a given skill level can earn in another country, allowing for the costs of migration. If the gap in earnings is large, then migration can see the arrival of workers willing to work at wage levels well below those prevailing in the host economy.

Since migration increases both GNP and population, its impact on average standards, GNP per head, is indeterminate.

### Wages and the Distribution of Income

While the impact of migration on GNP per head is theoretically uncertain, there are a number of reasons why migration may increase GNP per head somewhat and strengthen the overall demand for labour (Section 3.2). Indeed, extensive international research suggests that migration increases total employment and has limited effects on the wages and employment prospects of native workers. However, some recent US research suggests that extensive immigration of low-skilled workers, much of it illegal, has had a negative effect on the earnings and employment prospects of low-skilled American workers. It is estimated by Borjas (2006) that a 10 per cent increase in the size of a given skill group reduces the wages of that group by 3 to 4 per cent.

### Labour Market Segmentation: The Trilemma of Low-skilled Migration

International experience shows that where migrants are denied access to work, or where they are segmented to particular (often vulnerable) sectors, they can fail to integrate, with negative consequences for both themselves and the host society in the long term. Indeed, it seems that many countries have struggled with what might be called the ‘trilemma of low-skilled migration’<sup>2</sup>. They want to use migration to fill perceived shortages of low-skilled labour, they want to minimise the effects of this on low-skilled members of their own society and they would like migrants to be integrated into the host society and economy. The trilemma arises because policies aimed at any two of these objectives can make it harder to achieve the third.

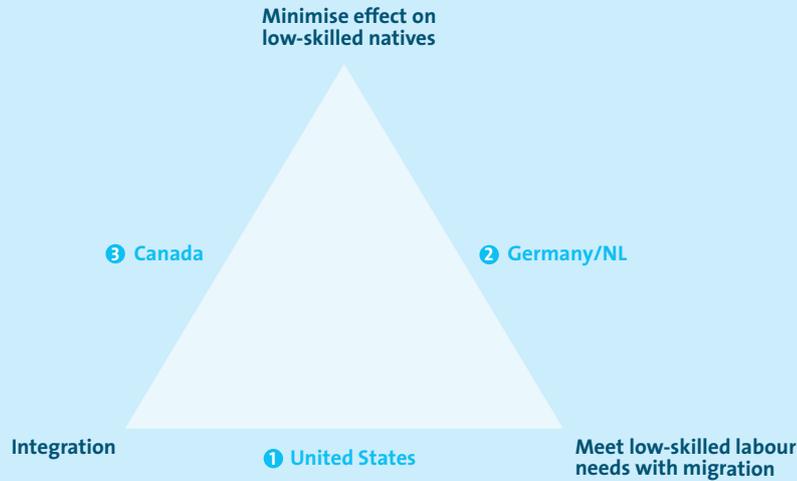
This is illustrated in Figure 6.1. The US meets much of its demand for low-skilled labour through migration (legal and illegal) and these migrants generally integrate fairly well into American society, after a fashion. But the US pays little heed to the effect of migration on lower earnings and on the opportunities for poor US citizens. In past decades, Germany and the Netherlands used migration of low-skilled workers to fill vacancies, but were anxious to minimise the effect on relatively low-earning natives. The very policies adopted to achieve this, and other aspects of their approach to migration, meant that migrants were poorly integrated into the economy and the society and eventually became marginalised. Canada is a society built by migration and, consequently, puts a particularly high value on the integration of migrants into its plural culture and society. It pursues its integration objective by trying to be highly selective about the migrants it accepts (see IOM, 2006, Chapter 9).

### Identity, Social Cohesion and Integration

Migration can undoubtedly alter identity and social cohesion. But these effects are not recorded in a single body of theoretical and empirical research as is the case with the economic effects of migration. The conditions in which successful integration is most likely to take place include buoyant economic growth and widespread employment opportunities, confidence in the host population towards globalisation and the future, steady development of social interaction between migrants and the native population and public policies which govern migration in a clear and transparent way, adapt services and combat racism.

2. In a different context, Swenson (1989) and Iverson and Wren (1998) identify a ‘trilemma of the service economy, involving trade-offs between high employment, equality and budgetary discipline’.

**Figure 6.1** The Trilemma of Low-Skilled Migration



Source: NESC Secretariat

### Global Factors Driving International Migration

Research identifies four fundamental factors that drive migration between low-income and high-income countries: wage gaps; relaxation of poverty constraints on migration in low-income countries; the share of young adults in sending and receiving countries; the size of the migrant population residing in receiving countries. All of these factors are creating pressure for growth in migration from Africa to developed countries. Demographic projections imply that migration pressures could ease in future decades in East Asia and Central America. Strong economic growth in China and India could also reduce pressure for migration from these major countries over the next couple of decades.

#### 6.2.3 Findings on the Pattern, Scale and Effects of Migration to Ireland and the Role of the EU

The material in Part I yields a number of findings on the pattern, scale and effects of the recent increase in migration to Ireland and on the role of the EU in shaping Ireland's experience.

#### The Main Channels of Legal Migration

The main channels of migration were described in Chapter 2. In the case of migration from outside the EEA, the most significant channels have been work permits, student visas, asylum seekers and family reunification. Drawing on their international experience, the Consultants say that, for some years, Ireland operated a very liberal approach to both work permits, with no policies for return.

### The Shifting Scale and Composition of Migration

Since 1987 there has been approximately a fourfold rise in gross inward migration, to 70,000 in 2005. Migration is now dominated by EEA nationals; of those who migrated to Ireland in the year to April 2005, 27 per cent were Irish nationals, 58 per cent were other EU nationals, with just 15 per cent comprising non-EU nationals. Nationals from the ten new Member States have responded on a large scale to opportunities in Ireland's economy. The vast majority of migrants, especially those from the new EU Member States, are involved in the economy.

### Migration has Coincided with Strong Economic Performance

On balance, much of the evidence surveyed in Chapter 3 suggests that, in the buoyant economic conditions of recent years, labour migration to Ireland has had a number of positive effects on economic performance. It is clear that the high level of migration in recent years coincided with a strong economic performance. Not only has GNP growth been high, but GNP per head in Ireland has continued to outpace the EU average.

### Earnings and the Skill Composition of Migration

Research using an econometric model of the Irish economy has estimated that, in the decade 1993 to 2003, migration to Ireland increased both GNP and GNP per head and reduced wage dispersion (Barrett *et al.*, 2005). These possible positive effects were attributed to the fact that the migrants coming to Ireland would seem to have been mostly skilled, hence moderating wage growth among highly-skilled workers and increasing Ireland's competitiveness. This analysis also predicted that if migration were to consist mostly of lower-skilled workers, then wage dispersion would increase, low-skilled labour force participation would fall and GNP per head would be reduced.

The potential impact of migration on wages of native workers is an important issue. Given the extent of migration to Ireland, we judge that there has probably been some moderation of wage growth in certain areas. There has certainly been a noticeable slowdown in wage growth in manufacturing, but this must, at least in part, be explained by intensified international competition. Between 2002 and 2005 there has been a slight increase in the share of employees earning the full adult minimum wage or less, but the increase was not statistically significant. Notwithstanding certain gaps in the data, in the buoyant economic conditions that have prevailed in recent years, large-scale labour migration to Ireland has coincided with significant growth in employment and earnings across the economy, both in sectors which have absorbed large numbers of migrants and in those which have not.

### Occupational Underachievement

Research cited in Chapter 3 suggests that many migrants in Ireland work in jobs that do not reflect their level of education. In a study of East and Central European migrants in the UK, the picture that emerges is one of high-quality migrants in low-wage jobs, working long hours (Anderson *et al.*, 2006). In this respect, there are clear parallels between Ireland's experience of emigration in the 1980s and immigration to Ireland today (NESC, 1991).

### Unemployment and Participation

In a period of strong growth and high migration, unemployment has continued to be low, participation in the workforce has been rising and employment of Irish people has increased in most sectors of the economy. An examination of participation rates for the population aged 25 to 64 does not show any tendency for participation to fall among those with low educational qualifications. This evidence suggests that, in these buoyant economic conditions, there has not been widespread displacement of Irish people.

Surveys of school leavers one year after leaving school show a substantial increase in unemployment for this group since 1999. However, CSO data for a more broadly defined group of young people—adults aged 18 to 24—show only a slight increase in unemployment since 2002. The participation and employment rates for this group are also increasing. There was an increase in the unemployment rate among young early school leavers (aged 18 to 24), but the absolute increase was modest over the same period (700 people). There was a modest rise in the percentage of young early school leavers (aged 18 to 24) who do not participate in the labour market, but in absolute terms the numbers of this group not economically active fell by 1,900 between 2002 and 2005.

### The Working Condition Experienced by Migrants

There is evidence that the employment of migrant workers has, in many instances, not conformed to the labour standards which Irish society considers acceptable. It is closely connected to another trend, irregular migration, discussed below.

### Illegal Migration and Undocumented Status

Internationally, the pressures on irregular migration have grown in recent years. The attraction of Ireland's economy and labour market, the ease of air travel, the use of the English language and a number of features of our migration policy create conditions in which irregular migration may arise.

The view of the IOM consultants is that illegal work is likely to be more pervasive than illegal entry. However there is no data on this. As noted in Chapter 2, there are a number of ways in which people may become irregular migrants. These can include failed applications for refugee status, people whose work permits have expired or people who overstay a visitor's visa. Another source of irregular migration has been students who overstay the terms of their visa. This is potentially a significant source since, as the Consultants emphasise, many of the educational institutions inviting people to Ireland may have been, in reality, a conduit for labour migration. The scale of irregular migration arising from these sources is unknown. Recent evidence suggests that these sources of illegal migration may be very significant in the UK. At the extreme end of illegal migration is the trafficking of people for sexual exploitation or forced labour. Although there is limited evidence of this in Ireland, it does occur, and is a growing threat internationally.

The lack of hard data or any systematic evidence makes it difficult to assess the extent to which Ireland's current immigration and employment laws are actually enforced. The increased level of legislation and deportations suggests that the government is expanding its efforts to combat illegal immigration. At the same

time, as the Consultants emphasise, there is no evidence to suggest a serious crackdown on illegal working. Illegal migrants are particularly vulnerable to exploitation and illegal migration could undermine public confidence in the ability of the State to manage migration successfully.

### The Demographic Impact of Migration

Migration has a major influence on the growth and composition of the population. Over the decade 1995 to 2005, the population grew by over half a million and net migration was responsible for over half of this growth. Even with what the CSO considers to be a 'low' level of net migration (see Section 3.5.1 above), the population could exceed 5 million by 2026. If present patterns continue, this migration will be disproportionately concentrated among prime working-age adults (25 to 44). Population growth, partly migration-induced, raises considerable challenges for the provision of public services, infrastructure, housing and sustainable development.

### EU Widening and Deepening

Recent migration to Ireland must be understood in the context of EU enlargement and deepening. A remarkable feature of the EU—of major historical significance to Ireland—is its willingness to extend membership to an increasing number of European states and peoples.

The 2004 enlargement was not unusual in increasing the population of the EU, but it was unusual in the gap in living standards between the states that joined and the existing Member States. The countries of Central and Eastern Europe are highly unusual in that 'human capital endowments are much richer than in countries at comparable income levels' (Boeri *et al.*, 2002: 104). This leads Boeri to conclude that 'migrants from the East will probably perform better in labour markets and are less likely to depend on welfare than the recent migrants in Europe' (2002: 104).

Although the majority of Member States imposed transitional arrangements, the EU Commission suggests that these have had less impact on migratory flows than economic factors. Indeed, the Commission argues that transitional arrangements may have mainly affected the composition of migration: countries with such arrangements may have attracted a higher proportion of short-term, seasonal and less qualified workers.

In order to understand Ireland's recent and likely future migration experience it is critical to grasp the way in which the EU has shaped the labour market of Europe, including Ireland. In addition to 'widening' the labour market through four major enlargements, the EU has 'deepened'. Deepening refers to the intensification of economic, monetary, social and, to a degree, political integration. When thinking about migration, one aspect of deepening is particularly relevant. The EU gradually took steps to make real the freedom of workers to seek and take employment in other Member States. This required some portability of social security, the right to some degree of social protection in other Member States and mutual recognition of qualifications.

The understanding of a market society that the EC and EU embodied, and still expresses, is one in which negotiated social standards, health and safety, workplace relations and balanced regional development are intrinsic. This means that the EU does not, in any general sense, create a race to the bottom. At the same time, there is a tension. The accession of Member States at much lower levels of economic development means that the negotiated harmonisation, closer coordination and common policies must not be done in such a way as to choke off economic development in lagging Member States and regions.

#### 6.2.4 Uncertainties about Some Existing Elements of Migration and Many Future Trends and Effects

Although we know much about the economic profile of recent migration to Ireland, we remain uncertain about some of the facts, many of its economic and social effects and, not surprisingly, about its future scale. Some of these uncertainties are of considerable importance in determining the economic and social consequences of migration. Among these are:

- ◆ The impact of migration on the distribution of wages;
- ◆ The extent to which there is exploitation of migrants;
- ◆ The degree to which, and the pace at which, migrants overcome occupational underachievement;
- ◆ The propensity of migrants to return to their own country;
- ◆ The longer-term patterns of migration to Ireland from the enlarged European Union;
- ◆ Inter-marriage between migrants and native citizens;
- ◆ The desire of migrants from the EU 10 and from outside the EEA for family reunification;
- ◆ The impact of migration on housing demand;
- ◆ The scale of irregular migration;
- ◆ The impact of migration on future population growth; and
- ◆ The effect of migration on Ireland's long-run growth and prosperity.

Below we briefly explain our uncertainty on each of these factors.

##### Impact on Wage Dispersion

Since the 1960s, there has been a long-run trend of widening wage dispersion in Ireland—a fall in the ratio of low-skilled to average wages. This was briefly reversed in the late 1990s, and some analysis attributes this to migration of high-skilled workers. In the more recent period, 2002 to 2004, widening wage dispersion was again evident. Increased migration of low-skilled labour may have been an influence on this outcome, but there are clearly other long-run influences.

### Violation of Labour Standards and Exploitation

Although various organisations have documented instances of violation of employment standards, exploitation of migrant workers and some instances of trafficking, we remain uncertain on how widespread exploitation is.

### Occupational Progression of Migrants

There is uncertainty about how long it will take for migrants to progress to occupations that reflect their educational qualifications.

### Whether Migrants Stay or Return

The evidence suggests that a significant proportion of migrants from the EU 10 do not stay very long in Ireland—sometimes referred to as ‘churning’. The extent to which this is occurring has not yet been adequately measured. We do not know what proportion of the new inflow may settle permanently in Ireland or will return to their own country.

### The Longer-Term Patterns of Migration to Ireland from the Enlarged EU

A major uncertainty is the longer-term patterns of migration to Ireland from the enlarged EU. A high level of migration from the EU 10 to Ireland occurred after 2004, in the context of very strong economic growth here, weak growth in continental Europe and transitional arrangements in most EU Member States. Consequently, we do not know the likely scale of migration to Ireland from the EU 10 when the German economy recovers and transitional arrangements are removed (see Chapter 4). Furthermore, we do not know the propensity of Romanians and Bulgarians to migrate to Ireland, nor how many Member States will adopt transitional arrangements. Some relevant features of these two countries are identified and discussed in Chapter 7.

### Inter-marriage

Inter-marriage (or partnership) between migrants and Irish people has long been an important aspect of migration, and one important way in which integration is achieved. It remains to be seen how many of the recent migrants will choose Irish partners.

### Family Reunification

Family reunification is an important component of migration, but we have limited information on its contribution to migration flows and stocks. Rights to family reunification for people from outside the EEA have recently been liberalised and those joining family members have been given improved access to the labour market, as described in Chapter 2. We do not know the extent to which migrants from the EU 10 will show interest in family reunification.

### Housing

A high share of migrants are in the key household formation age group, 25 to 44, so that migrants are an important component of the housing market (Duffy *et al.*, 2005). In addition, the relationship between migration and the housing market is

complex: migration undoubtedly increases the demand for housing, some of it contributes to the supply of housing, and the price of housing can influence migration decisions.

### The Scale of Irregular Migration

A major area of uncertainty is the scale of illegal or irregular migration. As noted in Chapter 2, there are a number of channels into the pool of illegal or irregular migrants—quite apart from illegal entry into Ireland. To date, the most important of these channels are probably asylum, the work permit system, ‘educational’ migration and visits to non-EEA citizens resident in Ireland.

### Impact of Migration on Ireland’s Demography

There is much uncertainty regarding the impact of migration on future population growth. With high migration, the population could reach 5.4 million by 2026, while with low migration it could be over 5 million. Notwithstanding this uncertainty, even the CSO’s lower projection of migration will result in a substantial increase in population over the next two decades.

### The Impact of Migration on Ireland’s Long-Run Prosperity

We remain uncertain about the effect of migration on Ireland’s long-run economic development. Both history and analysis show that migration can have a profound positive effect on a country’s progress. It can do this through its effect on the scale of economic and business activity, if both labour and capital flow in, through the stimulus to innovation deriving from new skills, creativity and diversity. Indeed, economic history suggests that economic dynamism is supported by tolerance, which may well be correlated with migration and diversity (Mokyr, 1990; Florida, 2002). Important though these long-run dynamic effects probably are, we remain highly uncertain about them. Combined with our uncertainty about many other aspects of migration, this means we cannot reach a definitive conclusion on the impact of migration on Ireland’s economic welfare. In Section 6.4, below, we discuss the conditions in which migration is most likely to contribute to Ireland’s economic and social goals.

## 6.3 Ireland’s Economic and Social Goals

A natural starting point in making public policy on migration is to identify Ireland’s goals—economic, social and political. Shared economic and social goals have been outlined in the Council’s work. The core goal is the creation of a successful society. Identification of what a successful society would consist of in Irish circumstances clarifies our economic and social goals and the means by which we aim to achieve them. In the Council’s view, the foundations of a successful society are:

- ◆ A dynamic economy;
- ◆ A participatory society;
- ◆ Incorporating a commitment to social justice;

- ◆ Based on consistent economic development that is socially and environmentally sustainable; and
- ◆ Which responds especially to the constantly evolving requirements of international competitiveness, understood as the necessary condition of continuing economic and social success.

In its 2006 Strategy report, the Council developed this vision, by updating its account of the economy and society, factoring the environment more fully into our understanding, and combining these to offer a better account of the relation between Ireland's economy, society and environment. Migration was one of the most important new factors to be analysed and understood. The modified picture of Ireland's economic and social situation, and of opportunities and threats, suggested that we state our goals in a new way (see NESC, 2005b: 116).

Several features of the Council's view are relevant in framing Ireland's goals with regard to migration and in identifying the means available to reach those goals:

- ◆ First, it involves a unified view of economic and social development; and
- ◆ Second, it sees membership of the EU, and the success of the EU, as a critical context in which it is possible to build a successful society in Ireland.

In addition, several core findings of Part I (and the Council's recent Strategy report) are relevant in framing Ireland's basic orientation towards migration:

- ◆ Pressure for migration—legal and illegal—is a central and unavoidable feature of the emerging world order, one to which all societies and states must respond.
- ◆ The enlargement of the EU was a moral, political and economic imperative.
- ◆ Migration can, in certain circumstances, enhance economic and social progress and prosperity (an argument we advance in Section 6.4 below).
- ◆ Integration of migrants is one of the core factors determining the overall success or failure of migration<sup>3</sup>.

Acceptance of these four propositions suggests that three broad goals should inform Ireland's policies on migration:

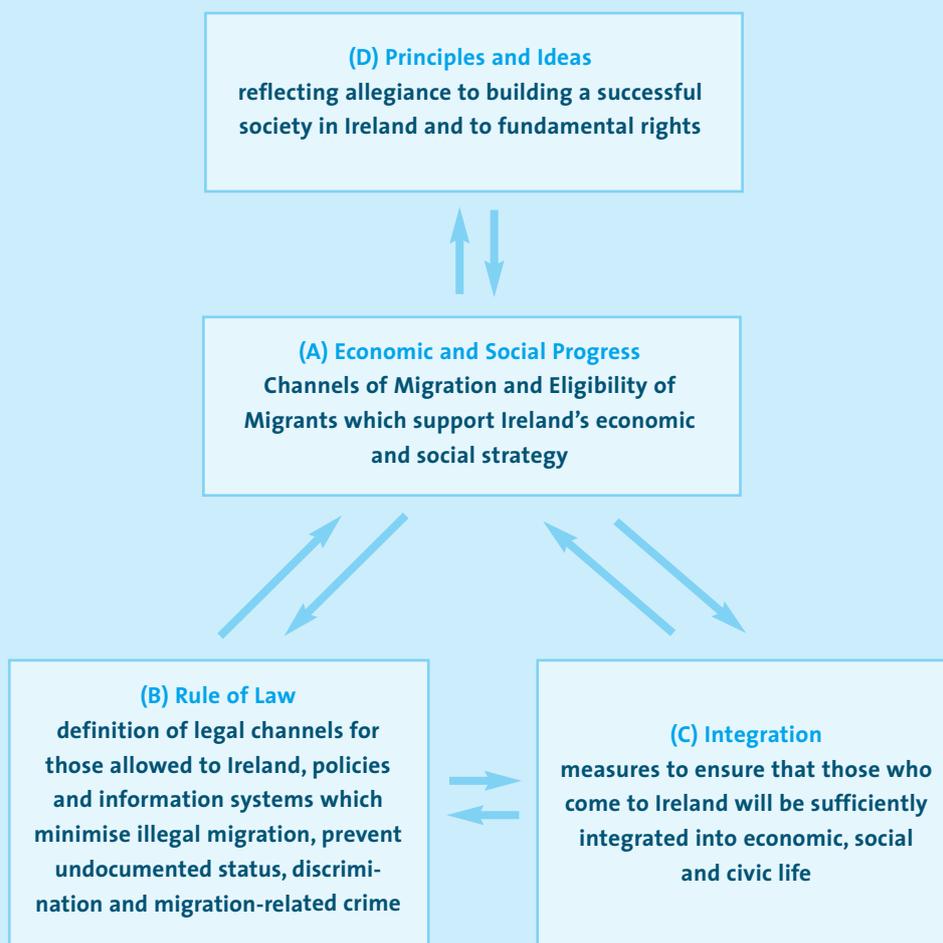
- ◆ **Economic and social development:** migration should promote the achievement of a successful society, as understood in the NESC vision;
- ◆ **The rule of law:** migration and migration-related activity should enhance, rather than erode, the rule of law; and
- ◆ **Integration:** people coming to Ireland, to settle or for a short period, should be appropriately integrated into the life of Irish society.

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3. The word 'integration' is used in international research and policy analysis to refer to the degree of involvement of migrants, and their families, in the social, economic, educational, cultural and political life of the host country. It does not mean assimilation. Nor does it imply that 'integration' requires adjustment only on the side of migrants. Despite some reservations about the word 'integration', the Council adopts it in this report because of its wide international usage.

These three broad goals might support—and, in turn, be supported by—over-arching principles and ideals. In its recent Strategy report, the Council argued that the ‘project of Ireland’—socially, culturally and economically—still commands allegiance and that Irish people continue to embrace collective projects that are neither narrow nor focussed on material self-interest (NESC, 2005b: 103). In addition, Ireland shares core ideals and principles reflected in its international commitments to third-world development and human right<sup>4</sup>. These broad goals, and their relation to possible over-arching principles, are shown in Figure 6.2.

**Figure 6.2 Three Broad Goals of Migration**



4. These include the fundamental values reflected in the UN *Universal Declaration of Human Rights* and Ireland's ratification of a range of international declarations, covenants and conventions. These include the *International Covenant on Economic, Social and Cultural Rights* (ratified in 1989), the *UN Convention on the Elimination of All Forms of Discrimination* (ratified in 2001), the Council of Europe's *Revised European Social Charter* (ratified in 2000), the *ILO Declaration on Fundamental Principles and Rights at Work* (ratified in 1999) and the *EU Charter of Fundamental Rights* (adopted by the European Council at Nice in December 2000).

First, policies for migration should promote the goal of economic and social development in Ireland (Box A of Figure 6.2). They must define and manage channels of entry to Ireland, and do so in a way that reflects Ireland's goals for business development, employment, education, the family, culture, and its international commitments, noted above. Policy must also define the eligibility of different migrants for various services and statuses—such as social welfare, healthcare, housing, education, training and professional recognition—in ways that serve the broad goal of economic and social development.

The second broad goal, the Rule of Law, is depicted in Box B of Figure 6.2. Migration and migration-related activity should enhance, rather than erode, the rule of law. The term 'rule of law' is not ideal, but the goal we have in mind is real and important. It is important because migration has the potential to undermine the rule of law in at least three distinct ways. First, it can weaken the ability of the state institutions to define, control and monitor who resides in Ireland. Second, and perhaps more important, it can create situations in which relations between parties in civil society—between individuals or, for example, between employers and employees—are extremely unequal and, consequently, governed by power, rather than law or voluntary contract. Third, because of these two, it has the potential to weaken trust in the ability of public institutions to ensure the rule of law, which tends to become a self-fulfilling prophesy. Defining the 'rule of law' as the second broad goal which should inform policy in the area of migration has a number implications. At a most basic level, it requires that government define legal channels for those allowed to come to Ireland (for the economic and social reasons emerging from Box A) and define the terms on which some of them may become citizens<sup>5</sup>. It requires that government, acting with non-governmental organisations, devise information systems and policies to minimise irregular migration, prevent undocumented status and combat migration-related crime. It requires that public institutions provide individuals and organisations with protection against these risks.

The third broad goal, integration, is depicted in Box C of Figure 6.2. We want to ensure that people coming to Ireland, for a short period or to settle, are appropriately integrated into the life of Irish society. Policies to achieve this are discussed in the remaining chapters of Part II and particularly in Chapter 10. Clearly, the 'appropriate' level of integration differs for those settling in Ireland and those here for a shorter time. But this distinction should not be pushed too far; international experience shows that much 'temporary' migration can turn out to be permanent.

In Chapter 12, we argue that these three broad goals, and the policies necessary to reach them, are interrelated and need to be coordinated.

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5. Writing in a UK context, Goodhart suggests that it is important to communicate the idea that the public authorities, acting on behalf of society, are in control of who becomes a fellow citizen (Goodhart, 2006: 43)

## 6.4 The Place of Migration in Advancing Ireland's Economic and Social Goals

### 6.4.1 Migration can Contribute to Ireland's Economic and Social Strategy, but this is not Inevitable

The analysis in Part I yields a significant degree of shared understanding of migration in the Irish context. This shared understanding contains a number of positive propositions and recognition of a number of uncertainties. The Council believes that migration *can* contribute to Ireland's goals, but that this is not inevitable.

If we look in a little more detail at Ireland's economic and social goals, and draw on our understanding of migration, we can identify:

- ◆ **Ways** in which migration can make a positive contribution to Ireland's economic and social strategy; and
- ◆ **Conditions** necessary for migration to make this positive contribution.

In outline, migration is most likely to enhance Ireland's economic and social development when it:

- ◆ Supports an upgrading of the economy, skills and work;
- ◆ Is characterised by mobility and integration, rather than segmented labour markets and social separation;
- ◆ Is combined with enhancement of social participation and protection by means of the Developmental Welfare State; and
- ◆ Is associated with a narrowing of the income distribution.

Below we outline in more detail ways in which migration can contribute to Ireland's economic and social strategy and some conditions in which this positive effect to occur.

### 6.4.2 Ways in which Migration can Support Ireland's Economic and Social Strategy

Ireland's economic and social strategy is based on continued upgrading of capabilities, technologies, knowledge-creation, commercialisation, public services and infrastructure. This strategy embodies a new understanding of the mutual dependence of the economy and society. It recognises that the strength of the economy now depends on effective social policy; but also that social policy must share responsibility for economic performance and participation. As the Council argued in its recent Strategy report, in a globalised world, the strength of Ireland's economy and the attractiveness of its society will rest on the same foundation—the human qualities of those who participate in them (NESC, 2005b).

This is reflected in evolving policies for S&T, R&D, business development, inward investment, training, marketing, infrastructure and regulation. It is also reflected in proposals to build the Developmental Welfare State (DWS). This strategy envisages a welfare state committed to facilitating the development of each individual's potential and providing comprehensive support packages tailored to personal circumstances and needs. Access to a wide range of quality services on affordable terms is seen as supporting productivity and lifetime employment. The Council envisages substantial progress being made in reducing child poverty, educational disadvantage, long durations on social assistance, improving mobility out of low-paying jobs and raising standards of care for people whose capacity for personal autonomy is constrained.

The Council believes that migration can contribute to this economic and social strategy in a number of ways:

- ◆ Migrants, working at the level of their skills, are important in raising the levels of performance of many firms.
- ◆ High-skilled migrants can play an important role in delivering improved public services.
- ◆ Graduates from abroad will augment the pool of fourth-level researchers funded by an increased S&T budget.
- ◆ Migrants play a role in upgrading our infrastructure. Indeed, through its effect on total population, migration can strengthen the economic logic for major infrastructural investments, such as the Dublin metro and an integrated public transport system.
- ◆ Students from overseas who complete accredited third-level programmes can contribute in a number of ways, including research, working in Ireland after qualification and strengthening Ireland's links with their countries.
- ◆ Migrants who undertake low-skilled work can contribute to releasing people (both Irish people and migrants who may be underemployed) for higher-skilled work. In providing services and goods that are consumed domestically, they can enhance the standard of living of others. It is important, however, that the status and conditions of their jobs should improve in line with the economy's overall success. In previous work, the Council has pointed out that the learning

and innovating economy does not necessarily ‘shake out’ all lower productivity employments; it can enhance the status of workers in certain sectors who perform necessary roles, in which the scope for technology to boost productivity is inherently constrained (e.g., driving buses, cleaning hotel bedrooms, minding children, etc.)—allowing them to share in increasing overall prosperity.

- ◆ Migration can contribute to Ireland’s economic and social well-being by increasing diversity.
- ◆ Ireland’s approach to migration from the EU 10 supports its EU policy in a number of ways: it contributes to the success of the 2004 enlargement, and enhances Ireland’s reputation in both EU policy making and civil society in large parts of Europe.

Several of these contributions to Ireland’s economic and social progress increase the probability that migration will strengthen Ireland’s long-term economic and social progress, in ways noted earlier.

Drawing on the evidence and analysis in Part I, summarised above, the Council emphasises that these positive effects of migration are not inevitable. Here it outlines some conditions in which migration is most likely to have these positive effects.

#### 6.4.3 Conditions in which Migration can Support Ireland’s Economic and Social Strategy

In Section 6.4.1 we identified four general conditions in which migration is most likely to enhance Ireland’s economic and social development (conditions reflecting an upgrading of the economy, skills and work, integration rather than segmentation, enhanced participation and protection by means of the DWS and a narrowing of income distribution). More specifically, migration can contribute to Ireland’s economic and social strategy and progress where:

- ◆ Migration is not driven by *demand* for labour at low levels of wages and conditions and dominated by low productivity work—for these are among the conditions in which migration is likely to actually *lower* GNP per head in Ireland and widen inequality in incomes.
- ◆ Migrants are not confined to low-skilled traded sectors of the Irish economy which are highly cost sensitive. This would fail to serve Ireland’s goal in two ways: (1) Given the intensification of international competition, there is very little prospect of remuneration in these sectors improving and, indeed, a strong prospect of future sectoral redundancies. Indeed, the sorry story of much migration to European countries in the second half of the twentieth century involved precisely the attraction, and confinement, of migrants to low-skilled sectors which subsequently suffered severe contraction in the face of international competition and technological change. This left migrants economically and socially marginalised, giving rise to severe problems in the second and even third generations; (2) It could lock certain Irish enterprises into low-value-added, cost sensitive, market segments, weakening their long-run contribution to Irish prosperity.

- ◆ Migrants are not brought to Ireland to take up jobs on the basis of wages or working conditions that are below those acceptable to Irish or other workers from within the EEA area. If migrants are confined to jobs ‘shunned’ by EU nationals because the terms and conditions are unacceptable, there is a real risk that the workers doing these jobs also will be shunned, undermining the goal of integration (see Chapter 9).
- ◆ Migrants legally in Ireland—be they workers, the dependants of workers, students, EU or third country nationals—are protected by employment and equality legislation as effectively as Irish nationals.
- ◆ As the duration of migrants’ legal residence lengthens, they achieve integration into Irish society, are expected to do so and have access to the necessary supports.
- ◆ Ireland’s social inclusion strategies pay close attention to the circumstances of migrants and ensure that cumulative factors do not interact to cause their social exclusion.
- ◆ All economic migration complements Ireland’s determination to enable more of its current workforce and resident population to attain higher skills and competencies, through training or a return to formal education.
- ◆ Within the rules governing eligibility, public service providers treat migrants on an equal basis to the rest of the population (see Chapters 10 and 11).
- ◆ Migrants in low-skilled jobs for some defined time are given access to the training opportunities and supports offered to Irish nationals (see Chapter 9).
- ◆ The channel through which a person has entered (work permit, work visa, family dependant, student, grant of refugee status or ‘leave to remain’, etc.) does not irrevocably determine their status and tenure in Irish society.
- ◆ Irish policy reflects its obligations under the *Universal Declaration of Human Rights* and the *International Covenant on Economic and Social Rights* and its commitment to the EU *Charter of Fundamental Rights*.

#### 6.4.4 What is ‘Migration Policy’?

##### ‘Migration Policy’ Encompasses Many Areas

The analysis in Part I and the approach to framing Ireland’s ends and means adopted in this chapter suggest that, for some purposes, ‘migration policy’ should be thought of in broad terms. For a number of reasons, it should not be confined to employment permits for non-EEA nationals and visa policy. The most obvious reason being that employment permits and visas now only apply to a small proportion of all migrants. To make a success of migration requires effective labour market policies (Chapter 9), an integration policy (Chapter 10) and adaptation of social policies (Chapter 11). Indeed, it can be said that migration increases the urgency of existing policy challenges, especially in social and labour market policy, more than it creates entirely new policy challenges—although there are some new policy challenges. Furthermore, successful migration requires appropriate policies at both national and EU level. Finally, it is argued in Chapter 12 that the three broad

goals—economic and social progress, the rule of law and integration—must all be considered together. All policy areas and departments must take some responsibility for each of the three goals. This poses two somewhat different challenges: first, a whole-of-government approach to the overall issue of migration; and, second, inter-departmental coordination on specific parts of policy.

### **Handling Uncertainty: the Role of Partnership**

Migration is a policy area in which there is considerable uncertainty. It seems important that these uncertainties be acknowledged; otherwise they will tend to widen existing, real and perceived, conflicts of interest. Consequently, the Council's approach in this chapter has been to outline a shared understanding on migration, including a shared recognition of many uncertainties. In a partnership context, the element of uncertainty has one immediate and important implication. Government, the social partners and other relevant organisations should commit to jointly monitoring key migration and migration-related trends. This may increase the possibility of adopting a joint problem-solving approach to problems that are identified.



# 7

## Policy on EU Migration and Enlargement

## 7.1 Introduction

Chapter 2 established the extent to which the 2004 enlargement of the EU boosted migration to Ireland from Central and Eastern Europe and the Baltic States. Chapter 4 placed the recent large migration flows into Ireland in the wider context of Ireland's relationship with an EU that has experienced successive enlargements and a progressive deepening of the ties between its Member States. This chapter identifies areas where Ireland's strategies as an EU Member State should be influenced by its current experience of intra-EU migration. The first three sections deal with the principle of Community Preference, the monitoring of labour standards and the effectiveness of the Structural Funds respectively. A final section discusses the challenge posed by the forthcoming accession of Romania and Bulgaria.

## 7.2 Community Preference

It is integral to EU law and practice that Member States give preference to each other's nationals in filling vacancies in their labour markets which cannot be filled domestically. Several reasons support this strategy and practice. Where no loss of work quality or productivity is entailed, filling a vacancy with an EU worker, rather than a third-country national, contributes to the efficiency with which human capital is deployed across the Union, promotes the convergence of earnings and living standards across the Member States, and minimises the pool of workers whose employment tenure is subject to special conditions (the lot of most third country nationals).

The principle of Community Preference is not without its difficulties. A Member State may find that it is required to introduce a greater degree of control on employers' access to what have been traditional sources of migrant labour. These may have developed on the basis of geographical proximity (e.g., sharing a border with a non-EU country), close historical and cultural links (e.g., a former colony) or simply as the cumulative outcome of the activities of existing recruitment agencies and migrant networks. That employers should first seek to recruit from elsewhere in the EU is not always an evident step but needs to be consciously fostered and supported. Since 1993, the Public Employment Services of the EEA Member States<sup>1</sup> have been actively linked through EURES (European Employment Services), perhaps the first significant institutional arrangement to balance labour demand and supply within the EU as a whole (Goedings, 1999).

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1. And Switzerland.

The Council believes that, while Ireland faces lesser challenges to established practices in recruiting third country nationals than many other Member States, some challenges do exist that should be identified and addressed. The fundamental purpose of Community Preference is to strengthen the internal labour market of the EU as a whole and ensure that, while vacancies are filled by the most apt migrant workers, they are migrant EU nationals wherever possible. This has the added advantage that they are, thus, also workers on whom the least constraints need to be placed. Other things being equal, a job in the Irish economy filled by an EU national, rather than the holder of a work permit, means a worker with more extensive protection and greater mobility within the Irish labour market and across the Union.

### 7.3 Monitoring and Protecting Standards

The 2004 enlargement has raised the profile of a challenge that is, in fact, constitutive of the commitment to give workers freedom to take employment anywhere in the Union: how to ensure that the movement of workers from poor to richer regions is beneficial for all concerned, does not give rise to exploitation of migrant workers nor undermine the host country's labour market standards. Chapter 9 will deal more fully with this challenge. The intention here is to identify it as an essential concomitant of the enlargement process. Relatively rich incumbent Member States cannot expect to embrace much poorer populations as new EU citizens without devoting steadily more attention and resources to ensuring that migrants from the new Member States are employed on terms and conditions that reflect the standards of their host societies, rather than of their countries and regions of origin.

Even among strata of the EU 15's own populations, there are people whose lives of hardship make them willing to trade what are widely considered as decent working conditions for the opportunity to earn more. Twenty years after their own countries' accessions, Spanish and Portuguese authorities discovered a network that was encouraging homeless individuals in Portugal to undertake agricultural work in Spain in which practically every Spanish labour law was being flouted<sup>2</sup>. Some of the exploited individuals nevertheless declared their contentment with the situation and preference not to return to Portugal (*El País*, 27/04/06). This example underscores several key points. Individual migrant workers can accept working conditions that flout the host country's labour standards—this is not a hazard exclusive to enlargements that embrace poor countries but, as the example illustrates, is associated with entrenched poverty wherever it is to be found. There will always be unscrupulous employers (and landlords, retailers, recruitment agencies, etc.) prepared to seek profit on foot of flouting existing standards. Public authorities have to be pro-active in the face of the greater opportunities presented to the unscrupulous profit-seeker by the combination of Eastern enlargement, cheaper travel and more aggressive recruitment agencies. This may be one of the least appreciated implications of admitting new Member States with significantly lower living standards to the Union.

2. The 43 Portuguese workers had no employment contracts, no social insurance had been paid on their behalf, and they had worked a six-day week with —occasionally—an 18-hour day. In return, they received small amounts of pocket money as most of their wages were deducted in exchange for bed and board or withheld in case they drank 'to the extent that they were unable to work'.

Twin strategies are needed and will be developed more fully in Chapter 9. In the first place, civil society needs to be made more aware and intolerant of abuse. In preventing it, as in securing the integration of migrants generally, civil society has the dominant role. Secondly, greater and more effective public investment is needed in monitoring and enforcing labour market and social standards so that the likelihood of detection is unacceptably high for the unscrupulous employer, recruitment agency, landlord, etc. The core perspective must remain that it is not the EU migrant worker inured to hardship in his own country who undermines standards in the country to which he comes. The undermining is done by actors in the host society and/or in the society of origin who seek to profit by exploiting some migrants' willingness to accept living and working conditions rejected by the society to which they have come.

## 7.4 The Effectiveness of the Structural Funds

The wide differences in living standards between the EU 15 Member States and most of the new and prospective entrants have given added significance to the EU Structural Funds.<sup>3</sup> They provide mechanisms through which the richer MS and regions invest in the economic and social development of poorer MS and regions. The successful use of these Funds contributes to lessening the push factors behind out-migration from poorer MS and regions.

The size of the funds and the approximate range of support on which each individual MS—'old and 'new'—and Romania and Bulgaria can rely have been agreed for the seven-year period, 2007-2013. This was part of the lengthy and difficult negotiations on the EU budget which took place during 2004 and 2005 (the EU Financial Perspective 2007-2013) (European Commission, 2006b). While there was no attempt to deny the responsibility of this particular EU budget to provide strong support for the economic and social development of the much poorer new and acceding Member States, other major concerns and interests were also in play. Among these were the future of the UK rebate, the level of spending on the Common Agricultural Policy (CAP), the prospect of linking the budget more to the Lisbon Agenda, and the determination of some of the EU's principal net contributors not to compound their already weak fiscal positions. Indeed, several of the new Member States shared Ireland's position that CAP receipts from the EU Budget were more substantial than any conceivable Structural Funds allocation, making the Budget's ability to implement the 2002 CAP reform their first priority in the negotiations.

The net result of the two-year negotiations on the Budget is that total EU spending on the Structural and Cohesion Funds is set to grow by a modest 2.7 per cent a year over the 2007-2013 period (a cumulative increase of 20 per cent), of

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3. Technically, the term 'EU Structural Funds' refers collectively to four individual funds—the European Regional Development Fund (promoting the development of lagging regions), the European Social Fund (investing in people), the European Agricultural Guidance and Guarantee Fund (helping structural reform in agriculture and rural areas) and the small Financial Instrument for Fisheries Guidance (supporting structural reform in the fisheries sector). Regions, rather than Member States as such, qualify for these funds. A further fund, the Cohesion Fund, was established in 1993 under which Member States as such can be eligible for support with spending on transport and environmental infrastructure. For the purposes of this discussion, the Cohesion Fund is included as an EU 'Structural Fund'.

which just over one-half (51.4 per cent) is to go to the new (and acceding) Member States. The cumulative spending total of €308bn is a 9 per cent reduction on the initial amount sought by the European Commission when negotiations opened on the budget in 2004. This indicates how difficult it was for the principle of solidarity with the poorer new Member and acceding states to remain the first priority.<sup>4</sup> It has also been specified that the maximum a Member State, no matter how poor, is to receive in EU regional transfers is just under 3.8 per cent of its national GDP (down from 4 per cent). This is 'in order to pay regard to the finite capacity of Member States to utilise effectively the resources available' (European Council, 2005); though it could also be seen as limiting the encroachment of regional transfers on funds available for EU spending programmes from which the richer States benefit (Ackrill and Kay, 2006).

Ireland's relationship with the EU Structural Funds is being profoundly changed by two factors: (i) its new status as a relatively wealthy member of the EU 25; (ii) the extent of migration to the country from Central and Eastern Europe. The first factor is the more obvious. For example, Ireland's rising GNP per capita relative to the EU average made it ineligible for receipts from the Cohesion Fund by the end of 2003.<sup>5</sup> Receipts from the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF) peaked as a proportion of GDP in the early 1990s (at 2.4 per cent) and in absolute terms in 1998 (when Ireland received €1.138bn) (Department of Finance, 2005). The weaning of Ireland off reliance on EU Structural Funds for its capital investment programmes will be effectively completed during the 2007-2013 period. Indicative financial calculations by the European Commission are based on Ireland having the second highest GDP per capita (adjusted for purchasing power standards) in the EU 25 in 2004 (after Luxembourg) and anticipate a total allocation to Ireland over the seven-year period of €815m (compared with €3.7bn between 2000-2006) (European Commission, 2006b).

The second factor changing Ireland's relationship with the EU Structural Funds is less obvious. The large scale of migration into Ireland from poorer Member States in Central and Eastern Europe gives the effectiveness of Structural Fund spending in those countries a potential role in lessening new migrant outflows and even prompting return migration. It is significant in this regard that Ireland is widely considered to constitute a good case study in how Structural Fund receipts can be used to achieve the objective of greater convergence.

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4. By contrast, the Commission's opening proposal for spending on agricultural price supports was reduced by 2.6 per cent. However, proposals by the Commission to give the EU Budget more of a role in promoting the Lisbon agenda (via spending on 'competitiveness for growth and employment') were the greatest casualty of the two-year negotiations; they were reduced by 44 per cent (see Ackrill and Kay, 2006).

5. Hoarding at the Port Tunnel works on the Swords Road to Dublin airport made a point of describing the project as entirely funded by the Irish Exchequer, a departure from the more ubiquitous acknowledgement of EU Cohesion Fund support on the over 120 transport and environmental infrastructure projects it supported in Ireland. Eligibility for ERDF and ESF funding has also been affected by Ireland's growing wealth. During the first two rounds of Structural Funds' disbursement (1989-1993, 1994-1999), the whole of the state was classified as a single Objective One region eligible for support on the grounds of its lagged economic development. During the third round, 2000-2006, only the newly created Border, Midlands and West (BMW) Region retained an Objective One status, with the remainder of the state (newly constituted as the Southern and Eastern [S&E] Region) classified as 'in transition' out of such a status and given support on a declining scale.

Since Ireland began to negotiate its own membership through to the present day, its national interest dictated a triple objective in the country's approach to the Structural Funds: (i) they should be resourced as fully as possible by the EU at large, (ii) the criteria governing eligibility for them should give full recognition to the nature and circumstances of Ireland's relative underdevelopment, and (iii) Ireland's ability to draw down allocated funds and use them in compliance with their requirements and conditions should be of a high standard. By and large, these objectives were successfully met. The Council believes that Ireland should now formulate its objectives for the EU's Structural Funds somewhat differently. For example, (a) advocating and supporting measures designed to enhance the capacity of the poorest Member States to utilise transfers effectively, (b) helping prepare the case for giving spending on cohesion greater weight in the next EU Financial Perspective after 2013, and (c) exploring what can be done to lessen further the role of national criteria in allocating EU Structural Funds, in favour of securing the greatest reduction in inter-regional disparities from specific investments and programmes.

## 7.5 The Accession of Romania and Bulgaria

The accession of Romania and Bulgaria to the EU, by January 1st 2008 at the latest, will complete the Eastern Enlargement and add a further 6.5 per cent to the population of the EU 25.

It is clear that predicting the scale of migration flows from them is difficult, if not impossible. In addition to weighting correctly the different 'pull factors', 'push factors' and 'network effects', the potential displacement effect of transitional arrangements that other Member States may adopt has to be reckoned with. Nevertheless, the Irish experience after the 2004 enlargement is potentially revealing. The following discussion, therefore, highlights some key differences and similarities between Romania and Bulgaria, on the one hand, and Poland and Lithuania, on the other. The latter countries are chosen because they accounted for some 70 per cent of the migrants who came to Ireland from Eastern Europe in 2004 and 2005. Seven aspects of Romania and Bulgaria are briefly discussed, based on the data in Table 7.1: (i) size; (ii) living standards; (iii) demography; (iv) economic dynamism; (v) labour supply; (vi) human capital; (vii) links with Ireland.

### 7.5.1 Key Features of Romania and Bulgaria

#### Their Size

Romania's 22 million people will make it the seventh most populous Member State in the EU, ahead of the Netherlands (16m), but behind Poland, Spain (40m each) and the big four<sup>6</sup>. Bulgaria, with 8 million, will become the sixteenth most populous Member State, similar in size to Austria (8.2m) and Sweden (8.9m).<sup>7</sup> An immediate lesson from Ireland's experience of the 2004 enlargement is that these absolute population sizes are of limited relevance. The level of inflows to Ireland

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6. Germany [82m], France [61m], UK [60m] and Italy [58m].

7. In the EU 27, Ireland will be ranked 20th by population size.

will be the net result of the size of the cohorts in the sending country from which migrants traditionally come, their propensity to migrate, their preference for Ireland as a destination, and their ability to act on what their preference is. Lithuanian and Latvian migration to Ireland has shown that small populations can make a significant impact on Ireland's labour market if knowledge of Irish conditions is disseminated among them, recruitment agencies are active and good transport links exist. At the same time, lower incidences of the same factors in a very large population, such as that of Poland, also entail a significant level of in-migration.

### Living Standards

The most remarkable feature of the accession of Romania and Bulgaria is that their living standards are lower again than in any of the EU 10 countries that entered in 2004. Their GDP per capita was 30 per cent of the EU 25 average (2004, PPS), well below the 50 per cent of Poland and Lithuania. More formidable evidence still is the gap in life expectancy. Life expectancy at birth for men is 7.4 years less in Romania than in Ireland, similar but not as great as the gap with Lithuania (8.6 years). Male life expectancy is 5 years less in Bulgaria. Ireland, in fact, had Romania's current life expectancy for males in 1960 and its life expectancy for females in 1980 (CSO, 2004); this provides some indication of the time that may be needed for social and economic conditions in Romania to catch up with those in Ireland.

These lower living standards are reflected in their relative levels of pay. Romanian or Bulgarian workers on a minimum wage would increase their purchasing power 4.5 times in Ireland, a bigger improvement than Lithuanians would enjoy (over 3 times more) or Poles (2.5 times more). However, as Ireland's experience with emigration in the 1980s serves to underline, migration is more likely on the part of people in employment who are occupationally dissatisfied than on the part of people with very constrained resources and whose only prospects are minimum-wage jobs. However, the disparities in earnings levels are as high or higher when average earnings are consulted. The average earnings (in PPS-adjusted euros) of full-time employees in industry and services (excluding the public sector) in Romania and Bulgaria in 2002 were 20 per cent or less of the corresponding earnings in Ireland (they were 30 to 40 per cent of the Irish level in Poland and Lithuania). The disparities were not as large for the subsets of employees with tertiary education. In Romania and Bulgaria, they earned 36 per cent and 22 per cent, respectively, of their counterparts in Ireland (35 per cent in Lithuania and 66 per cent in Poland). It is clear that, other things being equal, there are strong financial incentives for migration from both Romania and Bulgaria to Ireland.

### Demography

Romania and Bulgaria each has a fragile demography, a feature shared with the EU 10 in general. Low birth rates have entailed an annual natural decrease in their populations for some time (births are insufficient to offset deaths) and net emigration has further eroded their population size. Over the six years 2000-2005, the combined impact of low births and emigration has reduced Bulgaria's population at an annual average rate of -0.85 per cent, similar to Lithuania's experience. The population of Romania has fallen at an annual average rate of

**Table 7.1 Ireland and Selected New and Acceding  
EU Member States: Selected Characteristics**

	Year	Ireland	Romania	Bulgaria	Poland	Lithuania
Total population (1st Jan 2004) (m.)	2004	4.028	21.711	7.801	38.19	3.446
<b>Living standards</b>						
GDP per capita in PPS (EU 25=100)	2004	137	32.2	30.6	48.8	47.8
Life expectancy at birth, males	2000-05	75.1	67.7	68.8	70.2	66.5
Life expectancy at birth, females	2000-05	80.3	75	75.6	78.4	77.8
Minimum wage – euros per month, PPS	2005	1,024	219	232	410	327
Mean Annual Industrial & Service Earnings, euros PPS (excluding Public Administration)	2002	27,915	5,642	4,649	11,948	8,320
Mean Annual Industrial & Service Earnings, euros PPS (excluding Public Administration) for those with tertiary education	2002	33,200	11,966	7,265	22,240	11,586
<b>Demography</b>						
Total fertility rate	2004	1.99	1.29	1.29	1.23	1.26
Average annual population growth rate (%)	2000-05	1.12	-0.23	-0.85	-0.08	-0.85
Proportion of population aged 0-14	2004	20.9	16.4	14.2	17.2	17.7
Proportion of population aged 65+	2004	11.1	14.4	17.1	13	15
<b>Economic performance</b>						
Growth rate in real GDP per capita – annual average (%)	2000-05	5.8	5.1	4.1	3.2	7.0
Increase in minimum wage, 2002-05 (PPS) 2002=100	2002-05	1.19	1.61	1.83	1.23	1.30
Employment growth rate – annual average (%)	2000-04	2.9	-0.64	1.18	-0.84	-0.16
Proportion of total employment in high and medium-high tech manufacturing and knowledge intensive services (%)	2004	39.9	19.8	26.8	29.2	27.8

Table 7.1 cont./	Year	Ireland	Romania	Bulgaria	Poland	Lithuania
<b>Labour supply</b>						
Numbers in labour force aged 25-34 ('000)	2004	539	2819	828	4618	422
Harmonised unemployment rate (%)	2005	4.3	7.7	9.9	17.7	8.2
Harmonised unemployment rate – yearly average (%)	2000-04	4.4	7.1	15.9	18.6	14.0
Proportion of total employment in agriculture and forestry (%)	2005	5.9	32.3	8.9	17.4	14.00
<b>Human capital</b>						
Educational attainment of labour force % with ISCED 0-2		30	30	21	13	11
% with ISCED 3-4		41	60	55	71	63
% with ISCED 5-6		29	10	24	16	25
Participation rate in education of 18 year olds (%)	2003	81.3	58.5	67.7	85.4	87.4
School expectancy of pupils & students (years)	2003	16.8	14.9	15.1	17.2	17.3
Proportion of students at ISCED 3 learning English (%)	2004		87.8	80.8	90.6	76.5
Average TOEFL score (university applicants)	2004		249	242	229	229
Graduate outflow from ISCED Level 5A and 6, annual average ('000)	2003-04	33.2	100.3	44.8	466.5	21.7
<b>Links with Ireland</b>						
Work permits issued (new and renewals)	2002-03		4986	1621	7950	8367
PPS numbers assigned	2002-03		4035	784	6424	5012
PPS numbers assigned (between 1st May 04 and 25th March 06)	2004-06				110,342	34,408

## Notes

Unless otherwise stated, all data are from Eurostat's data base except for the following rows:

7 & 8. *United Nations World Population Prospects*, The 2004 Edition

9 & 36. *Statistics in Focus*, 'Population and Social Conditions', 7/2005

37. Eurostat, full-time and part-time employment by sex, age groups and economic activity – NACE A

38. Eurostat, *Statistics in Focus*, 'Science & Technology', 1/2006

–0.23 per cent, while that of Poland’s has been nearly stagnant. The contrast with Ireland’s annual population growth of +1.12 per cent over the same period is sharp. In the short to medium term, demographic decline is more likely to add to the push factors behind migration than reduce the numbers of potential migrants. If a dynamic is underway in Ireland, in which population and economic growth are feeding each other, leading to multiple challenges of how to manage expansion (NESC, 2005), Romania and Bulgaria face the more formidable challenge that Ireland faced in an earlier period, generating economic dynamism in a context of demographic decline (NESC, 1992).

### **Economic Performance**

There is, however, no evidence of economic stagnation in either country, rather that preparations for EU accession have been having a beneficial economic impact. They have both steadily increased their real GDP per capita over the six-year period, 2000-2005, by more than Poland but less than Lithuania. This improvement is reflected in an 83 per cent increase in Bulgaria’s minimum wage in real terms over the 2002-05 period, and of 61 per cent in that of Romania. In Romania, as in Poland and Lithuania, economic growth has been accompanied by an employment ‘shake out’ with the absolute level of employment declining. Only Bulgaria has successfully grown employment, achieving almost half the rate of Ireland. Romania has, currently, the least ‘modern’ economy of the four countries compared in Table 7.1, with less than 20 per cent of total employment in what are classed as either medium- to high-tech manufacturing or knowledge-intensive services. Ireland has 40 per cent. It should be observed, however, that similarity rather than difference in economic structure may be the bigger boost to migration (as in trade of goods). Central and Eastern Europeans with a foot already on the employment ladder in advanced manufacturing or knowledge-intensive service sectors may be the most aware of their opportunities to boost earnings by coming to Ireland.

### **Labour Supply**

The peak ages for migration are 25-34. In Romania and Bulgaria these cohorts are equivalent in size to 62 per cent of the population of similarly aged Poles and Lithuanians. The propensity to migrate of such age groups is partially influenced by the unemployment rates of their respective countries (an indicator of the difficulty of finding opportunities if they remain at home). Both Romania and Bulgaria have much lower unemployment rates than Poland. At 7.7 per cent (2005), unemployment in Romania was ten percentage points below the Polish rate and it has maintained it below 8 per cent since the year 2000. Bulgaria has had very high unemployment in recent years (peaking at 19 per cent in 2001), but it had come down to 10 per cent in 2005. The proportion of total employment in agriculture and forestry is very high in Romania (32 per cent) and lower in Bulgaria (9 per cent). Taken in conjunction with the unemployment rates, it is evident that both countries have abundant supplies of low-skilled labour.

## Human Capital

The mobility of unemployed people and of underemployed agricultural workers is low. Ireland has low demand for workers with these backgrounds, while they typically have constrained resources, limited networks, poor language skills and strong ties to rural areas. To date, most migration to Ireland from lower income countries in Central and Eastern Europe has been of individuals with at least a completed secondary education. With the exception of Romania, most countries in the region have higher proportions of their workforces who completed secondary education than Ireland, but lower proportions who went on to acquire a third-level qualification. Education after the age of 17 is much less likely in Romania and Bulgaria than in Poland and Lithuania, in both of which the participation rate of 18 year olds in education is higher than in Ireland. There is evidence that the English language skills of young Romanians and Bulgarians may be higher than those of Poles and Lithuanians—they are as likely to study English in secondary school and those among them who apply to universities abroad record higher scores in standardised tests of English as a foreign language (TOEFL). The propensity to migrate is particularly high among graduates. The absolute number of students graduating is one third greater in Bulgaria than in Ireland and three times the number in Romania.

## Links with Ireland

The numbers of work permits and of PPS numbers issued to Romanian and Bulgarian nationals provide some pointers to the potential role of network effects and to the degree of knowledge of, and preference for, Ireland as a destination among potential migrants in those countries. Table 7.1 provides numbers for the two years, 2002 and 2003, when Romanians and Bulgarians had access to the Irish labour market on equal terms to Poles and Lithuanians. Adjusted for population size, Romanians and Poles had roughly equal representations among work permit holders and those with PPS numbers in Ireland up to 2003; Bulgarians were not well represented whereas Lithuanians were exceptionally so. When Poland and Lithuania joined the EU in May 2004, their nationals already in Ireland, legally or illegally, as workers, students or in whatever capacity, experienced a 'change of status' and acquired the right to live and work without restrictions, to change employer, to remain permanently and to be joined by dependants. Table 7.1 shows the subsequent increases in PPS numbers assigned to Polish and Lithuanian nationals between May 2004 and March 2006. Some of this increase will have been a once-off effect occasioned by people illegally present taking the opportunity to regularise their stay.<sup>8</sup> In addition, the stock of PPS numbers is a crude pointer to the numbers of people actually in Ireland and at work. PPS numbers have the merit of being unique to individuals, but the people concerned may have returned to their home country, be a child, a secondary school student or for other reasons have had some contact with a public service provider in Ireland. Nevertheless, the large increases recorded for Polish and Lithuanian nationals after May 2004 suggest that significant numbers of Romanians and Bulgarians can be expected to have contact with Ireland when they too acquire EU citizenship and if no transitional arrangements apply.

8. As many as 30 per cent of the Central and Eastern Europeans who registered in the UK under its Worker Registration Scheme in the wake of enlargement had been present before May 2004.

### 7.5.2 Should Transitional Arrangements Apply?

The decision as to whether Ireland should apply transitional arrangements and temporarily restrict access by Romanian and Bulgarian nationals to its labour market, when it did not do so for nationals of the EU 10 in 2004, has to be taken in a context that differs from 2004—primarily in the large presence of EU 10 nationals that developed in the intervening period. The following considerations should be carefully weighed.

The scale of the inflows from Romania and Bulgaria that would arise in the absence of transitional arrangements seem unlikely to match those from the EU 10. This is so for several reasons. Romanian and Bulgarian nationals will be gaining access to a labour market in which those of the EU 10 have had ‘first-mover’ advantage. The wider gap in living standards that provides a greater incentive to migrate also makes the costs of seeking work in Ireland more formidable. The preferred destinations of Romanian and Bulgarian potential migrants are currently shaped by geographic proximity, linguistic accessibility, migrant networks and cultural connectedness<sup>9</sup>. For these reasons, Germany, Italy, Spain, France and Austria feature prominently, but not Ireland (nor even the UK) (Institute for Public Policy Research, 2006). Romania and Bulgaria are further from Ireland than Poland and the Baltic States and currently have less developed transport links. Much of the migration from those countries has historically taken the form of return migration within a 12-month time frame, which provides a short time period in which to recover costs.

There are large pools of low- and semi-skilled workers in Romania and Bulgaria whose limited resources, age and attachments to family and place, other things being equal, may point to a low propensity to migrate. The mobility of some, however, could be activated by pro-active, well-resourced recruitment programmes (as was the case with guest-worker programmes sourcing workers from rural areas of southern Europe in the 1950s and 1960s). If workers of similar background are encouraged to come to Ireland, it seems reasonable and supportive of their prospects in Irish society that they should ‘ideally consist of people who have attained upper secondary education rather than those with lower secondary or below’ (Expert Group on Future Skills Needs, 2006: 99). It should also be ensured that their employment in Ireland is transparently on terms and conditions that reflect Irish standards. The potential for some part of migration from Romania and Bulgaria to be composed of individuals inadequately prepared, poorly resourced and with skills in oversupply in Ireland, appears stronger than in the case of Poland and the Baltic States. Ireland’s welfare authorities and social service providers should engage with their counterparts in Romania and Bulgaria to keep avoidable hardship to a minimum.

It is the better educated young Romanians and Bulgarians who are the more likely to migrate to Ireland through their own unaided efforts. It is significant that, to date, Ireland has tended to attract higher-skilled migrants from low-income countries. In this way, the Irish economy benefits from a resource in which the sending countries have invested and whose eventual return, with enhanced skills,

9. Wider cultural differences may be significant—reflected, for example, in Romania’s Christian tradition being orthodox whereas that of Poland is Latin.

is a legitimate expectation. Ireland's experience of the contribution made by returning Irish to its economic resurgence in the 1990s should be reflected in policies that support the upward mobility of young nationals from Central and Eastern Europe in its labour market, including by facilitating their access to language and other training where necessary. Fáilte Ireland's tailored programmes for migrant workers in the hotel and catering industry is a valuable headline in this regard.

Key uncertainties—particularly surrounding the extent of return migration to the EU 10, the impact of a sustained recovery in the Eurozone's core economies on migrants' preferences for Ireland, and the pace of economic growth in Central and Eastern Europe itself—do not allow us to conclude that the Irish economy can count indefinitely on the ready availability of a large pool of workers from within the EU 27. Over the longer term still, and in the absence of a Turkish entry, the demographic fragility of the EU 27 as a bloc will become a very significant factor and lead, in all likelihood, to intra-EU migration being quite minor compared to migration from third countries. The true strength of the underlying reasons for Ireland's current attractiveness as a destination for intra-EU migration would, of course, emerge more clearly if the transitional arrangements that some Member States still apply to EU 10 nationals were lifted and none of the EU 25 were to adopt new ones towards Romanian and Bulgarian nationals. In a less than ideal world, however, Ireland must balance its pursuit of a long-term strategy with the short-term management of a labour market that is particularly vibrant, open and small by current EU standards.

The core flaws in transitional arrangements, however, still remain. Where there is strong aggregate labour demand, they risk distorting the composition of migrant inflows rather than effectively limiting their scale. In particular, they can contribute to making more migration temporary or illegal and reduce the quality of the labour inflow and of job matching. As transitional arrangements are inherently temporary, they may also contribute to distorting inter-temporal flows; instead of inflows being front-loaded in response to the novelty of EU membership, the large initial response may simply be postponed.

In conclusion, Ireland took a principled and generous stand in immediately opening its labour market to nationals of the EU 10 in 2004. It is clear that the short- to medium-term net economic effects of doing so have been positive. The political capital which the 2004 decision helped to generate in the Baltic States and Central and Eastern Europe should not be overlooked either. Uncertainties about the impact of such large-scale migration on infrastructure, and about the speed with which a comprehensive and integrated set of policies to manage migration can be put in place, are the principal grounds for caution in judging the post-2004 scenario an unqualified success.

The impending accession of Romania and Bulgaria constitutes a smaller enlargement embracing two significantly poorer countries. Adopting some form of transitional arrangements would not be inconsistent—the context has been transformed by the 2004 decision itself—and might be considered to assuage

some of the unease generated by the scale of recent inflows. However, the effectiveness and benefits of transitional arrangements should not be exaggerated.

The Council believes that the social partners should be consulted in advance of the Government decision whether to grant nationals of Bulgaria and Romania immediate access to the labour market or seek to postpone it. The decision, and reasons behind it, should be actively and widely communicated. Some arrangement for monitoring developments and adjusting policy should be an integral part of the decision taken.

# 8

## Policy on Migration from outside the EU

## 8.1 Introduction

Most migrants arriving in Ireland at present are EU nationals who enjoy unrestricted rights to migrate to and take up employment in Ireland. It remains a national responsibility to regulate migration to Ireland from outside the EU. Section 8.2 sets out key characteristics and lessons emerging from past Irish policy on entry of non-EU nationals. Key lessons from international experience are outlined in Section 8.3. Section 8.4 presents the Council's recommendations on this subject.

## 8.2 Background: Ireland's Initial Response to Non-EEA Migration

Net migration to Ireland became positive in 1997 and from 1999 there was strong growth in immigration to Ireland from outside the EU; migration to Ireland of non-EU nationals rose from 7,000 in 1999 to 19,300 in 2003 and fell following enlargement to 10,600 in 2005. This section describes how Irish policy and practice generated and managed this increase in non-EU migration in those years.

### 8.2.1 A Liberal-Entry Regime

Up to 2003, access was facilitated through an employer-led work permit system that was described by the IOM Consultants as 'very liberal' with regard to regulating the admission and selection of non-EEA workers (IOM, 2006: 42). Following enlargement of the EU, the policy has become more restrictive, as discussed below. There is also a more selective visa system for high-skilled workers.

The Consultants do suggest that Ireland's openness to admitting migrant workers for employment in a variety of jobs, including low-skill labour, may have helped avoid the large-scale illegal immigration and/or illegal working of migrants experienced in the US and, to some extent, also in the UK (IOM, 2006: 43). Although, as noted below, a number of the other features of Ireland's regime may not have prevented illegal migration and particularly illegal working.

### 8.2.2 Labour Market Test

The granting of work permits has been subject to a labour market test; employers are required to have sought to find workers within the EU. However, the Consultants point out that 'in management of the work permits regime, there has

been significant and continuing toleration of failure of the labour market test—demonstrated in the finding by FÁS in its review of the test that, in late 2002, the majority of work permits were issued for work in unskilled occupations for which there appeared to be a sizeable supply of local labour’ (IOM, 2006: 31). Failings of the test are not unique to Ireland; virtually all EU countries acknowledge that their tests have deficiencies. This test will be strengthened as part of the employment permit arrangements to be introduced in 2007.

### 8.2.3 Qualification for Granting of a Work Permit

The jobs for which work permits are required must be paid at least the minimum wage or where relevant, Joint Labour Committee (JLC)<sup>1</sup> rates of pay. Employers are required to state that the full benefits of Irish employment rights legislation will be applied to the employee for whom the permit is sought. To obtain a work permit employers are also required to be tax registered and may be required to produce a tax clearance certificate. There is no formal systematic vetting of the extent to which employers are in compliance with regulations and laws governing employment, health and safety or migration before an initial permit is issued, although for an application for a renewal permit evidence in relation to pay is required. The Employment Permits Act 2006 (at Section 12 (1) (c)) prescribes convictions for offences under employment permit, employment protection or health and safety legislation as grounds for the Minister to refuse to grant a permit.

### 8.2.4 An Entry Policy

In their review of Ireland’s migration policy, the IOM Consultants note that the temporary work permit system includes no policies to encourage migrants to return. While the Council does not advocate active return policies, it notes that migrants on temporary work permits for over five years are eligible to apply for citizenship, subject to evidence of economic self-sufficiency. As the IOM Consultants note, Ireland’s temporary work permit policies are ‘thus effectively a first step toward permanent residence status through naturalization’ (IOM, 2006: 45). A significant rise in the number of applications for Irish citizenship should be expected from persons who have been employed on employment permits in Ireland for five years or longer, since the big increase in work permits in 1999<sup>2</sup>. For this and other reasons, the Council argues that Ireland needs to view its labour migration policies in the context of its overall immigration goals and policies. As noted in Chapter 6, these should encompass economic and social development, the rule of law and integration.

### 8.2.5 Reliance on Temporary Work Programmes

It is argued by the IOM Consultants that Ireland’s reliance on temporary work programmes had a number of implications. First, the impossibility of gaining permanent resident status, other than through naturalisation, may have been a serious obstacle to attracting skilled and high-skilled workers to Ireland. Second, it tends to put pressure on the naturalisation system. Third, they observe that, in its reliance on temporary programmes, Ireland may have repeated the policy mistakes

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1. JLCs determine minimum rates of pay and conditions in certain sectors. There are 19 JLCs in operation, covering sectors such as contract cleaning, hotels and agriculture. JLCs are established by means of a statutory order made by the Labour Court.

2. After five years of legal residence in Ireland (over a period of nine years), migrant workers may apply for Irish citizenship. An important exception is that legal residence as a student or asylum seeker does not count toward this minimum period of five years.

of guest-worker programmes in other countries, particularly the presumption that migrant workers are essentially available on tap; i.e., that their numbers could be increased or decreased as a simple function of the economic needs of the receiving country. There are plans to introduce a permanent labour migration programme (see Box 8.1 on the Employment Permits Act below).

### 8.2.6 Enforcement of Employment and Other Law

As of February 2005, only three employers had been convicted for violating the Employment Permits Act, 2003. In international policy discussion, the failure to effectively prosecute employers who illegally employ migrant workers is widely agreed to be one of the most important factors leading to illegal immigration and illegal work and, as a potential consequence, to the failure of labour immigration policies. This is because, in contrast to all other immigration control policies, employer sanctions serve the important purpose of addressing the demand for illegal migrant workers. Without policies to minimise demand, the policies aimed at minimizing supply (border control, deportations) are likely to be much less effective than they could be (IOM, 2006: 56).

There is evidence that Ireland's extensive equality and employment legislation does not always translate into the effective protection of and respect for migrants employment conditions in practice (IOM, 2006: 45). IOM emphasises that 'the violation of minimum employment conditions increases the risk that the employment of migrant workers will adversely impact the employment prospects of local workers' (IOM, 2006: 45). IOM also point out that the restriction of the job mobility of work permit holders may be a factor in increasing the probability of violations of minimum wage or other legal standards (IOM, 2006: 47). The Employment Permits Act 2006 provides legislative underpinning for some mobility on the expiry of the original permit and, with the agreement of the Minister, on evidence of abuse or exploitation before then. The new employment requires a work permit. Employees who become redundant can obtain a new permit without the normal restrictions.

It is worth noting that employers have access to a large pool of legal labour, in particular the EU 10 and students with permission to work, and this reduces the demand for illegally-employed migrants.

### 8.2.7 Students

In reviewing Irish policy we must take into account various non-employment immigration channels that migrants may use to enter Ireland and access the Irish labour market. The most important of these channels has been for students—in 2005 there were an estimated 27,000 non-EEA students in Ireland. The recent increase in the number of non-EEA nationals registered as students suggests that this channel of immigration provides a significant number of workers, working legally or illegally, for the Irish labour market. In many other high-income countries, such as the UK, students are a critical source of labour in certain industries, especially the hospitality sector. A similar development may already be underway in Ireland. There is clearly a need for more information and data about

the contribution made by students to employment in Ireland and for this to be taken into account in determining the number of admissions under the labour immigration channels. It is proposed in *Towards 2016* that students in employment will become the subject of work permit applications.

### **8.2.8 Family Reunification: Uneven Progress**

The different entitlements and conditions of people legally resident in Ireland to have family members who are non-EEA nationals join them were outlined in Chapter 2, Section 2.2.5 above. Developments in this area have been uneven and driven by pressures to deal with individual components rather than with the issue as a whole.

For example, Section 2.2.5 above made clear that non-EEA nationals working legally in Ireland can have family members join them under conditions that differ on two grounds—whether they are from visa-required States or not, and the type of job they are holding. The latter distinction has been introduced on foot of the realisation that high-skilled non-EEA workers—initially nurses employed in Ireland’s health services—were increasingly difficult to attract and retain because other countries made it easier for their spouses to join them and also to work. Thus, the Spousal Work Permits Scheme, introduced in 2004, gave greater ease of access to employment for the spouses of people holding work authorisations/visas, certain intra-company transferees, some academics/researchers and some medical professionals. It expressly did not seek to cover all work permit holders.

A second example is that particularly clear and transparent procedures govern the family reunification process for refugees, including their right to appeal. This was an achievement of the 1996 Refugee Act and its subsequent amendments. It was spurred both by Ireland’s incorporation of the Geneva Convention and the 1967 Protocol into domestic law and the challenge to administrative arrangements brought on by the surge in the numbers seeking a declaration as a refugee in the late 1990s. The transparency of family reunification for refugees, and the associated employment and social rights, is greater than for Irish nationals themselves, though in practice family reunion procedures for Irish citizens are experienced positively.

A third and final example is that EU/EEA nationals who have moved to Ireland for the purposes of work, including Irish nationals returning after a period in employment in another Member State, have clearer and more expansive rights to be joined by their non-EEA family members than Irish nationals as such. This has come about because EU measures strengthening the family reunification rights of EU migrant workers, and which embrace the situation where the family members in question are non-EEA nationals, had to be made part of Irish law (are ‘transposed’). There has been no similar motor driving the development of transparent and accountable procedures enabling non-EEA family members of Irish nationals—who are returned emigrants from destinations beyond the EU, or who never emigrated—to join their spouse, partner, parent, or whomever, in Ireland.

A final reason as to why uneven progress characterises the development of policies and administrative practice governing family reunification in Ireland is that many measures the EU adopts, which touch on family reunification, do not have to be transposed into Irish law. This is explained below.

### EU Measures on Asylum and Migration and Ireland

The Treaty of Amsterdam was signed in October 1997 and came into force in May 1999. A new Title IV on 'visas, asylum, immigration and other policies relating to the free movement of persons' gave the European Community its greatest competence to date in asylum and immigration matters (subsequent developments are outlined in Box 8.2 below). The application of this Title to Ireland and the UK, however, was made subject to the provisions of a fourth Protocol to the Treaty. This was because the two countries had not participated in the development of the Schengen *acquis* which abolished border controls between many of the continental European Member States and because they wished to maintain the Common Travel Area between them. Under the fourth Protocol, Ireland has three months from the date a proposal or initiative is presented to the Council by the Commission to indicate its wish to take part ('opt in'). There have been several measures taken at EU level on immigration in recent years with significant directives agreed, for example, on family reunification, the status of long-term residents, the victims of trafficking and the admission of students. Quinn (2005: 51-59) provides a valuable summary of the EU measures to date and of where Ireland has opted in or out.

As Quinn notes, there are other areas of EU legislation affecting migration in which Ireland participates fully and that require action and legislative change in Ireland. For example, measures which Ireland is required to transpose into its legislation arising from the EU's commitment to ensure the mobility of workers and free movement of persons, have major implications for the non-EEA family members of EU citizens (discussed in Chapter 2, Section 2.2.5 and Chapter 4, Appendix 4.1). Other areas of EU legislation include the introduction of a uniform format of visas and residence permits (including the incorporation of biometric identifiers), passenger data obligations on carriers, joint operations on border controls, and the creation of an immigration liaison officer network. NESC strongly endorses the current policy approach of protecting the Common Travel Area, contributing as fully as possible to the development of more effective and fair policies and procedures for third-country nationals and asylum-seekers across the EU, and ensuring that new Irish legislation take full account of imminent European developments.

## 8.3 International Experience

The experience of a number of countries in regulating migration is discussed by the IOM Consultants. Key issues emerging from international experience are highlighted here.

### 8.3.1 Migrant Workers in Cost-Sensitive, Internationally-Traded Sectors

International experience demonstrates significant negative effects when migrants are attracted into a country to work in cost-sensitive, internationally-traded sectors. Given the intensification of international competition, there is very little prospect of remuneration in these sectors improving and, indeed, a strong prospect of future sectoral redundancies. The sorry story of much migration to European countries in the second half of the twentieth century involved precisely the attraction, and confinement, of migrants to low-skilled sectors which subsequently suffered severe contraction in the face of international competition and technological change. This left migrants economically and socially marginalised, giving rise to severe problems in the second and even third generations. Later, the Council distinguishes between this situation and one in which migrants, even low-skilled, work in sectors in which remuneration and conditions are likely to increase with rising prosperity of the Irish economy.

### 8.3.2 Selective Entry Policies

The IOM Consultants argue that selective entry policies that focus on a range of characteristics (age, education, occupation, language ability, association with the country of destination and demand including job offers) support successful integration for a number of reasons. First, there is extensive research linking these characteristics to improved labour market outcomes for migrants. Second, there is a further longer-term effect whereby the migrant communities that are formed through selective migration are better endowed with human capital and better placed to assist in the integration of future migrants. Third, selective migration that is clearly seen to be economically beneficial contributes to positive public attitudes to migration and this in turn contributes to the success of migration. The Consultants cite Canada as an example of a country in which selective migration policies have contributed to these positive outcomes.

### 8.3.3 Temporary Programmes

The rationale for temporary labour migration programmes (TLMPs) is that they allow economic gains to both sending and receiving countries and allow host countries to minimise any adverse effects on wages and employment opportunities, especially if they restrict the employment of migrants to firms or sectors which display labour shortages. IOM report that international experience with TLMPs suggest that their theoretical benefits are hard to achieve in practice. Many of the past and existing TLMPs—most notably the Bracero programme in the USA (1942-64) and the Gastarbeiter programme in Germany (1955-73)—failed to meet their stated policy objectives and instead generated a number of adverse, unintended, consequences (IOM, 2006: 104). The three most important adverse impacts included:

- ◆ The exploitation of migrant workers in both recruitment and employment;
- ◆ The emergence of labour market distortions, and the growth of a structural dependence by certain industries on continued employment of migrant workers;
- ◆ The non-return and eventual settlement of many guest workers.<sup>3</sup>

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<sup>3</sup> The slogan 'there is nothing more permanent than a temporary foreign workers' has been a popular summary statement of the perceived failure of past guest worker programmes.

Proponents of the development of new TLMPs argue that innovative policy designs could help to avoid past policy mistakes and generate significant benefits for all sides involved, including migrant workers and their countries of origin.<sup>4</sup>

### 8.3.4 Permanent Programmes

A permanent labour migration programme is designed to admit migrant workers on a permanent basis. Many of the traditional immigration countries, such as Canada and Australia, have used permanent immigration programmes to attract high-skilled workers as permanent immigrants with a view to their eventual

#### Box 8.1 Employment Permits Act (2006)

The Employment Permits Act (2006) provides a framework for a new system for regulating labour migration. This box outlines the Government's proposals for the new system, drawing on the speech by the Minister for Enterprise, Trade and Employment to the Dáil. One of the key elements of the proposed system is the issuing of 'Green Cards', as explained below.

The term 'Green Card' was first used in the US. There is a difference, however, in what a Green Card means in Ireland and the US. In the US, possession of a Green Card provides one with the right to permanent residence in the US. In the Irish usage, a Green Card is a visa which provides the right to apply for residency after two years.

It is intended that the new system will have three components:

- ◆ Pillar one is a system of Green Cards for most occupations with an annual salary over €60,000 and for occupations with skill shortages and salaries between €30,000 and €60,000.
- ◆ Pillar two is a work permit system for a very restricted list of occupations with salaries up to €30,000 and for those occupations above €30,000 not eligible for Green Cards.

- ◆ Pillar three is a re-established Intra-Company Transfer scheme for temporary trans-national management transfers;

#### *Green Card System*

The Green Card system will be for occupations where there are high-level or strategic skills shortages. The key features of this new Green Card system will be as follows:

- ◆ These occupations will be identified after taking advice from the Expert Group on Future Skill Needs and will be reviewed on a regular basis.
- ◆ Green Cards will be issued for two years initially, with permanent or long-term residence normally being granted after that.
- ◆ Green Card holders will be permitted to bring their spouses and families to join them immediately, and their spouses will have the right to work without a work permit.

With the implementation of the new Green Card system the existing Work Visa/Work Authorisation system will be discontinued.

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

### *Intra-Company Transfer Scheme*

This scheme is strictly for temporary management level transfers within a company or group of companies. This will allow for the temporary transfer of key management level staff from overseas companies to offices in Ireland for a period of up to five years.

### *Work Permit System*

The revised work permit system will have the following features:

- ◆ Firstly, work permits will be required both for occupations in the annual salary range from €30,000 to €60,000 that are not eligible for Green Cards and a limited number of occupations below an annual salary of €30,000 where there are significant labour shortages; these occupations will be identified after taking the advice of the Expert Group.
- ◆ Secondly, in both cases a labour market test, including advertisements in the national and/or local press, showing that the positions could not be filled from within the EEA, will need to be met.
- ◆ Thirdly, work permits will be granted first for a period of two years, then for a further period of three years. The fee will be the same as now—€500 per annum: in other words, €1,000 for the first two year period, and €1,500 for the following three year period.
- ◆ The legislative framework to be created by the Act allows either the employee and the employer to apply for an employment permit, whether it be a work permit or a Green Card, based on an offer of employment.
- ◆ The employment permit will be granted to the employee and will contain a statement of the rights and entitlements of the migrant worker, including that the employee may change employment through the application for another permit by a new employer. This will provide migrant workers with greater freedom and flexibility.
- ◆ The Bill prohibits employers from deducting expenses associated with recruitment from remuneration and from retaining personal documents belonging to the employee.

The Bill will introduce penalties for breaches of the legislation, comprising fines to a maximum of €50,000 or terms of imprisonment not exceeding five years.

Source: Based on speech by the Minister of Enterprise, Trade and Employment to the Dáil on 12 October, 2005.

naturalisation. Therefore, permanent immigration programmes are usually accompanied by measures to facilitate the successful long-term integration of migrants into the host country's economy and society. The most common approach is a points system which evaluates applications according to a range of factors, including individual characteristics and the labour market needs of the host economy. The best known and most well-established points systems are operated by Canada, Australia, New Zealand and, more recently, the UK.

The Consultants suggest that Ireland needs a permanent immigration programme to regulate both initial entry by newcomers and the allocation of permanent

residence status to migrants already employed in Ireland on temporary work permits. The Government has decided to introduce a permanent migration programme (see Box 8.1 on the Employment Permits Act).

## 8.4 NESC Policy Recommendations

### 8.4.1 EU Preference and its Overall Implications

As outlined in Chapter 7, the Council believes it is important that the principle of preferential access for EU nationals is respected in Irish labour market. The availability of potential migrants from other EU countries has been examined by the Expert Group on Future Skill Needs. The Expert Group concluded that it is unlikely that Ireland's demand for graduates would be adequately addressed entirely by the skilled labour supply from within the countries of the EU over the period to 2010. They found that graduates in most EU countries did not have a strong financial incentive to migrate to Ireland, based on relative earnings data.

The situation, however, was different for lower-skilled workers. The Expert Group estimated that there are 23 million non-graduates in the EU 24 with upper secondary education and who are resident in countries where the earnings that those workers can achieve are 60 per cent of those available in Ireland. The Group estimated that all of Ireland's needs for low- and unskilled labour are likely to be met from within the EU up to 2010<sup>5</sup>.

It is worth noting that even with no designated work permits programme, there would still be considerable legal low-skilled migration from low-income countries. This would arise from people who can enter the EU as family members, students with permission to work and people granted refugee status.

With the enlargement of the EU, there was a very large increase in the number of people available to work in Ireland. The liberal policy on issuing work permits was noticeably tightened in some respects on enlargement. The number of new work permits issued has fallen from over 21,965 in 2003 to 7,354 in 2005. The Council welcomes the reduction in the number of work permits following enlargement.

The protection of EEA nationals' right to preferential access to the Irish labour market requires the Government to effectively assess: (i) the current (and future) skills needs of the Irish economy; and (ii) to what extent this need can be met from within the EEA. The conclusion of such an analysis would have to determine the minimum skills requirements for migrants to be admitted.<sup>6</sup> However, as the IOM consultants note 'given the history of failure, this expanded labour market test cannot be expected to be any more successful than that implemented before 1 May 2004' (IOM, 2006: 106). Below the Council outlines a number of other factors to be taken into account in setting the level of non-EU migration.

5. Notwithstanding this position on low-skilled workers, the Expert Group envisaged some continuing role for work permits. The Group recommended that the absolute number of Green Cards and work permits combined should not exceed the number issued in 2005. At present work permits are used by both low- and high-skilled workers.

6. The Consultants emphasise, however, that long-term forecasting of future labour and skills needs is highly problematic.

### Council sees Limited Role for Low-Skilled Migration

The Council recommends that work permits should play only a limited role in meeting Ireland's needs for lower-skilled workers. It understands that the intention of the Government was, and still remains, that employers would recruit lower-skilled labour from within the enlarged EU.

A number of reasons can be advanced for issuing a small number of work permits. First, legal provision for lower-skilled migration can play a role in limiting illegal migration, although other measures are probably more important. Second, some labour shortages may not be filled in a satisfactory way from within the EU. Third, migrants from poor countries benefit from work permit programmes.

However, it should be noted that the Expert Working Group on Future Skills Needs (2005) argues that migration does not really address labour shortages. While the entry of migrant labour is initially intended to address labour shortages, migration also facilitates economic expansion which, in turn, generates further labour demand and hence continued labour shortages. This is a significant qualification. Indeed, this mechanism may be one of the reasons why high levels of migration are generally not found to weaken the labour market prospects of natives.

It is difficult to predict future labour market trends. It will be necessary to review the future need for non-EU migration in the light of developments.

### Creation of a Permanent Labour Migration Programme

The lack of a clearly defined permanent labour market programme for migrants has been a limitation in Ireland's migration policy and the Council welcomes the Government's proposed introduction of a permanent migration programme. The new system is primarily a demand-side one in that a job offer is a core requirement. It also has supply-side features as it is targeted at high-skill occupations. The fact that Green Card holders will be able to apply for permanent residence within two years and can immediately bring their spouses, who will have access to the labour market, is likely to make the programme attractive to high-skilled migrants. It would be even more attractive to skilled migrants if these privileges were to extend to partners in stable cohabiting relationships, as is the case for immigration to Australia, Canada, New Zealand and the United Kingdom.

#### 8.4.2 The Quantity of Work Permits to be Issued

In deciding on the scale of migration to be facilitated through work permits, the Council proposes that the following considerations be taken into account.

#### GNP per head and Cost-Sensitive Sectors

In its 2006 Strategy report, the Council argued that public policy should place a greater value on increasing GNP per head (average income) rather than GNP (total economic activity). This has implications for the approach to non-EEA migration. Any migration that assists the viability of economic activity will increase GNP, but not necessarily GNP per head. In particular, the granting of work permits to employ

migrants in low-skilled work in cost-based export industries will not necessarily contribute to GNP per head.<sup>7</sup> The negative experience of a number of European countries with migration of this nature has been referred to above.

### Large Inactive Population

In deciding on the quantity of work permits for non-EEA migration, Ireland's employment rate and inactive population should be borne in mind. Ireland's employment rate has grown hugely to 67.6 per cent in 2005. This is above the EU 15 average of 65.1 per cent in the same year, but below the best performing countries in the EU (Denmark, 75.9 per cent; Sweden, 72.3 per cent; the Netherlands, 73.2 per cent and the UK, 71.7 per cent). Analysis of the employment rates of different groups in the Council's *The Developmental Welfare State* report (NESC, 2005a) showed that Ireland's relative under-performance compared to the best practice countries reflected lower employment rates by women in general, especially for women with lower levels of educational attainment and older women. There is also a low rate of labour force participation among people with disabilities. The Council is strongly committed to policies to increase the participation of those outside the labour force (NESC, 2005a, 2005b) and emphasises that non-EEA migration should not be on such a scale as to undermine this objective.

### Temporary Migration may become Permanent and/or Illegal

In deciding to issue work permits, it must be borne in mind that in Ireland, as in many countries, temporary migration may have a tendency to become permanent. In addition, in the absence of active return policy, work permits can be a route to illegal or undocumented migration. People who enter on temporary work permits can have them renewed and after five years in Ireland can apply for citizenship. It is intended that Green Card holders will be able to apply for permanent residence after two years. Thus, many of those who enter on a temporary basis may become permanent citizens or residents. In granting employment permits of all kinds, it needs to be borne in mind that there are long term implications and that what is initially deemed temporary migration cannot be turned on and off like a tap.

### Impact on Low-Skilled Wages

A large increase in the supply of low-skilled labour is likely to reduce low-skilled wages and increase wage dispersion. The quantity of work permits should be set in such a way as to avoid adverse effects on wage dispersion.

### Other Channels of Entry

In deciding the quantity of work permits, it is important to adopt an integrated view of labour market entry and keep in mind that there are several channels of labour market entry other than work permits, as noted in Chapter 2. In addition to EU nationals, who have free movement, the following non-EU categories also have access to the labour market:

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7. There will be exceptions to this where the industry supports higher value-added elsewhere in the economy.

- ◆ Some students;
- ◆ Non-EU citizens who are family members of EU citizens;
- ◆ Spouses of migrant workers when the new scheme is put in place;
- ◆ Parents of Irish born children granted leave to remain under the scheme of the Department of Justice, Equality and Law Reform;
- ◆ Others granted humanitarian leave to remain by the Minister; and
- ◆ Refugees and family members of refugees.

### The Interests of Developing Countries

Migration can potentially play a central role in contributing to convergence of income levels between developed and developing countries. It has been argued by Williamson (2002), a leading scholar of globalisation, that migration between Europe and New World played a key role in the income convergence that took place between 1850 and World War I among the currently-industrialised countries. He further argues that migration between developing and developed countries could potentially play a comparable role today:

If the OECD opens its door wider, the mass migrations would almost certainly have the same influence on levelling world incomes and eradicating poverty that it did in the first global century. It would help erode between-country North-South income gaps, and it would improve the lives of millions of poor Asians and Africans allowed to make the move. And it would help eradicate poverty among those who would not move, making their labour more scarce at home and augmenting their incomes by remittances, forces that were powerful in the pre-quota Europe a century ago (Williamson, 2002: 32-33).

Williamson acknowledges that there is a downside to this process. While reducing global inequality and poverty, there would be an increase in inequality within OECD countries arising from a large increase in labour supply from poorer countries. This was the experience in the New World a century ago:

Are we ready to pay that price? Perhaps not. Indeed we have seen how rising inequality created an anti-global backlash a century ago, a backlash that included a retreat into immigration restrictions that *still* characterize the high-wage OECD today (Williamson, 2002: 33).

From the perspective of developing countries it would be desirable if Ireland were to adopt a liberal approach to non-EEA migration. Low-skilled migration is particularly beneficial for developing countries, in view of the surpluses of low-skilled labour that they typically possess. On the other hand, the considerations outlined earlier (including Ireland's inactive population) all point to the desirability of limiting low-skilled migration.

What is the appropriate balance to pursue? Ireland's EU commitments require giving preference to EU nationals and preclude a very liberal approach to non-EU migration. A liberal approach to lower-skilled migration from developing countries by any one country would result in it receiving a disproportionate share of this

migration. On the other hand, some weight should be given to developing countries' concerns in migration policy. In accepting some non-EU lower-skilled migration, there is potential for gains to developing countries. In addition, in discussions at EU level on non-EEA migration, the Council recommends that Ireland should seek to have the interests of developing countries in liberalisation taken into account.

### 8.4.3 Improving the Management of Labour Migration

The Council believes that a number of policy and procedural changes could reduce the risk of exploitation and enhance the experience of migrant workers in the Irish labour market. The Council notes that the Employment Permits Act provides that breaches of employment permit, employment protection or health and safety legislation constitutes grounds for refusing to grant a permit.

#### Standards

The Council is strongly committed to the effective enforcement of employment standards. It welcomes the provision in the Employment Permits Act, 2006, that employment permits will be accompanied by a summary of the principal employment rights of employees. The Council proposes that this include the right to join a trade union and information on how to do so. The new social partnership agreement, *Towards 2016*, includes significant commitments in relation to employment rights, including the establishment of a new Office of the Director for Employment Rights Compliance (ODERC) and the commitment to develop a code of practice for workers in other peoples' homes. Innovative possibilities from other countries experiences to developing more effective compliance with labour standards are examined in Chapter 9. In developing a new compliance regime, there is scope to learn from these methods.

#### Training

Based on extensive international experience, one of the concerns is that migrants who come initially to undertake low-paid work on a temporary basis may become trapped in this work on a long-term basis. This can result in economic and social marginalisation and, in turn, to conflict. The Council recommends that migrants who are engaged in low-skilled work should, on certain conditions, have the opportunity to undertake education or training that would facilitate occupational mobility. It recognises that we do not want access to subsidised education to become a primary motivation to come to Ireland (see Chapter 10). Tourism is a good example of a sector in which provision has been made to facilitate migrants in developing their skills and hence opportunity to advance within the sector.

In the new social partnership agreement, *Towards 2016*, there is agreement on the need for a concerted effort to increase the levels of workplace learning and skills. Furthermore, there is also agreement on the need to examine the availability of workplace learning for, among others, workers from overseas.

### Sector-Specific Solutions

Most labour shortages are sector-specific, and this opens the possibility for sector-specific solutions. Sector-specific strategies are a possibility. For example, mechanisms could be developed to allow government, employers, and workers organisations in migrant-dependent sectors such as construction, catering, or agriculture, to agree on policies to deal with current and projected labour surpluses and shortages. Such an approach might combine attraction of labour from outside the EU with policies to retrain local workers and, indeed, planning the supply of trained workers, in areas such as health care. The Council recommends that the feasibility of sector-specific solutions be further explored.

### Incentives to Explore Alternatives

Ireland's overall approach should include encouragement to employers to consider alternatives to employing migrant workers from outside the EU. The Consultants point out that an employer's response to a perceived labour shortage will depend on the relative cost of each of the available options. If the costs of employing migrant workers are very low, employers will not consider other alternatives. 'The level of labour immigration in the interest of individual employers is unlikely to always coincide with the best interest of the overall economy' (IOM, 2006: 101).

In its 2005 Strategy report, the Council noted that international experience suggests that the maintenance and enhancement of standards *within* the economy and society can achieve its objective in part by reducing the *demand* for labour at unacceptably low wages and conditions and this, in turn, can reduce the *supply* of low-wage labour. A more extensive discussion of the maintenance of standards is provided in Chapter 9 below.

### Intra-Company Staff Movement

A particular type of migration to Ireland is the global movement by international companies of key staff. This includes both senior management, who could be transferred for a number of years, and specialised staff whose expertise could be required on a project for a relatively short period. This type of movement had been facilitated by the Intra-Company Transfer scheme but the formal scheme was abolished in 2002. Some permits have continued to be issued on a discretionary basis.

The number of people involved in this category is small but the ability to facilitate staff transfers of this nature is an important aspect of Ireland's attractiveness as a location for doing business. Hence it is vital that Ireland put in place satisfactory arrangements to facilitate this type of movement. The proposed reintroduction of the Intra-Company Transfer scheme could be a way of addressing concerns in this area.

### Visits Abroad by non-EEA Nationals

Migrants residing in Ireland, who are nationals of countries that are typically required by other countries to have visas for the purposes of short-term visits, face particular difficulties when travelling abroad. Such a non-EEA national would require a visa for the country being visited, a re-entry visa to get back into Ireland and possibly a visa for transit purposes. The time required to obtain the relevant

visas can make it impossible for people to travel to meetings at short notice. There are limits on the capacity of the Irish authorities to deal with these matters. The aspect that is within the control of the Irish authorities is the re-entry visa. There have been recent improvements in that applicants for these visas are now being processed quickly and efficiently. It is now possible to obtain a multiple re-entry visa for the duration of a migrant's residence card. It would be desirable to examine other ways of reducing the obstacles for travel of this nature.

#### **8.4.4 Students from Outside the EEA: Towards an International Education Policy**

The Council believes that the attraction of students from outside the EEA must be consistent with a well-articulated, international education policy. Within such a policy, it is indeed beneficial to attract students to Ireland. They may be a source of academic enrichment, generate fee income and other revenue and establish long-term links with emerging economies. On completion of their studies, international students can be a valuable source of high-skilled labour. The report of the Expert Group on Future Skills Needs on migration endorsed the idea that international students (both EEA and non-EEA) would account for 12 to 15 per cent of all third-level enrolments.

The Council is concerned that this objective was—and to some extent still is—undermined by some of the educational establishments attracting students to Ireland. In some cases, the education offered falls short of what has been promised and registration as a student has often been used essentially as a means of accessing the labour market. Furthermore, attraction of students on those terms may be a significant channel into illegal or undocumented migration.

Bringing students to Ireland generates both private benefits and external economies. The external effects include the impact of the new residents on Ireland's economy and society (which may be positive or negative) and the impact on Ireland's reputation in the international education market. Since the right to bring students to Ireland is granted by the State—acting on behalf of society at large—it is appropriate that the education offered should be certified by a public body (or a private association in which society has trust). This would constitute no higher a level of regulation than applies to other traded activity. For example, goods traded internationally must conform to product standards and services traded must conform to regulatory standards. Consequently, the Council believes that it is of great importance that public authorities and the education sector define Ireland's international education policy and ensure that any courses for which visas are issued to students conform to it. By this means, they should eliminate the marketing of sub-standard, non-recognised education from Ireland.

A report on the development of international education in Ireland was published by an interdepartmental working group at the end of 2004. This report recommended the development of measures to improve quality assurance in this sector. It proposed the development of an 'Education Ireland Quality Mark' for public and private education programmes of more than three months duration. It recommended statutory regulation of English language programmes for courses lasting more than three months. The Council supports implementation of the

recommendations of the interdepartmental group. There is a commitment in the new agreement, *Towards 2016*, to strengthen regulation and quality assurance of language schools.

The availability of large numbers of students to undertake low-skilled work may reduce the probability of building an effective coalition—involving public agencies, the social partners, individual employers and others—to really address the obstacles to labour market participation of Ireland’s marginalised citizens. The urgency of creatively and collectively addressing marginalisation could be less if the business and economic pressure for doing so is continuously relieved by the availability of students from outside the EEA.

The Council welcomes the move to restrict the right to work to students who are completing full-time courses of at least one year’s duration that lead to a recognised qualification. However, the new measures would not appear to be effectively implemented and the Council believes that this is one of the areas where there is a critical need for more effective enforcement.

The Council is concerned at the lack of co-ordination that up to now has been a feature of the system of student visas and the work permit system. Employers who are refused a work permit could employ a non-EEA student without satisfying the usual work permit requirements. Student visas were issued by the Department of Justice, Equality and Law Reform without reference to the Department of Enterprise, Trade and Employment.

The Council welcomes the Government plans to:

- ◆ Extend the work permit system to students; and
- ◆ To introduce a scheme whereby non-EEA students who have studied and attained a sufficiently high level of educational attainment here, for example, a primary honours degree or higher qualification, would be permitted to remain in Ireland for a defined period in order to seek employment. It is envisaged that on receipt of a job offer in sectors where skill shortages exist, a graduate student would be eligible for either a Green Card or temporary work permit.

#### **8.4.5 Family Reunification: Proposals**

Perhaps the most significant area of Irish migration law and practice requiring further development is that affecting family reunification rights. Non-EEA nationals legally resident in Ireland, EU citizens living here and Irish nationals may have a family member (spouse, partner, dependent child, etc) who is a non-EEA national. It is, of course, more likely to be the case for non-EEA nationals themselves and, unsurprisingly, they account for the majority of requests for information and assistance with the process of family reunification (Immigrant Council of Ireland, 2006). It has been the experience of many EU countries that an inflow of third-country nationals for the purposes of work is followed years later by substantial inflows of third-country nationals for the purposes of family reunification.

The Council is aware that family reunification is:

- ◆ An area of concern to a growing number of people in Irish society;
- ◆ A major influence on the well-being of many people (those in Ireland who are without some or all of their families; the family members overseas who are apart from their parent, household head, spouse, partner or whomever; young mothers and their children in particular);
- ◆ A significant gender issue;
- ◆ Potentially the single largest channel in future years through which non-EEA nationals will enter Ireland; and
- ◆ Currently the source of significant anomalies, administrative delays and inconsistencies in how people are treated.

The Council is also aware, however, that trade-offs can and do exist between permitting prompt entry to the non-EEA family members of any person legally resident in Ireland and the broader goal of achieving a managed and sustainable migration policy which underpins Ireland's major objectives for its society and economy. On the one hand, granting prompt permission to non-EEA family members, understood in a wide sense, to join their loved ones in Ireland—other things being equal—enhances individual well-being, honours respect for privacy and an intimate family life, aids the process of integration of migrants into Irish life and adds to labour supply in a way that is more efficient than sourcing further non-EEA nationals with no base waiting for them when they arrive in Ireland.

On the other hand, family reunification, which is not regulated as an integral part of an overall migration policy, can give rise to a number of problems. Chain migration may be set in motion if family members are admitted who have their own dependants (e.g., older married children, married siblings, parents still supporting siblings of the sponsoring migrant). The scale of inflow of dependants may confine policy to playing catch-up rather than leading; after struggling to cope—successively—with the surge in asylum seekers, rapid expansion of work permit holders and major inflows from new EU Member States, family members would constitute a fourth wave. Marriages of convenience may increasingly be attempted. The pool of migrants willing to undertake lower-skilled work in the economy may grow disproportionately. The proportion of the migrant population with poor language skills and who are inactive could increase sharply, compounding the challenge of integration. A higher proportion of the migrant population with family dependants will increase their consumption of public services. Perhaps this should not be seen as 'a problem', but as marking the end of a period of significant under-consumption of social benefits, when many migrants were young, recently arrived, and had few family members here.

The Council welcomes the identification of issues concerning family reunification made in the Department of Justice, Equality and Law Reform's 2005 discussion document, *Immigration and Residence in Ireland: Outline policy proposals for an Immigration and Residence Bill* (see Box 8.2) and the rich discussion to which its proposals have given rise. It makes the following observations in the spirit of contributing to this discussion.

### Box 8.2 Proposals on Family Reunification in the Department of Justice, Equality and Law Reform's April 2005 Discussion Document

- ◆ Family reunification provisions to be set out in an accessible and transparent fashion in secondary legislation or practice instructions.
- ◆ A non-national entitled to reside in Ireland on a long-term or permanent basis should be entitled to apply to be joined by his/her spouse and minor unmarried children where the family will be economically viable in the State, subject to public policy and security issues.
- ◆ The admission of family members in other cases should be covered by schemes made by the Minister.
- ◆ The issue of non-marital partnerships and same-sex relationships will be considered and provision could be made for schemes to deal with these in accordance with the treatment of such relationships in Irish law generally.
- ◆ A sponsorship scheme to allow unmarried children over 18 to join their family members with long term or permanent residence in Ireland is to be considered.
- ◆ Other circumstances to be covered in schemes to be made by the Minister include: admission of fiancées of persons resident in Ireland, foreign adoptions and the situation of family members in the event of the death of head of a family, marriage breakdown or in the event of domestic violence.
- ◆ Consideration is to be given as to how abuses of family reunification, including marriages of convenience, can be dealt with. Sanctions should be provided.

Given the complexities outlined above, a preference to rely on secondary legislation and practice instructions, rather than primary legislation, in order to respond more effectively to the diversity of individual family situations and rapid developments at the national level, is understandable.<sup>8</sup> However, primary legislation has the advantage of benefiting from wide debate within the Oireachtas and the particular legitimacy that that confers; it also gives rise to stronger entitlements and to arrangements whose stability and visibility aid transparency and accessibility. Where secondary legislation, nevertheless, remains the most sensible approach, the importance of transparency and accessibility should be major concerns in how the procedures are designed. The more individuals themselves can predict when their applications will be successful, the less administrative time and resources are consumed and the less likelihood there is of delays, inequitable treatment, and the perception of arbitrary or inequitable treatment.

It is clear that a significant anomaly exists in how non-EEA family members of Irish nationals are currently treated by immigration law and practice. Where Irish

8. Primary legislation means Acts passed by the Oireachtas. Secondary legislation is not enacted by the Oireachtas but is the responsibility of another party to whom the Oireachtas has delegated legislative power by statute, usually Government Ministers. Secondary legislation usually takes the form of Statutory Instruments: there are five main types—orders, regulations, rules, bye-laws and schemes. Generally, they facilitate legislation in relation to detailed day-to-day matters arising from the operation of the relevant primary legislation.

people have worked elsewhere in the EU for a period and return to Ireland, they acquire the status of EU citizens who have moved for the purpose of work; the definition of their ‘family members’ is broader and their entitlement to join the Irish citizen stronger and clearer than in the case of Irish citizens who have not worked for a period elsewhere in the EU (see Chapter 2, Section 2.2.5 above). The Council supports the early correction of this anomaly and the extension, as far as possible, to all Irish nationals of similar entitlements and treatment for non-EEA nationals who are members of their families.

The Council notes the principle advanced that more favourable conditions for family reunification should apply for people entitled to reside on a long-term or permanent basis than for shorter-term residents.

The Council is aware that competitiveness considerations have prompted extending family reunification to high-skilled workers immediately on their being offered full-time employment in Ireland; while concern at the implications for public resources mean low-paid migrants—earning less than the FIS threshold—have to have completed three years legal residence before family members can join them on similar conditions. While the particular economic and public resource consequences of welcoming the family members of low-paid migrants have to be faced, it is obvious that, at the same time, the human need for family reunification does not vary with the skill or earnings levels of migrants’ jobs. The Council is concerned at the degree of this difference in treatment. It notes the significant principle articulated by the European Commission—that integration, generally, ‘involves the development of a balance of rights and obligations *over time* (emphasis added) and that, thus, the longer a third-country national resides legally in a Member State, the more rights and obligations such a person should acquire’ (European Commission, 2003). It believes that further discussion of the FIS threshold restricting family reunification rights for low-paid migrants is merited. For example, is it desirable that heads of families from outside the EEA should be in Ireland for up to three years on earnings below the FIS threshold? If this is facilitated, should some form of family reunification not be available to them after 12 months?

Legal and administrative support for family reunification should, as far as possible, reflect considerations of the sponsoring migrant’s well-being and that of the family member(s) in question. Non-EEA nationals legally resident in Ireland for long periods for whatever reason (low-skilled employment or PhD students as well as high-skilled work) should have their need for, and entitlement to, an intimate family life acknowledged and protected.

The understanding of the family that shapes policies and practices on family reunification need not be the same as currently shapes Ireland’s laws and public services generally (e.g., on inheritance, tax, social welfare, etc.). This is already the case with how the family members of EU migrant workers are understood for the purposes of migration. In discretionary decision making, due acknowledgement should be given to differences in the legal and cultural meaning of the family in other countries (e.g., the recognition and prevalence of unmarried partnerships and same-sex marriages in countries from which the sponsor of an application for family reunification has come, the role of the grandparent in those countries, etc.)

Notwithstanding this, observation of anomalies such as that EU migrant workers in Ireland enjoy a wider definition of ‘family members’—for migration purposes than Irish nationals themselves—are an example of the way in which migration prompts discussion as to whether and how the definition of family in Irish law should change. However, wider and deeper considerations must settle it.

There is a trade-off between the flexibility and responsiveness of administrative practices in dealing with the diverse and changing circumstances of applications for family reunification, on the one hand, and the transparency and clarity that might be achieved by defining criteria in primary legislation, on the other.

#### 8.4.6 Irregular Migration

The number of irregular or illegal migrants is not known, as noted in Chapter 2. Very few employers have been prosecuted for employing irregular migrants. Of particular concern are those who become undocumented through no fault of their own. This can arise through employers failing to renew work permits, without clearly signalling this in advance so that the work permit holder was in a position to seek alternative employment. There are a number of possible ways of addressing the concerns of irregular migration. One option would be a general amnesty. This, however, would not prevent the problem re-emerging and would create an expectation of further amnesties. A more limited reform is the proposal of the Migrant Rights Council of Ireland (MRCI) to provide a temporary visa for those who have become undocumented through no fault of their own. This would provide an opportunity for people to seek employment and work permits and pursue formal complaints against employers. The situation will be improved by the fact that under the 2006 Employment Permits Act, the permit will be granted to the employee so that the employee will know when the permit is due to expire. The Council supports the recommendation of IOM that there should be clear and effective procedures that penalise employers who employ migrant workers without valid permits (IOM, 2006: 101).

#### 8.4.7 Developing Countries: Other Issues

In discussing the quantity of work permits to be issued, we made reference to the interests of developing countries (see Section 8.4.2 above). This section discusses other concerns of developing countries.

The IOM Consultants point out that remittances by migrants make a huge contribution to the developing world (IOM, 2006: 104). In many countries, migrants’ remittances are more important than official development aid. A World Bank study identified 36 countries in which remittances were larger than all public and private capital inflows. One concern is the high cost of making international money transfers. For example, the IOM consultants found that the cost of transferring €200 to Nigeria was in the region of 8 to 16 per cent of the transfer, depending on the institution (IOM, 2006: 186). These costs are substantial for migrants who send money home on a regular basis. The IOM Consultants point out that the loss of even €100 a year is the equivalent to the school fees for a child, or food for a large family for a few weeks.

The international money transfer business is tightly regulated to prevent money laundering and terrorism. The Financial Services Regulator regularly publishes cost

comparisons of various financial services. It would be desirable to include the cost of international money transfers in such surveys. Greater competition is needed to reduce costs in this area. Efforts could be made to reach a voluntary agreement with financial institutions to moderate charges as a contribution to international development. Further research is needed to explore ways of reducing these charges.

There is a potential contradiction between development policy and the recruitment of high-skilled personnel from developing countries. The IOM consultants compare the ten countries to which Ireland contributes the most development aid—mainly targeted at the poorest countries—with the top ten countries from which Ireland receives migrants. These lists do not overlap, with the single exception of South Africa. Nonetheless, there is potential for Irish recruitment of skilled personnel to contribute adversely to brain drain in developing countries (IOM, 2006: 179-180). The UK Department of Health has published a list of countries from which health employers should not recruit. The Council recommends the monitoring of the recruitment of high-skilled personnel from developing countries to avoid adverse effects. One area of potential concern is the recruitment of nurses from Zimbabwe and Nigeria. It would also be desirable to encourage the return of experienced people to developing countries.

The IOM report highlights the potential role of migrant communities in contributing to the developing of sending countries (IOM, 2006: 186-187). For example, significant remittances have been collected in the US among the Mexican community through hometown organisations or associations and directed to specific village and urban or rural projects. Another example is the Migration for Development in Africa (MIDA) programme. This programme was established by IOM as a capacity-building programme to mobilise expertise acquired by African nationals living abroad, making it possible for African nationals to contribute directly to the development of their countries of origin. It is argued by the IOM consultants that the potential of migrants to be a resource for development remains largely untapped by development agencies in Ireland (IOM, 2006: 190).

#### **8.4.8 The non-EEA Migration System: Reform Principles**

In this section the Council outlines two key principles that it believes should inform how the administrative system interacts with non-EEA nationals.

##### **Transparency**

There is a need for greater transparency in the procedures for dealing with migrants. Everyone interacting with the system should have clarity about the rules, rights and obligations. People should have sufficient information with regard to the criteria for decision making in advance of their applications, so that they are in a position to make an informed judgement on the likely success of their application. This is often not the case at present. The Council understands that the Department of Justice, Equality and Law Reform intends to publish policy guidelines that are used in decision making. This could be a very positive development.

## Customer Service

There is a need for the departments and agencies that constitute the immigration system to provide a more satisfactory standard of customer service on a consistent basis. The need to enhance the level of customer service is acknowledged in the paper by the Department of Justice, Equality and Law Reform (2005) on proposals for the Immigration and Residence Bill. A particular concern is the long delays and the lack of transparency often faced by non-EEA nationals in the processing of applications. There is now a two-year delay in the processing of citizenship applications. The volume of work has placed considerable strains on the system. The establishment of the Irish Naturalisation and Integration Service (INIS) has the potential to provide an enhanced level of customer service. Investment is underway in IT systems that should provide the basis for better services. The Council proposes the development of a customer service charter covering all aspects of the immigration application/registration scheme, along with mechanisms to ensure its delivery.

### 8.4.9 Summary of Recommendations

The Council's recommendations can be summarised as follows:

1. The principle of preferential access for EU nationals to the Irish labour market should be effectively implemented.
2. The Council welcomes the intention to establish a system of Green Cards that provide a fast-track to permanent residence for high-skilled workers.
3. Work permits have a very limited role to play in meeting the demand for lower-skilled labour.
4. In the Council's view, it is important that Ireland avoid the mistakes of other countries in operating policies to attract low-skilled workers on a (supposed) temporary basis. In particular, it is vital to prevent low-skilled migrant workers being trapped in low-paying, cost-sensitive, vulnerable sectors. Consequently, the Council proposes that consideration be given to a number of reforms:
  - The statement of rights provided to work permit holders should include the right to join a trade union.
  - That migrants in lower-paid work would, on certain conditions, have the opportunity to undertake training to support upward mobility; and
  - Possible sectoral approaches to labour market shortages, training and business development should be explored.
5. In deciding on the scale of migration to be facilitated through work permits, the following considerations should be taken into account.
  - In certain cost-sensitive traded activities there can be very limited scope for improving pay and conditions.
  - The IOM Consultants point out that 'the level of labour immigration in the interest of individual employers is unlikely to always coincide with the best interest of the overall economy' (IOM, 2006: 101). Work permits should not be issued on the assumption that it is always desirable to sustain low-valued, cost-sensitive export activity.

- Migration from outside the EEA should not undermine the objective of increasing Ireland's rate of labour force participation to the levels that exist in best-practice countries in the EU;
  - People who enter on temporary permits may become permanent and, consequently, the long-term implications should be considered; and
  - Work permits should not be issued on a scale that would undermine work standards.
6. There should be clear and effective procedures that penalise employers who employ migrant workers without valid permits or employ people on student visas contrary to the terms of these visas.
  7. An integrated perspective should be maintained on all of the ways in which people can access the labour market.
  8. Ireland's public authorities and education sector should define Ireland's international education policy and ensure that all institutions providing education to international students comply with it.
  9. The Council welcomes the identification of issues concerning family reunification made in the Department of Justice, Equality and Law Reform's 2005 discussion document, *Immigration and Residence in Ireland: Outline policy proposals for an Immigration and Residence Bill* (see Box 8.2) and the rich discussion to which its proposals have given rise. The Council supports the early correction of the anomaly in treatment of non-EEA family member of Irish nationals and those who have acquired the rights of EU citizens; and it supports the extension, as far as possible, to all Irish nationals of similar entitlements and treatment for non-EEA nationals who are members of their families. The Council believes that further discussion of the restrictions on family reunification rights of low-paid migrants is merited.
  10. The Council makes the following recommendations in relation to developing countries:
    - The relationship between overseas development aid from Ireland, and migration into Ireland from the developing world, should be further explored in research and policy. Migrant associations should be encouraged to become partners in development.
    - The recruitment of high-skilled personnel from developing countries should be monitored to avoid adverse impact on the poorest countries.
    - The possibilities for reducing the costs of transfers of migrant remittances should be explored.
  11. There should be greater transparency in the treatment of migrants by the administrative system. A customer service charter should be developed to ensure a consistent high level of customer service across the administrative system that deals with migrants.
  12. There is a need to improve the availability of data on migration (see Chapter 12).

# 9

## Labour Standards and Labour Market Policies

## 9.1 Introduction

In Part I we reported the many impacts that labour migration has had on work patterns and the Irish labour market and identified a range of possible further effects. Here we discuss the labour market policies that are necessary to ensure that migration serves Ireland's goals, as described in Chapter 6.

One of the findings of Part I is that some migrant workers have experienced unsatisfactory working conditions, including violation of Irish employment law—although it is very hard to be sure how widespread this is. This is probably the most widely-discussed aspect of migration and, consequently, we begin by considering labour standards.

The Council's analysis of migration and integration suggests that labour standards are not, however, the only policy issue of concern and should not be considered in isolation from wider labour market policy. The success or failure of migration depends on how well the labour market works for both migrants and Irish citizens. As argued in Chapter 6, it depends on whether migration supports a general upgrading of the economy, skills and work.

Consequently, the Council believes that in addressing the issue of labour standards we need to clarify our understanding of the role of the labour market in overall economic and social strategy, and of the role of institutions and rights in the labour market. For this reason, Section 9.2 discusses why labour standards are important within the Council's unified view of economic and social development and identifies some implications of this. Section 9.3 outlines the Council's support for the 'New Compliance Regime' agreed by government and the social partners and draws attention to some interesting international innovations in monitoring labour standards and promoting compliance with them.

A central argument of this chapter—indeed, of this whole report—is that labour market policy, in key areas, is one of the most important policy responses to migration. Thus, Section 9.4 emphasises that labour market policy is also the key context determining how we should seek to shape migration. Thus migration would ideally be of a scale and composition that supports (1) an upskilling of the resident population and (2) further progress in raising the employment rate.

## 9.2 Why Labour Standards?

### 9.2.1 A Unified View of Economic and Social Development

As noted above, one of the main concerns about migration is that in a number of employments there are violations of labour standards and employment law. In the Council's view, building an effective system for 'enforcement' of minimum standards depends on a widely-shared understanding of why these standards exist and why the whole of society should want them complied with. We do not want enforcement merely for the sake of law. Why do we care about payment below the minimum wage, non-payment of agreed overtime premiums, excess hours, non-payment of holiday pay, unfair dismissal, unlawful deductions, bullying and non-issuing of payments slips? Do we see compliance with these as a part of national progress, or a burden on it?

The answer to these questions can be found in our core goal—a successful society, and our shared understanding of how that can be achieved in Ireland. Since that goal and understanding were discussed in some detail in the Council's 2006 Strategy report, we merely highlight three relevant aspects of it here.

First is the role of participation, work and the labour market in our vision of a successful society in Ireland. Participation is seen as vital for individual well-being and societal success. Work is a key form of participation and most work is conducted through voluntary contracts of employment. Having made great progress in increasing employment and reducing unemployment, Ireland has further to go in increasing the *employment rate* and removing obstacles to participation which many face.

Second, given the reality of international competition, a particular challenge for Ireland now is to upgrade its businesses, technology and skills. While the creation of employment across the skill spectrum is a genuine part of economic and social progress, jobs that are reliant on low standards are not.

Third, the two outstanding challenges noted above—further increasing participation and upgrading—imply a new relationship between social and economic goals. Now, the medium- and long-term strength of the economy depend not only on increased investment in physical infrastructure and scientific research, but also on a deepening of capabilities, still higher participation rates, internal as well as external connectivity, more social mobility and successful handling of diversity, including immigration (NESC, 2005b).

From every angle—individual well-being, social cohesion, economic dynamism and competitive business performance—core labour standards and employment rights are integral to this understanding of where Ireland's interest lies. Compliance with these standards, and enforcement of them where necessary, is a shared agenda of government, employers, unions, social organisations and Irish society generally. When framed correctly, they are not a burden on economic success, business performance and the market order but are supportive of them. Their purpose is to help businesses, employees and others to see where Ireland's interest really lies and help them in getting there (Langille, 2006).

### 9.2.2 Implications

The argument developed above has a number of implications. These concern the role of partnership, the evolving system of employment relations, the importance of procedural as well as substantive norms, and the importance of wider labour market policies.

#### Partnership

The issue of migration and labour standards, and measures proposed to address them, are sometimes viewed in apocalyptic and dualist terms—as a portent of a race to the bottom or a major threat to Ireland’s flexible labour market. The unified view of economic and social development suggests that the apocalyptic and dualist view is incorrect. The unified perspective accepts that Ireland faces many challenges in the labour market and workplace governance and suggests that the issues raised by migration should be seen in this context.

Adopting this shared understanding, Ireland’s economic, social and policy actors are capable of addressing these problems in a problem-solving way. This is reflected in the new partnership agreement:

The social partnership process has been reflected in the ongoing practice of Government and the social partners as well as in the development of legislative and regulatory frameworks. Insofar as the economy and employment are concerned, a particular focus has been on improving the employability and adaptability of employees, both before and during their working life. Similarly, the positive management of change, dealing equitably with the fallout from structural and other forms of change, provides a basis for high employment rates in a competitive global market. The altered circumstances in the Irish labour market arising from the decision to permit direct access by citizens of the new Member States can also be addressed through social partnership, through the attempt to formulate a shared understanding of the issues which arise, the options for responding to them and the combination of public policy and procedural responses which are most appropriate (*Towards 2016*, 2006: 92).

Indeed, not only is it *possible* to address these issues through partnership, but national social partnership can be a critical support in finding a constructive approach. This is so, first, because law and public agencies need to be mobilised to address the labour market issues thrown up by migration. Consequently, a partnership involving government has advantages over alternative approaches. But beyond that, partnership can be important in linking the actions of employers and unions to larger and wider national development goals. The labour issues thrown up by migration and globalisation can sometimes put employers and unions in uncharted territory; because of this, both risk a loss of reputation and credibility when they act unilaterally and purely locally on the more difficult labour issues thrown up by migration. Experience shows that partnership, with government and with each other, can help them to demonstrate to society that their actions serve not only their own legitimate self-interest, but also wider social purposes.

### The Evolving System of Employment Relations

As stated above, certain substantive, legally-binding, labour standards are integral to our idea of a successful economy and society. This has clear implications for compliance with, and enforcement of, employment law. But the idea of a successful economy—in which innovation and change are pervasive—implies that we look beyond basic standards to the overall system of employment relations. Although compliance with basic standards is indispensable, it is the general quality of opportunities, work and employment relations that will determine whether we achieve a successful economy and society.

In Ireland and other countries, many dimensions of employment relations are changing simultaneously, reflecting changes in the economy, organisation, technology, logistics and society. International research strongly confirms that there are connections between the many changes in employment relations; these changes include a move from internal labour markets, a transition from hierarchies to flatter and networked firms, the changing coverage of collective bargaining, a growth in the volume and complexity of labour law, greater reliance on individual employment rights, and new systems of conflict resolution and mediation (Brown and Oxenbridge, 2004; Teague, 2005; Stone, 2004; Piore and Safford, 2006). If our guiding star is a particular idea of a successful economy and society (innovative, participative, flexible), and our main method is joint problem solving (partnership), then the focus needs to be on these wider open-ended changes in employment relations, not just on compliance with a number of defined minimum standards, important though these are.

Indeed, awareness of the overall, inter-related, evolution of employment relations probably has some implications for how we understand and address the narrower task of compliance with the basic standards set out in employment law. For example, it suggests that it would be partial to focus only on the increased burden of regulation, without acknowledging the declining incidence of collective bargaining; to see increased non-compliance as purely evidence of deteriorating behaviour by employers, without acknowledging the increased burden of regulation and variety of employment relations; and to focus only on the reduced incidence of collective bargaining, without acknowledging the increase in individual employment rights. This suggests that the challenge for the social partners and government is to jointly devise and implement a new compliance model, focusing on effectiveness in promoting compliance, fairness and impartiality, and ease of understanding and use.

### The Continuing Importance of Procedural Norms and Standards

As noted above, a number of substantive labour standards and employment rights are integral to our understanding of where Ireland's interest lies. But beyond that, there are good reasons to focus on procedural rather than substantive norms defined in statute. A central feature of labour law and industrial relations has long been a combination of a few substantive norms and mainly procedural norms. The primary procedural norm is, of course, the right to association and collective bargaining—hence its place among the ILO's four 'core labour standards'. As Langille says, 'The distinctive point of collective bargaining is that it delivers what no employer or state, however benign, can...offer to workers—the opportunity to

participate, to create workplace norms and processes themselves' (Langille, 2005: 430). Although migration has thrown up concerns about compliance with a number of substantive, legally-defined, standards, our underlying goal is, in the main, still best served by seeing labour market directives, regulations and rights as creating the spaces within which local solutions are sought. This remains true, despite the undoubted secular trend, noted above, towards legally-mandated individual employment rights in most Western democracies. In most cases, these are most meaningful when their real substance is fleshed out within enterprises, by the joint efforts of managers, unions and employees. Although public institutions have a critical role in securing compliance with those substantive standards that are defined in law, and in assisting parties to achieve the 'new' individual employment rights (such as non-discrimination), there can never be a substitute for the participation of employees and employers in finding concrete solutions to concrete problems.

### **Wider Labour Market Policy as Important**

A final implication of the perspective outlined here is that wider labour market policy is as important as enforcement of labour standards in making sure that migration contributes to economic and social development. A number of aspects of wider labour market policy—principally, the challenge of upskilling and further raising the employment rate—are discussed in Section 9.4 below.

## **9.3 Achieving Labour Standards**

### **9.3.1 A New Compliance Regime**

The new social partnership agreement, *Towards 2016*, recognises the broad level of compliance with employment rights across the economy generally, but emphasises that there is, nevertheless, a significant shared commitment between the parties to securing better compliance with legal requirements, underpinned by adequate enforcement. It is also agreed that an effective employment rights compliance system must cover:

- ◆ The active and responsible contribution of employers, employees and trade unions;
- ◆ The education of vulnerable workers;
- ◆ The promotion of entitlements, with a special emphasis on workers from overseas;
- ◆ Information provision to all employees and employers;
- ◆ Substantially strengthened arrangements for inspection;
- ◆ Adjudication by the Rights Commissioners, Employment Appeals Tribunal and Labour Court; and
- ◆ Enforcement of adjudication outcomes.

The overall objective is to secure greatly increased public confidence in the system of compliance on the basis of an informed and empowered working population, who will have simple, independent and workable means of redress, underpinned by the need for fairness and impartiality, with adjudication and, if needs be, enforcement available to them in a reasonable length of time.

A major package of measures has been agreed by the parties with these aims in mind, including the establishment of a new statutory Office dedicated to employment rights compliance; a trebling in the number of Labour Inspectors; greater coordination among organisations concerned with compliance; new requirements in respect of record keeping; enhanced employment rights awareness activity; the introduction of a new and more user friendly system of employment rights compliance; increased resourcing of the system; and higher penalties for non-compliance with employment law (see *Towards 2016*, Part 2, Sections 13 to 16).

The Council endorses this approach. It sees it as informed by the shared understanding of a successful economy and society and as providing the basis for a joint problem-solving approach to both the narrow issue of compliance and the wider issue of evolving employment relations.

### 9.3.2 Learning from International Developments

Based on the arguments outlined above, it is not the *legitimacy* of standards that is in dispute, but the *effectiveness* of earlier approaches to monitoring and enforcing them. In building and operating the new compliance regime, the Office of the Director of Employment Rights Compliance (ODERC) and the social partners might learn from some interesting international innovations in monitoring labour standards and promoting compliance with them.

In a paper published by the Institute of Public Administration of Canada, Saunders and Dutil review new approaches to achieving compliance with statutory employment standards in Canada, New Zealand, the UK, the US and a number of other countries (Saunders and Dutil, 2005). Among the interesting innovations identified are:

- ◆ Partnering with schools boards, business associations, unions and NGOs;
- ◆ The promotion of compliance by sectoral business associations and sectoral training institutions;
- ◆ Identification of *accountants* as a key new audience for employment standards outreach initiatives, and the use of accounting firms as key monitors (see below);
- ◆ The creation of websites that allow interactive use of information technology to both assist in achieving compliance and employees in reporting violations;
- ◆ New Zealand's self-audit tool for businesses, with which they can identify their most important employment relations and Health and Safety issues; and
- ◆ Provision of information to students in driving schools, given that transport is a sector that is traditionally responsible for a high proportion of violations.

Saunders and Dutil suggest that a mix of tools holds promise for promoting compliance with employment standards. While moving in new directions ‘will likely require some temporary increase in resources’, once a culture of compliance is established the rate of violations should decline; consequently, ‘the additional resources may be needed only in the process of transition to the new context in which everyone knows what the standards are, and that they need to be taken seriously’ (Saunders and Dutil, 2005: vii).

Research by Fung *et al.* (2001) is interesting because it documents innovative approaches to labour standards in some inhospitable environments—the international economy and the informal economy. They argue that two recent developments in the organisation of work account for many of the shortcomings of traditional strategies for dealing with the problem of labour standards: first, the increasing decentralisation of production into tiered networks of supply chains that span the globe; second, the related recomposition of what is often called the informal sector. Although these changes undoubtedly undermine traditional approaches to inspection and sanction, Fung *et al.* show that they create new regulatory opportunities. As regulators lose oversight, firms have markedly increased their ability to monitor suppliers. Indeed, the same logistical and quality standards that govern global production often govern subcontracting from the formal sector to the informal sector today. The distance between the formal and informal sector is thus not as great as it at first appears.

Fung *et al.* (2001) show that labour, environmental and health and safety regulators have noted these structural changes and developed innovative programmes that take into account the organisation of modern supply chains, the vulnerabilities of firms that result from them, and new forms of public pressure generated in part by the new regulatory regimes.

One example is the US Department of Labor’s ‘No Sweat’ programme, which has raised labour standards in the clothing sectors of New York, San Francisco and Los Angeles—where much of the work is done by immigrants in units employing one or two dozen workers. Because large retailers and ‘manufacturers’ adopt ‘lean retailing’ and ‘just-in-time’ production techniques, they open opportunities for improving labour standards. First, regulators can stop business along the entire supply chain by stopping it at any one point. The ‘hot cargo’ provision of the US Fair Labor Standards Act (1938) gave them that power, since it makes it unlawful ‘to transport, offer for transportation, ship, deliver, or sell ...any goods in the production of which any employee was employed in a violation’ (Fung *et al.*, 2001, p. 4). Second, the new business methods have greatly increased the information and control which corporations have on sub-suppliers. A combination of their own ethical commitment, public policy, consumer power and public pressure can make them take responsibility for the behaviour of smaller suppliers. Fung *et al.* argue that important innovations in environmental regulation and monitoring offer encouraging lessons for those seeking to improve labour standards (see also Lobel (2006) on new approaches to health and safety).

Important examples of these new approaches include the response of major sports clothing labels, Nike and Adidas, to pressure from consumers about labour standards in the thousands of third-world factories that supply them. They have

adopted codes of practice, established foundations and instituted systems in which their sub-suppliers must open their workshops for inspection by a range of organisations. There has been a proliferation of independent monitoring and third-party social certification programmes in both the US and Europe. Consulting and financial auditing firms, such as Ernst and Young, Pricewaterhouse Coopers (PwC), SGS International Certification Services, Cal Safety Compliance Corporation and others have recognised this growing market and begun to offer themselves as social inspectors. They perform thousands of social audits each year. In order to allay public scepticism about these largely voluntary approaches (given the international context), it has proven necessary to involve respected NGOs in evaluating and certifying these monitors<sup>1</sup>.

The Council believes that, in developing and using the new compliance regime, the ODERC and the social partners might learn from innovative international approaches to labour standards and, indeed, innovative Irish approaches to environmental protection, health and safety and food safety. While something can be gained from more vigorous implementation of traditional approaches, in most areas of regulation there are new forms of ‘responsive regulation’ (Ayers and Braithwaite, 1992). These involve less reliance on ‘command and control’—with clear fixed rules, inspection, condemnation and sanction—and more use of sophisticated monitoring with external oversight and, of course, the possibility of sanction.

## 9.4 Migration and Labour Market Policy

The previous sections have clarified why and how policy must monitor and protect labour market standards vigorously in response to migration. This section examines the implications of migration for two more general goals of Ireland’s labour market policy—raising the productivity of people at work and raising the employment rate. It is clearly important that economic migration should complement these twin objectives and not slow their attainment.

### 9.4.1 Raising the Productivity of People at Work

There is a growing consensus that the principal goals of labour market policy need to be refocused in response to Ireland’s ambition to base the competitiveness of its economy more on knowledge and innovation than on low costs. It is also clear that a larger proportion of the increase in effective labour supply required to underpin future economic growth will have to come from increasing the productivity of people *in* the workforce than in the past, as the more ready sources of additions to the workforce (women in the home, former emigrants, the outflow from the educational system, and the stock of unemployed people) are now smaller. Both observations imply that policies which raise the skills and competences of people of working age are growing in importance relative to those which concentrate on the education and training of young cohorts preparing to enter the workforce.

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1. Among these are the Fair Labor Association, Social Accountability International, Worldwide Responsible Apparel Production, Workers Rights Consortium and Clean Clothes Campaign, based in the Netherlands.

There have been significant achievements and these should fuel the confidence and ambition to make more rapid progress.<sup>2</sup> However, the challenges ahead in this area remain formidable. For example, over the 12-year period, 1994-2005, Ireland doubled the proportion of its population aged 25-64 receiving education and training to 8 per cent, but the Lisbon target is for 12.5 per cent by 2010 and the Nordic countries are attaining rates of 20 to 30 per cent (Eurostat).<sup>3</sup> Structural features compound the challenge.

- ◆ Ireland's relatively late expansion of secondary education by northern European standards has bequeathed us cohorts of older workers with low levels of formal educational attainment who are disproportionately employed in sectors and occupations that make them vulnerable to redundancy.
- ◆ Our educational institutions have traditionally focussed on young people with the result, for example, that mature students remain a small part of Ireland's third-level population by international standards and the average age of entry to third level in Ireland is one of the youngest in the OECD.
- ◆ The average age of people in the workforce is rising and set to do so more markedly as the large 'baby-boom' generation of the 1970s gets older. In the 2001 Census, for example, those on the verge of entering the workforce (young people aged 15-19) outnumbered those close to retiring from it (adults in the 55-59 age group) by 75 per cent. By 2036, the latter will outnumber the former by 15 per cent (even under the CSO's most favourable scenario for births). While this older workforce will be significantly better educated, the onus on it will also be greater to assimilate new technology, respond to training, redeploy within firms and move between jobs.

#### 9.4.2 Raising the Employment Rate

By early 2006, nearly two million people were at work in the Irish economy (1.998m), almost twice the number of 1986 (1.075m). While 'make-work-pay' policies have played an important role in assisting this expansion, the availability of a large labour supply was crucial. Up to 2003, the principal sources of additional labour supply were women (particularly those with a Leaving Certificate) who left home duties to take jobs, unemployed people who 'signed off', former emigrants who returned home, and students leaving the educational system for the labour market. Each of these sources of additional workers is smaller now while migrants who are nationals of other states, particularly from new Member States of the EU post-2004, have opened a 'new frontier' for expanding the workforce.

The largely indigenous sources of additional labour supply up to 2004 caused the employment rate (proportion of the population aged 15-64 in employment) in Ireland to rise markedly, from 53 per cent in 1994 to 67.6 per cent in 2005, a level already above the EU 15 average (65.2 per cent). If it is to advance further, however, to the Lisbon target of 70 per cent and beyond (it is 76 per cent in Denmark), there are signs that the easier ground has been covered and the harder yards remain.

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2. For example, the 'One-Step-Up' initiative envisages every employee, starting with those who did not complete secondary school, getting the opportunity to obtain a recognised qualification that raises them one rung on the National Quality Authority of Ireland's (NQAI) scaling framework; the National Training Fund and Skillnets; the development of a private training industry; etc

3. Based on respondents in EU Labour Force Surveys who state that they received education or training in the four weeks prior to the survey (all education and training, whether relevant to the respondent's main job or not).

Significant groups have been identified in the indigenous population, many of whose members have a capacity, interest and need to work but who will only be in a position to do so if policies actively and imaginatively address specific obstacles in their way. These groups include people of working age in receipt of social assistance for a status outside the labour force, persons with disabilities, particular sub-groups of women, early school leavers, older workers, members of the Traveller community and ex-prisoners. The first three of these are briefly reviewed below.

### **Social Welfare Dependency**

The actual proportion of the population of working age in receipt of means-tested social assistance has not changed despite the massive expansion in employment (NESC, 2005a: 53). The numbers of recipients of the One-Parent Family Payment and of Disability Allowance have grown by more than was sufficient to offset the fall in the numbers receiving Unemployment Benefit and Assistance. The Council has developed its case for social welfare reform in its 2005 study, *The Developmental Welfare State*, pointing to the ways in which the assumptions and conditions governing welfare payments to people of working age that developed during an era of chronic labour surplus do not serve recipients in at all the same way in the new conditions that now surround them. Much valuable work is now underway to embody more positive expectations of people of working age who are able to work. This aims to ensure that 'work pays' for them (including by identifying and redressing new benefit traps) and that engagement with service providers (childcare, education and training, etc.) is phased and required as the duration of their welfare receipt lengthens (Department of Social and Family Affairs, 2006).

### **Persons with Disabilities**

Some 11 per cent of the population of working age have a long-standing health problem or disability and they are only half as likely to be in employment as the total population in the same age category. Some of their lower employment rate is inherent to their condition, but some is because education, training, transport, workplaces and employers' recruitment practices do not adequately support them to exercise the work capability they do have. The National Disability Strategy is a comprehensive effort by the public system to address the physical, institutional and attitudinal obstacles in Irish life that have kept this large number of Irish people from participating to their potential in society and the economy. Employment data suggest that participation in the workforce of those with a longstanding health problem or disability remains significantly lower in Ireland than in Finland, France or the UK (*Statistics in Focus*, Eurostat, 26/2003).

### **Women's Employment Rates**

Further policy initiatives are targeting smaller groups in the working-age population (early school leavers, older people, members of the Traveller community, ex-prisoners, etc.). However, the single largest indigenous group among which there is considerable potential for raising the employment rate continue to be women.

The rise in women's employment rates from levels that were extremely low by advanced country standards accounts for a major part of the growth in Ireland's labour force and employment levels since the early 1990s. By 2005, 42 per cent of the people in employment in Ireland were women. Yet the rise in women's employment rates has more to run, particularly if Ireland were to aspire to reach the level of the best-performing EU countries; the female employment rate was 58.3 per cent in Ireland in 2005, but 8 to 13 percentage points higher in Denmark, Sweden, Finland, the Netherlands and the UK (Eurostat). Women's employment rates in Ireland are particularly low among women who did not complete secondary school, for women aged 35-54, and one of the lowest in the OECD world for women with two or more children below age 16.<sup>4</sup> Several major policy areas need vigorous development if more women are to have equal opportunities with men in accessing employment and following a career. The commitment to add another four weeks to both paid and unpaid maternity leave in 2006 and again in 2007, improves Ireland's poor comparative position in this regard. Momentum must be maintained in making Irish workplaces more family-friendly and accommodating to people with caring responsibilities. The gender pay gap and women's occupational segregation still need to be tackled with, for example, more strenuous efforts made to identify and redress the factors that cause women to be concentrated in lower paying occupations and to have career paths that do not reflect their educational attainments.<sup>5</sup> Most important of all, the availability and affordability of childcare must be significantly improved. This is without prejudice to women who decide to look after their children themselves and for whom the availability and quality of refresher and return-to-work programmes at a later stage in their lives assume greater importance. Slow progress in addressing childcare can impact on migration in two ways: it may make some migration necessary simply to compensate for the potential Irish workers kept from employment by their caring responsibilities; it may fuel the demand for migrants to work as childminders at wages that price their services significantly below the cost of formal childcare. Because of the importance of these issues, the Council makes a specific recommendation on childcare below.

#### 9.4.3 The Contribution of Migration

It is important that economic migration should complement the major long-term goals of labour market policy—raising the productivity of people at work and raising the employment rate. This complementarity can and does occur, in multiple ways, but it is also important to be alert to possible dynamics of a different sort that could slow Ireland's progress in meeting these longer-term objectives for its labour market.

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4. On women's employment rates by educational attainment, see NESC (2005b). On employment rates by number of children, see OECD, 2006: 34.

5. The issues are well reviewed in Chapter 3, 'Gender Pay Gaps', The Irish Labour Market Review 2005 (FÁS, 2006).

**Figure 9.1** Complementarity in Labour Market Objectives



The positive dynamics can be simply stated and, in fact, they describe much of Ireland's experience with migration in recent years. High-skilled migrants who work at the level of their skills, enhance the performances of private and public bodies operating in Ireland in a way that is beneficial to the customer/client base in question and, thus, to the full workforce. In Ireland, in particular, high-skilled migrants have augmented the capabilities of internationally-trading firms (in manufacturing and services), added to the capacity of public service delivery systems (principally in health), speeded the delivery of programmes for upgrading our infrastructure (civil engineers), and increased the scale and quality of R&D that can be carried out in the country (fourth-level researchers).

Migrants who undertake low-skilled work also contribute to Ireland's longer-term goals for its labour market. They release Irish people—and, indeed, other migrants employed in jobs below their potential—for higher-skilled work, including by performing caring activities that otherwise keep people from realising the value of their education in the formal labour market. In relatively low-skilled manufacturing, they enable export activities to remain competitive for longer and provide additional time in which exposed sectors can restructure in a more managed manner. In tourism, they enable Ireland's largest indigenous industry to attain scale and productivity levels that domestic labour supply alone would have constrained. In construction, they contribute to restraining costs and cushion, to some extent, the distortionary impact on Irish people's career choices of unusually high levels of construction activity.

Finally, migrants at work in both high-skilled and low-skilled employments contribute to the achievement of a higher economic growth rate and stronger public finances. They contribute indirectly, therefore, to making more resources available for investment in labour market programmes of every type.

Negative interactions between migration and long-term goals of labour market policy, however, can also arise.

The ready availability of high-skilled workers from overseas to perform key roles in the economy and public services may reduce the level of investment in, and pressure for reform of, domestic training systems. For example, while a welcome expansion and reform of medical training is now underway, the large recourse to migration to increase the numbers of junior hospital doctors enabled the

implications of a major skill shortage to be avoided for longer. The Council endorses FÁS' observation that migration to meet skill shortages should not be allowed to weaken longer-term policies for skills development:

It is crucial that immigration is not seen as the total solution to any skilled labour shortage. An over-reliance on immigration may help support our economy in the short-term but at the potential cost of hiding weaknesses in the skills of the indigenous labour force which would prove detrimental in the longer term. Instead, immigration should be used as *a medium-term solution* to address labour shortages whilst *allowing the Irish enterprise sector and labour force to up-skill* (FÁS, *The Irish Labour Market Review 2005*: 33. Italics added)

The ready availability of migrants to do low-skilled work may make the attainment of key labour market policy objectives more difficult in two ways. In the first place, they can introduce a new element of competition for entry-level and other lower-paid jobs in which the weakest indigenous applicants lose out. The migrants may have higher educational attainments and the confidence that gives them, the motivation to improve their English, the absence of family commitments increasing their availability to work non-standard working hours, the greater mobility within the country that is characteristic of migrants in general, and no reliance on social assistance and—thus—vulnerability to benefit withdrawal rates. Finally, they may more confidently view a relatively low-paid job as a starting point than indigenous applicants. These qualities of migrants, in themselves, are admirable and bring benefits to both employers and consumers/customers. Labour market authorities, however, have to appreciate that migration increases the urgency of reforms to address the difficulties of the weaker groups in the resident working-age population.

In second place, the ready availability of migrants to do low-skilled work may slow the process by which pay and conditions in certain jobs—where the scope for technology to boost productivity is inherently constrained (e.g., driving buses, cleaning hotel bedrooms, caring for children or older people, etc.)—come to share in the overall success of an economy. The result can be a widening of the earnings dispersion and the emergence of a two-tier labour market. This may have major consequences for labour market policies seeking to influence the welfare/work alternative (e.g., a growing demand for in-work benefits, pressures to reduce the 'reservation wage' of social welfare recipients, more 'wait unemployment' on the part of young job-seekers, a lower take-up of training by people having to work long hours or double-job). Even in jobs where there is scope for automation and organisational restructuring to boost labour productivity (e.g., assembly-type manufacturing, horticulture), ready supplies of migrant workers at a low wage may postpone the necessary measures and contribute to the retention of activities or sectors for which automation, outsourcing or relocation would be alternatives more in keeping with trends in the economy at large.

Finally, while migrants contribute to economic growth and fiscal revenues, they also generate a need for public spending, including on education and training. For example, while the pressure on resources limits support for adult literacy to two hours tuition a week over 30 weeks, new pressures develop to provide additional English language teachers for the children of migrants in the school system.

### Improving the Productivity of Migrants

The Council commends the work of the National Qualifications Authority of Ireland (NQAI) and FÁS in helping EU migrants meet Irish certification standards and, thus, obtain jobs commensurate with their skills and abilities. It supports the immediate access of EU nationals to FÁS employment services on arrival in Ireland, but believes their participation on FÁS training courses needs to be monitored to ensure that the up-skilling of the resident population and access to quality training on the part of disadvantaged job seekers are not adversely affected. It believes educational and training bodies should provide interpretation services and, where necessary, technical English language training to ensure that migrants entitled to their services get full benefit from them. However, priority access to general English-language training at taxpayers' expense should be for migrants at particular risk of social exclusion (e.g., the legally resident family members of low-waged workers) and in instances where the State formally assumes responsibility for the integration of migrants—as when it grants refugee status or is supporting their education as minors.

### Childcare

The Council has noted the developed expertise and comprehensive coverage of the City and County Childcare Committees and the solid improvements in quality and training that specialist national bodies have achieved with and through them (NESC, 2005b: 170-173). The supply of places was augmented significantly by the Equal Opportunities Childcare Programme of the 2000-2006 National Development Plan (NDP) and the Council welcomes the speed with which the new National Childcare Investment Programme (NCIP) 2006-2010 has taken over from the EOCP, even before the latter's completion. The Council, however, notes the evidence which suggests that the availability and affordability of childcare is likely to remain a significant constraint on the expansion of Ireland's indigenous labour supply over the coming years;

- ◆ As the numbers of older women available as informal carers gets smaller, the provision of affordable formal childcare becomes a more critical variable affecting the labour market participation of younger women (NESC, 2005b: 171).
- ◆ Over the five years that the NCIP aims to create 50,000 new childcare places, it is estimated that the population of children under 15 will grow by 93,000 (the M1F1 scenario in the CSO's 2006-2036 projections). The expansion of capacity in the community and voluntary sector, on which hinges the draw-down of most of the NCIP funding, is a slow process and accounted for the slow delivery of the EOCP.
- ◆ The necessary improvements in training and the development of career trajectories for childcare staff, and in Ireland's lowest wages relative to median earnings, will, other things being equal, increase the relative cost of childcare.

- ◆ Parents in Ireland faced the highest level of net childcare costs in the OECD in 2001 (Immervoll and Barber, 2005) and there is little evidence of any improvement since—average household expenditure on paid childcare increased by 23 per cent over the two year period, 2003-2004, while Gross Average Industrial Earnings (GAIE) grew by 10 per cent (CSO).

The Council urges the Office of the Minister for Children to keep childcare provision under review and to remain open to exploring even bolder initiatives with all interested parties should the availability and affordability of quality childcare not show marked improvement in the next few years.

# 10

## The Challenge of Integration

Immigration policy can never remain still because there are **no durable solutions in immigration, only trajectories**. These are shaped by history and context, but also by strategic choices, responses to situations that arise spontaneously, and by the economic, social and institutional capacities that exist, or that society is prepared to create. (IOM, 2006: 146, emphasis added)

## 10.1 Introduction

Critical to the integration challenge, in the view of the IOM Consultants, is building a widely-shared vision of how migration might contribute to a dynamic, secure and socially-cohesive Irish future. From this base, stakeholder alliances will emerge and coherent planning can take place. In the absence of such a vision, policy will remain fragmented and integration will be impaired.

## 10.2 The Consultants' Approach to Integration

As noted in Chapter 6, integration can best be seen as a multi-dimensional process, unfolding over a long time-horizon, generally seen as extending into the second and possibly even the third generation.

Ultimately it requires the formation of some shared values and norms, but to focus on this misses the point that integration is a process, and is not static. The manner in which this process is conducted is as important as its results. Implicit in this is the idea that values are by-products and not ends; the result, and not the precursor, of living, working and playing together, particularly on projects in the public domain (IOM, 2006: 170).

Furthermore they assert: Rather than focusing exclusively on such questions as 'how do we become the same?' or 'how similar do we need to be?'—questions that lead in the direction of social engineering—the government needs to pay attention to the question 'how might we best live together?' (IOM, 2006: 169)

Beyond the high-level objectives that must inform strategic oversight lie the practical tasks of integration, the everyday realities for migrant and host alike. National government undoubtedly has a critical role in addressing the integration challenge through the creation of overarching and symbolic frameworks that set

out the rights and responsibilities of societal membership. It must also address the nuts and bolts of the task, since the stuff of genuine integration is the stuff of making a life, in all its aspects.

Accordingly, the Consultants contend that, at a minimum, social and economic integration requires that immigrants:

- ◆ Be able to communicate well in the language of the host community;
- ◆ Be economically independent and able to find work commensurate with their abilities and qualifications;
- ◆ Have access to adequate housing and transportation;
- ◆ Have access to critical services, especially health and education;
- ◆ Obey the law, respect democratic institutions, pay taxes and participate in the political process; and
- ◆ Seek to develop an empathy with the society they wish to join.

The Council accepts these as a useful way of viewing the migrant integration process.

Given the scope and nature of the integration challenge, its lengthy time-horizon and cross-cutting policy dimensions, overarching and active public policy management will be required. Rather than define integration, the Consultants identify three dimensions along which progress towards integration can be measured:

1. Measures relating to socio-economic performance and civic behaviour that focus on egalitarianism and equal opportunity, essentially measures of conformity, comparing immigrant and minority outcomes with those of 'mainstream' residents;
2. Measures of structural integration that focus on the extent to which people live together in a common civic space, and whether they rely on common or parallel institutions, and
3. Measures of values, attitudes and behaviours that compare migrants with members of the host society in order to determine the degree of social cohesion and solidarity that exists in society.

As the Consultants point out, social change invariably creates discomfort. It is hardly surprising, therefore, that the profound changes introduced by immigration and growing ethnic, racial, cultural and religious diversity can generate conflict and reduce overall levels of trust within society, trust being a key ingredient of social cohesion. Coping with these changes and with their effects constitutes a major policy challenge for all multi-cultural societies. Ireland now faces this challenge.

Clearly there are many phases of integration, from the initial decision to migrate, arrival, finding work and accommodation, to the longer-term process of family formation and raising and educating children. At each stage within this long time horizon, integration can be impaired or indeed stalled. Therefore, it should not be

### Box 10.1 EU Migration and Integration Policy

Since 1999, the European Union's competence with respect to integration issues has been enlarged. At the request of the European Council, the European Commission reviewed policy options for an EU integration strategy in its Communication *Immigration, Integration and Employment* (European Commission, 2003), and produced its first *Annual Report on Migration and Integration* (European Commission, 2004). This report mapped the integration policies of Member States and found that, despite diverse policies to tackle integration, Member States faced common challenges and needs.

Most recently, the European Council announced a new five-year programme (2005-2010) of work towards *Strengthening Freedom, Security and Justice Within the European Union*, known as the Hague Programme (European Council, 2004). Integration is one of five migration-related areas of work, and calls for the 'creation of equal opportunities [for migrants] to fully participate in society'. In addition, the Hague Programme set out six common basic principles for a European framework on integration (European Council, 2004, 19). According to these, integration:

- ◆ is a continuous, two-way process involving both legally resident third-country nationals and the host society;
- ◆ includes, but goes beyond, anti-discrimination policy;

- ◆ implies respect for the basic values of the European Union and
- ◆ fundamental human rights;
- ◆ requires basic skills for participation in society;
- ◆ relies on frequent interaction and intercultural dialogue between all members of society within common forums and activities in order to improve mutual understanding; and
- ◆ extends to a variety of policy areas, including employment and education.

Whether this new five-year programme to develop a comprehensive and coherent approach to integration at the EU level involving stakeholders at the local, regional and national levels will be successful, remains to be seen. Spencer (2003) has noted that fear of public resistance to migrants (and EU control over their conditions of stay), the difficulties involved in coordinating a large number of directorates-general, committees and national ministries, and the diverse strategies being employed by member states at the moment, are all potential barriers to agreement on a common strategy (ibid.). However, the Hague Programme does provide impetus and direction for national governments to focus on integration as part of an overall migration policy.

presumed that because the early phases of labour market integration have been negotiated successfully, the later phases of integration will follow in some necessary or logical fashion.

Ultimately, as the Consultants assert, for integration to succeed, migrants will have to be seen as potential assets and not as charitable works or temporary aids to facilitate labour adjustment. Anti-racism measures can, at best, produce tolerance, which is undeniably important. But such measures are unlikely to produce integration, which cannot be compelled or achieved through exhortation or sanction.

As the Consultants point out, the recently produced National Action Plan Against Racism (NPAR) offers a valuable contribution from which integration policy may move forward. In this context, the Consultants are clear that anti-racism or anti-discrimination policies, valuable as they are, are insufficient to encompass the scope of the integration challenge. To be successful, integration requires widespread societal commitment and this cannot be compelled.

### 10.3 The European Union Context for Integration

The question of integration has become an urgent concern of many EU governments, with the EU gaining a degree of competence in the area of migration and integration policy since 1999. Box 10.1 gives a brief account of the evolution of this process. At the end of this chapter, Box 10.2 sets out a set of basic principles adopted to inform the integration policies of EU Member States. They provide a useful context within which Ireland may frame its approach to integration.

### 10.4 The Irish Migration Context: A Favourable Time to Address the Integration Challenge

The Irish migration context has been set out in Part I of this report. It is one in which migration is likely to be primarily shaped by EU free movement and, only secondarily, by migration from outside the EEA. As noted below, this significantly qualifies Ireland's freedom to adopt migration and integration policies of the kind used in the traditional countries of migration, such as Canada and Australia. These countries see selective migration policy, focused on skills, as critical to setting the context for successful integration policy. However, while accepting the very different setting in which Irish migration must be managed, it may, nevertheless, be useful to draw further on the experience of countries like Canada and Australia which have such lengthy histories of migration.

While the Consultants consider that migration and integration policies always pose complex challenges, they consider Ireland fortunate (and wise) to be tackling these issues in the present economic circumstances. They assert that considerable evidence correlates public acceptance of migration and tolerance of diversity with a strong economy. Indeed, even the Canadian experience shows that public support for immigration is inversely related to unemployment. The higher unemployment rises, the more immigration is seen as a zero-sum game—that there is a fixed pool of jobs and that immigrant gains occur at the expense of employment of the locally-born population.

Ireland's recent economic success has increased the diversity of cultures in its society. Ireland necessarily faces a steep learning curve, regarding the challenges and tensions which arise for such societies. In this context, however, it should not be forgotten that the process of transformation and development which has taken place over recent decades in Ireland has, at times, itself involved significant conflict, as well as unease with respect to social change. In many ways, migration may best be understood as the latest phase of this process of transformation. If this view is accepted, migration and the integration challenge which it entails, must receive the requisite degree of policy focus, and indeed resources.

The story of Ireland's own development over recent decades is critical to understanding the dynamics now driving migration. Ireland, once a place people were compelled to leave through lack of opportunity, is now a place to which they come because of the opportunities which exist. People come to participate; in doing so, they assist in building opportunity for themselves and the country as a whole. Just as for generations Irish people have gone to America seeking opportunities unavailable to them at home, Ireland has now become, in its own way, a place of opportunity. This need not be a threat but a demonstration of how far we have already travelled along the road of transformation and development. Adjustment and change are a prerequisite of integration. However, in and of themselves, adjustment and change are not new. They have been central throughout Ireland's transformation.

Perhaps it is also useful to note that the greatest adjustment is that experienced by migrants themselves. For integration to genuinely occur, however, the challenge of adjustment and adaptation must be met by the host community also.

## 10.5 The Elements of Integration Policy

The role of government is critical to meeting the challenge of integration. Government must actively lead the process of creating the broad vision and widespread 'buy in' which is essential to making a success of integration. However, as the Consultants point out, genuine integration is truly the achievement of civil society. Therefore, a range of actors must work together to achieve this outcome: public bodies, employers, trade unions, non-governmental organisations (NGOs), families and individuals.

### 10.5.1 The Role of Civil Society

Integration happens in the workplace, in schools, in the context of social and sporting events, and in the places where people live. Given its scope and context, it is beyond the capacity of government to 'make integration happen'; it cannot compel integration nor can it legislate for it. It will happen because people, long-term resident and newcomer alike, consider it essential to ensure a worthwhile and cohesive future. The process which will give rise to integration will take time, given the rapidity of the transformation which has occurred in the country, and

time and space should be given for people to understand the changes taking place and to appreciate their potential to assist in further enhancing the opportunities and quality of life for everyone.

The Taskforce on Active Citizenship has been established to consider the level and nature of active citizenship in different areas of Irish life and what it means to be a citizen in today's Ireland. One of the questions posed in its consultation document is 'how can active citizenship help to include newcomers in a changing Ireland?' Growing diversity of cultures, lifestyles and backgrounds calls for greater attention to the underlying common purpose and shared values which are critical to democracy and social cohesion, and the nature of rights and responsibilities that accompany citizenship. The conclusions of the Taskforce are also likely to be relevant in framing policy to assist the integration of newcomers.

### **10.5.2 The Role of Non-Governmental Organisations and Local Action**

State support is often secondary to the actions of local migrant organisations and other NGOs. These play a role in welcoming immigrants and helping them to integrate, i.e. to find work, to learn the language of the host community, to register children for school and so forth. Given these realities, the Consultants advise the devolution of settlement services to the local level. They consider that this approach tends to achieve better results than those achieved by government working alone. For this reason, one of the main tasks for government in the area of integration is to facilitate community action.

If community organisations are to play a larger role in migrant integration, their capacity to consult, to plan, to implement ideas and to deliver services will need to be expanded. This will require sustained support by government and the development of a more mature working relationship across the sector, characterized by better coordination among NGOs and more effective ties with government departments and agencies.

In its engagement with the NGO sector, as in its policy making within the public services generally, the Government must maintain a strategic overview of its objectives regarding integration; this overview should inform decisions regarding service provision.

### **10.5.3 Migrant Families and Communities as the Focus of Policy Effort**

In the Consultant's view, migration policy largely addresses itself to individuals, but they consider that a strong case can be made for policy to focus also on family units and communities. Migration decisions tend to be made by families who send their 'strongest' applicants ahead in order to establish a foothold. Other members then follow within a period of some five years. Research also confirms that the family is the principal medium that newcomers rely on for information about jobs, location and services (Ruddick, 2003). This suggests that, in some instances, the family, rather than individual migrants, is the more appropriate unit of analysis for gauging the success of integration policy.

The Consultants also highlight recent suggestions that policy should target communities as a whole rather than just individuals or even families. There is a clear logic to this approach, since established members of immigrant communities, having been in the country for some time, are aware of local conditions, have amassed physical and social capital and have established ties with the native population. These assets are important for integrating new arrivals. Canadian longitudinal research shows that migrants rely on friends and family above all other sources in choosing their destinations, locating housing, securing jobs, obtaining information about educational opportunities and accessing healthcare (Ruddick, 2003). Thus, with the necessary supports migrant communities can greatly assist the integration effort.

## 10.6 Mainstream Service Provision

The elements of integration policy as already outlined have clear implications for the provision of services to migrants. Most fundamental of all is the need to ensure that migrants are enabled to access mainstream services.

### 10.6.1 Adaptation and Capacity Building in Mainstream Services

Integration poses specific challenges for social policy. Public services, indeed all services supported by public funds, should be widely accessible to migrant and host alike. Mainstream provision must be the primary goal of policy. In order to make this approach meaningful, significant capacity building within mainstream provision will be necessary. This issue is more fully explored in Chapter 11.

The overarching goal of integration in all its dimensions should inform and shape the provision of public services. This, of necessity, requires that services be accessed by, and accessible to, migrants on broadly the same terms as they are available to the host community. Every effort should be made to avoid funding or service provision models which encourage the establishment of separate services, since this runs counter to the whole thrust of the integration effort.

Another risk is that certain services or institutions, while officially part of the mainstream, become associated in the public mind, largely with migrants, such that certain schools, localities or indeed employments are seen as migrant services, areas or employments. International experience suggests that such outcomes, if they were to persist, would fundamentally damage the prospects for integration resulting in the type of segmentation and spatial separation which has become common across Europe.

Only if a widespread 'buy in' is achieved, actively led by the Government and the social partners, will it be possible to ensure that migration meets wider economic and societal goals.

A delicate balancing of rights and obligations will be required, one, moreover, which we will not always get right. Integration is a policy with a long and ever-expanding horizon. It lacks a terminus, but its progress can nevertheless be

managed and evaluated. In the simplest terms, we will know integration when we see it, it will have delivered an increasingly prosperous and fulfilling future in which all, migrant and host, can share.

### 10.6.2 Language Competency

A compelling case exists for viewing language competency as a fundamental cornerstone of integration policy. Inability to communicate in the local language makes all other integration efforts difficult to execute and of limited value. Language competency is, therefore, an essential prerequisite of integration.

Language training has begun to receive greater attention even in countries with long traditions of migration, such as the USA, Canada and Australia. Several countries, including the USA, have committed increased resources to ensuring greater migrant competence in English.

Research in Australia supports the importance of language competency in sustaining good labour market outcomes for migrants as well as assisting with the broader integration effort. In line with Australian experience, the Canadian authorities have recently adjusted their entry requirements, giving language competency a higher priority for those wishing to migrate.

Given this well-documented experience, it may be advisable, in the case of non-EEA migration, to make English language competency an entry requirement, or, at the very least to place a strong onus on employers, wishing to recruit non-EEA workers, to ensure that language training is made available. Indeed, much of the literature on this issue emphasises the role of employer-based language training as critical to language acquisition.

Given Ireland's strong reliance on EEA migrants, mainly from the new Member States of the EU, a focus on raising language competency amongst migrants already in the country should be a priority.

The Consultants emphasise the importance of addressing the needs of all migrants, and not simply those currently in the labour force. Therefore, language training should be available as widely as possible, with a strong focus on the language training needs of migrant family members not currently in the workforce. Indeed, for many, increased competency in the local language may have the all important by-product of opening up labour market participation.

The NGO sector will be a critical partner in the task of providing teaching and services to support language training, perhaps particularly for those currently outside the workforce. It will be important to see that these organisations receive the necessary support to ensure the quality of language instruction which they offer.

Given the centrality of language to the integration effort it may be wise to co-ordinate and streamline funding, to achieve best outcomes with the resources applied. Broadening and strengthening the skills and expertise required to achieve good outcomes for adult learners, particularly those learning English as a second language, will be essential.

A somewhat separate challenge faces schools in addressing the needs of migrant children who require specific language support and training; this is addressed in Chapter 11.

## 10.7 Citizenship and Long-Term Residency

Currently, naturalisation, after a period of five years residence, is the sole route to legitimate long-term residency in Ireland. Naturalisation is the process by which an individual becomes an Irish citizen. A possible consequence of naturalisation for the applicant is the loss of legal ties to their country of origin, since many countries do not allow their nationals to hold citizenship of another state.

It is also important to avoid a situation where administrative processes result in the devaluation of the status of citizenship. In this context, it is perhaps wise to have a route to long-term residency which does not require the applicant to become a citizen. The Department of Justice, Equality and Law Reform's discussion document (*Immigration and Residency in Ireland, 2005*) proposes the introduction of a long-term residency status, for which an individual could apply after five years residence in the State. It would confer on its holder a high level of entitlement to public services. In addition holders could only be removed from the State in clearly specified circumstances.

The Council endorse these proposals, viewing this as an important way in which the status of long-term residents can be protected.

### Voting Rights in Ireland

Participation in the various levels of the political process is a powerful demonstration of growing integration into the life of a society. Currently, UK citizens in Ireland can vote in all elections other than those to elect the president. EU nationals may vote in European Parliamentary elections and local elections. Non-EEA nationals can vote in local elections. It is important to ensure that people are fully aware of their voting rights and that they are actively encouraged to use the franchise and participate in this vital area of civic life.

## Box 10.2 The Common Basic Principles adopted by the European Union

1. Integration is a dynamic, two-way process of mutual accommodation by all immigrants and residents of Member States.
2. Integration implies respect for the basic values of the European Union.
3. Employment is a key part of the integration process and is central to the participation of immigrants, to the contributions immigrants make to the host society, and to making such contributions visible.
4. Basic knowledge of the host society's language, history, and institutions is indispensable to integration; enabling immigrants to acquire this basic knowledge is essential to successful integration.
5. Efforts in education are critical to preparing immigrants, and particularly their descendants, to be more successful and more active participants in society.
6. Access for immigrants to institutions, as well as to public and private goods and services, on a basis equal to national citizens and in a non-discriminatory way is a critical foundation for better integration.
7. Frequent interaction between immigrants and Member State citizens is a fundamental mechanism for integration. Shared forums, intercultural dialogue, education about immigrants and immigrant cultures, and stimulating living conditions in urban environments enhance the interactions between immigrants and Member State citizens.
8. The practice of diverse cultures and religions is guaranteed under the Charter of Fundamental Rights and must be safeguarded, unless practices conflict with other inviolable European rights or with national law.
9. The participation of immigrants in the democratic process and in the formulation of integration policies and measures, especially at the local level, supports their integration.
10. Mainstreaming integration policies and measures in all relevant policy portfolios and levels of government and public services is an important consideration in public-policy formation and implementation
11. Developing clear goals, indicators and evaluation mechanisms are necessary to adjust policy, evaluate progress on integration and to make the exchange of information more effective.





## 11.1 Introduction

Successfully adapting social policy to the needs of a growing and increasingly diverse population will be critical to the success of migration. It is essential that social policy adaptation conforms with Ireland's wider goals as set out in Chapter 6.

How do we plan services and address infrastructural deficits in a context of substantial uncertainty? This is the challenge facing Irish public policy. We do not currently know the long-term settlement intentions of migrants, nor what the scale of future migration flows may be. Recent CSO estimates of population up to 2036 contain a variance, due to migration, of between 535,000 and 561,000.

It is too early to know how long most migrants will remain or if they will settle permanently. A wide range of factors, yet to be clarified, are likely to impact on their decisions in this regard, including improvements in the economic prospects in their home country, future EU enlargements, as well as the economic outlook in the larger EU economies, particularly Germany.

Clearly policy cannot await the resolution of these uncertainties. Nor can they be allowed to paralyse decision making with respect to the development of new services or the broadening of current provision to address the needs of migrants. Indeed it should perhaps now be acknowledged that problems with services and infrastructure, frequently highlighted in recent years, can in part be attributed to an overly cautious and conservative approach to public provision. This has resulted in substantial ongoing service bottlenecks.

A weak tradition of planning, a poor recent track-record on project delivery, coupled with the uncertainties which migration itself generates, may risk a policy response which is lacking in ambition. The consequences of such an approach will be felt throughout the population as we continually play catch-up regarding the provision of services and infrastructure, in the face of a public perception that our increased prosperity may never generate a quality dividend.

## 11.2 Overarching Policy Challenges

The social policy challenge of migration can be assessed along two key dimensions. The first is the challenge of scale; how many school places, health facilities etc will be required? Secondly, the challenge of diversity; how do we build services which are culturally competent and responsive to the needs of an increasingly diverse population? These challenges will present themselves differently across the spectrum of service provision. Table 11.1 below sets out a template onto which the challenges in each service area may be mapped.

**Table 11.1 Mapping the Adaptation Challenge for Social Policy**

	Scale	Diversity
	Ways in which increased population requires changes in social policy	Ways in which diversity requires adaptation of social policy
Education		
Health and welfare		
Housing		
Social Welfare		

In education, the immediate challenge will be building for diversity. However, challenges of scale, while localised, will also arise. By contrast, issues of scale will be more acutely felt with regard to the provision of adequate housing.

Using the framework of scale and diversity, this chapter addresses the broad challenges for successful social policy adaptation. The intention is not to offer prescriptions for specific fields, but rather to highlight the overall context for policy making, as well as address some emerging cross-cutting policy issues.

The growing scale and diversity of the population provide the overarching context for future policy making. It will provide many opportunities for the development of services and facilities which Ireland's small, and until quite recently, largely static or declining population could not support. It is an exciting moment of transformation which, if well managed, can bring better, more adaptable services, staffed by people who feel increasingly confident in their ability to address the needs of a more diverse Ireland.

If the requirements of integration, set out in Chapter 10, are to be met then the Irish social policy system faces a clear challenge. Mainstream services must become increasingly adaptable and culturally competent in their response to service users. To facilitate the achievement of such change, significant new

training inputs for current, as well as future, staff will be required. In addition, the scope and nature of many services will need to be broadened to take account of growing diversity in the population.

Much of the social policy adaptation to meet the migration challenge can improve the quality of services for the population as a whole. Thus, improved data gathering and service planning, clarity about service entitlement and provision, will all assist both migrant and indigenous service users. In addition, greater cultural adaptation and sensitivity will improve the way in which all public service users experience their encounter with service providers.

### 11.2.2 Data Gathering

There is a definite need to increase the quality and flow of data across the public policy system. As with much else, this represents a requirement for an increasingly complex society. However, migration strongly underlines the urgency with which this task must be tackled. Ways must be developed to ensure that not only central government systems can and do talk to one another, but that those of local government as well as the voluntary sector are closely integrated into system-wide approaches, increasingly seen to provide well-planned and timely services at all levels. In this regard it should be noted that the Department of Environment, Heritage and Local Government is committed, under the terms of the new partnership agreement, *Towards 2016*, to improvements in consumer information in relation to housing, along with development of a more comprehensive and objective means of assessing need on an on-going basis. This will be done in conjunction with local government as well as the voluntary and co-operative housing sector.

Many of the issues raised here have already been dealt with in research undertaken by the CSO on behalf of the National Statistics Board (CSO, 2003). Perhaps the urgency of the migration challenge and the vital importance of quality data systems and channels required to address migration, will provide the necessary impetus to ensure that this important project moves ahead rapidly. This issue is returned to in Chapter 12, Section 12.3.5 below.

### 11.2.3 Information on Services and Entitlements

In addition to the data issue, there is an information challenge in respect of service users. Given their predominantly recent arrival in Ireland, migrants may be at a disadvantage in attempting to access services. From the perspective of the migrant it is essential that they have a clear idea of what services are available to them and what are the conditions of eligibility. Increased transparency and clarity regarding entitlements is essential.

The picture regarding service entitlements is complex. However, this complexity in the main mirrors the complex system of entitlements which exists for social provision in Ireland, regardless of status. As it makes clear in *The Developmental Welfare State*, (NESC, 2005a), the Council favours this differentiated entitlement structure, seeing it as a broadly beneficial feature of Ireland's social policy mix; this is, of course, subject to all citizens having access to core services. Issues of migration do, however, add a further layer of complexity to this picture. Given this

complexity, however, it is essential that staff making decisions in respect of service entitlement are themselves fully informed and that they ensure that decision making is seen as fair, consistent and transparent.<sup>1</sup>

While the goal of local language competency is a core principle of integration, some translation requirements, particularly for certain critical services, do exist. This requirement is particularly acute within the fields of health, policing and justice and labour standards (but may on occasion arise for other services). Clearly, it is essential that medical and other health staff can establish an accurate and timely diagnosis of a person's illness or other service requirements. Equally, in the field of policing and justice it is essential that those who may be questioned, arrested or charged fully understand the nature of the proceedings. A pilot translation project, to meet the needs of general practitioners, is already in place in the Health Services Executive (HSE) Eastern region. Given the need to ensure the quality and consistency of translation services it may be necessary to establish a translation unit. Models of provision will need to be explored<sup>2</sup>.

Regarding the translation of documentation, while certain essential documents undoubtedly require translation, such as information on medical emergencies, health and safety information, census forms, the norm should be to ensure that documents are written in clear and understandable English rather than expending resources on widespread translation.

#### 11.2.4 Management, Staffing and Training in the Public Services

Managers in the public services must lead the process of adaptation, informing themselves in the first instance regarding its requirements, as well as shaping the nature of the responses forthcoming from their organisations.

The widening of staff recruitment along with the development of cultural competency for all staff is a priority. While different cultural practices regarding health and childcare suggest this will be an area requiring particular training inputs, raising cultural awareness and building cultural competency should become a priority across all services. It is important that staff are provided with the information, training and resources to assist them in dealing with these issues, and that frontline staff in particular, feel they are well equipped and supported in their efforts to respond to increasingly diverse service users. A stronger customer focus is critical; it will result in a more satisfactory outcome for all service users.

Government departments and agencies must make cultural awareness and diversity a key component in their induction and ongoing staff training. Such training is by no means solely an issue for frontline staff, or those at the lower levels of organisations. Widening staff recruitment is valuable, and in the longer term essential. However, it is not advisable to hope that wider recruitment policies alone can deliver the required increase in capacity and diversity in organisations. The management of organisations must ensure that they are well informed regarding the nature of the integration and service adaptation challenges and are active in leading processes of capacity building in their organisations.

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1. The creation of a 'one-stop-shop' migration website may assist the wider information dissemination strategy.

2. The authorities in Northern Ireland have recently established a service; it may be useful to obtain information on how this service operates (Watt and McGaughey, 2006).

### 11.2.5 Gender

Gender is a key issue in migration. Migration impacts differently on women and men. Frequently migration compounds issues of gender inequality and/or discrimination. In many cases migrant women are in industries or work settings where poor labour standards may make them more vulnerable to exploitation. Equally frequently they are employed in private or semi-private settings where it is more difficult to set the conventional boundaries within employer-employee relations; accommodation which is tied to employment is a key example of this reality.

The new national partnership agreement, *Towards 2016*, highlights the issue of migrants working in a domestic setting. Accordingly, the Labour Relations Commission is being asked to draw up a code of practice for those employing people in such settings. A commitment has been given in the agreement to have this code in place by the end of 2006.

Unplanned pregnancy is a particularly difficult issue for migrant women, with some migrant women claiming that when they became pregnant they experienced difficulties and uncertainty in establishing what services and supports they could access<sup>3</sup>. Some NGOs, providing advice services to migrants, have highlighted cases of migrant women who claim that their employer dismissed them because they became pregnant. Others claim that they have been discouraged from forming relationships or even friendships with the indigenous population of the area in which they are working, or they have been advised not to become pregnant during the period of their employment. Such allegations, if true, are clearly matters of concern, and should alert policy makers to the particular vulnerabilities of women migrants, factoring this into service planning and development.

## 11.3 Policy Fields

Each policy field generates specific issues as well as policy dilemmas. The following section will provide a brief sketch of some of these issues, before concluding with a range of cross-cutting policy concerns.

### 11.3.1 Education

The challenge of diversity will be acutely felt in the education system since education is central to the success of integration. This is true, firstly, with respect to its role in fostering an environment in which the experience of difference is increasingly seen as a normal part of human life and Irish society. Secondly, it has a key role in ensuring that factors, such as language fluency, do not impair the educational prospects of migrant children.

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3. In this context it should be noted that Treoir in conjunction with the Crisis Pregnancy Agency have recently produced a pack on reproductive health for migrant women which is available in six languages including English, *Reproductive Health Information for Migrant Women* (2006).

While building for diversity will be the primary challenge, it is also becoming clear that in particular parts of the country issues of scale also arise. Currently, there is a mismatch in some of the areas of high migrant concentration between demand for and availability of school places. This issue requires speedy resolution in the interests of all children requiring schooling. These problems are symptomatic of the poorly integrated planning process alluded to earlier. It is vital that such perspectives are rapidly superseded by more flexible, imaginative and far-sighted approaches. These issues also point to a land-use planning system which is poorly integrated with wider issues of service development (NESC, 2004). Resolution of these issues would ensure that infrastructure and services are provided in a co-ordinated and timely manner.

The Department of Education and Science already has a small number of regional offices, which may form the basis of a more developed regional dimension in education. Migration, and the complex challenges which it poses for education, may give an important impetus to necessary reform in this area.

The primary challenge, however, will be the management of growing diversity within the school setting. This can be addressed through in-service training as well as the provision of tailored modules for those still in training. It will also be achieved through supporting school principals and boards of management in their efforts to make the school community a place which is welcoming of diversity.

New teaching materials should increasingly reflect diversity both in the student body and the wider society, while balancing this with a continued strong appreciation of the Irish cultural context within which adaptation and integration will be achieved.

There are specific challenges to be met in respect of the learning needs of migrant children. These are particularly acute for those lacking full fluency in English. Language fluency is critical to achieving good educational outcomes for migrant children. It is impossible for a child to benefit fully from their education if they lack full mastery of the language of instruction. This becomes more difficult to address the later a child enters the school cycle. A recent OECD report (2006) examined the experience of 17 countries with significant migrant populations and found that migrant children, despite being highly motivated, perform less well in the standard tests applicable for their age-group than children of non-migrant backgrounds.

Some language-support teachers are currently in place in schools with children requiring language tuition. However, numbers are capped. The current ceiling is 28 children requiring language support, after which no additional staffing support is available. This system is currently under review by the Department of Education and Science and a report is due shortly.

A wealth of experience and research has been developed in other jurisdictions with respect to best practice in language instruction for non-native speakers and it may be useful to draw on this material (OECD, 2006; Slavin and Cheung, 2003).

Concern has been expressed by some policy makers regarding the need to ensure a greater engagement across the education sector as a whole with the issue of migration and the demands it is making on schools. Some evidence is already emerging that certain schools appear to be catering for large numbers of migrant children, while others, also in areas of large migrant concentration, have few migrants amongst their student body. There is a need for the partners in education to ensure that genuine integration is achieved within the school setting. Migrant children, particularly those who require language support, present additional challenges. However, these are challenges for the sector as a whole, and not for a small number of schools that bear the entire responsibility. Integration will not be achieved in the vital context of the schools if only a small number of schools shoulder the burden of adaptation.

Finally, it should be noted that migration may present a long-term challenge regarding Ireland's denominational system of education. It is possible to underestimate the significant extent to which a formally denominational system is currently being overseen, by the Department of Education and Science, to discharge public responsibilities. Nevertheless, migration may pose challenges for this system, firstly, with respect to the potential for new faith-based communities to seek separate schooling for their children. Several issues arise here, not least the economic viability of such an approach, but also the danger that schools, rather than being places where critical steps toward integration can occur, may become locales of separation. Secondly, it is equally possible that migration may drive the already well-developed trend toward non-denominational schooling as a growing segment of the population, migrant and indigenous, seek alternatives to the present system.

### Education for Adults

Education, in particular language proficiency, also impacts on adults. Lack of proficiency in the language of the host country represents a major obstacle to integration at all levels, limiting a migrant's work opportunities and the benefit they may derive from what education or specialist training they have. Indeed, research in Ireland has already shown that significant numbers of migrants are being employed below their educational and skill levels (Barrett *et al.*, 2006a). This raises issues for public policy with respect to 'brain waste'. It should also be a matter of concern to employers as they seek to fill skill vacancies. It is in no one's interests for scarce skills and education to remain unavailable to the economy because of limited language fluency. Furthermore, international research places a strong emphasis on the importance of job-specific language training. This research makes clear that job- or vocationally-based language instruction makes the acquisition of language skills immediately relevant to both migrant and employer.

The international evidence regarding the labour market impact of language fluency is very strong (Glover *et al.*, 2001; Haskins *et al.*, 2004; Lazear, 2005). The research is particularly clear as to the poor labour market outcomes of those who fail to master the local language.

It should be noted that Fáilte Ireland, in conjunction with the Tourism sector, has produced a report on the challenges of integration including the issue of language fluency for the tourism sector (Fáilte Ireland, 2005). Their work may provide a useful template for other sectors regarding language and other training needs of migrant staff.<sup>4</sup>

### Language Training for Those not Currently in the Workforce

The language needs of migrants not currently in the workforce also require attention. The Council's recent report, *The Developmental Welfare State* (NESC, 2005a), gives clear priority to the goal of maximising labour-force participation for all those of working age. Language skills are, in the case of migrants, critical to the achievement of this objective. There are a number of initiatives already in place. Perhaps it may now be a good time to take stock of current provision and assess how services might develop in the future.

#### 11.3.2 Health

Given the age-profile of migrants, the demands they make on health services may initially be quite modest; in addition, it is important to note their substantial contribution to addressing the current staffing needs of the health services<sup>5</sup>.

Once again the diversity challenge will be to the fore in this culturally-sensitive area of public services. Frontline staff, both in medical and social care settings, must have the supports and training necessary to confidently undertake their work with an increasingly diverse patient/client group. Assessment and diagnosis must be supported to ensure an optimal outcome for all service users. The issue of translation services has already been dealt with, but broader issues of training and support must also be tackled.

Migration represents only one manifestation of the wider issue of increased population movement across the globe. In this context, health services will need an increased capacity to manage communicable diseases as well as a broadening of the knowledge base of staff to ensure that they can address the management of conditions not traditionally encountered in Ireland.

As the IOM Consultants point out, a variety of issues arise for both migrants and hosts in the health domain. The major issues include access to the health system; how well the health system is equipped to deal with the health concerns of migrants; how well it is equipped to deal with gender issues (this refers to cultural sensitivities regarding treatment); and how well it is equipped to deal with public health and safety issues (immigrants travel to and from locations with disease profiles less well known in Ireland). This last item raises the question of preparedness by the health authorities to diagnose and deal with various transmitted diseases. This later point relates also to migration and patterns of travel which also apply to the indigenous population. A final point concerns population health and the manner in which immigrant health is affected by environmental and socio-

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4. Wider training issues are dealt with in Chapter 9.

5. A clear need now arises to ensure better skills and personnel planning in respect of social and health services.

economic conditions and stresses. The issue is health, but the remedies lie in and beyond the health field. Given the sectors in which many migrants work they may be particularly prone to poor health outcomes.

The health service has over the past decade been particularly involved in the provision of services to asylum seekers. Following the Government decision to institute direct provision of services for asylum seekers, it became necessary in many cases to establish separate services for this group. Asylum flows have now declined substantially. As a consequence, this system of provision is already changing with staff being redeployed and resources reallocated to other areas of more pressing need. In undertaking this task it is important to appreciate the differences which exist between migrant workers and asylum seekers or refugees. Most migrants now coming to Ireland are EU nationals with established rights and privileges. For the most part, therefore, migrant workers, will, in contrast with asylum seekers or indeed refugees, require access to services commonly used by and shared with the general population. As such, the provision of services exclusive to migrants should as a norm be avoided. Such provision tends to highlight difference and could, in some instances, create the perception of special treatment unavailable to mainstream service users.

An important consideration will be the need to ensure that migrants in low-wage employment have adequate access to health services.

### 11.3.3 Housing and Accommodation

Given recent demand in the Irish housing market it will come as little surprise that the scale challenge is to the fore with regard to housing. Uncertainty with respect to long-term settlement intentions are particularly acute in housing, since development planning must, even in optimal conditions, operate over a lengthy time-horizon. Given the predominance of the private sector in the provision of housing in Ireland, the role of the State will be primarily one of supporting private sector providers. However, as the Council's housing study (NESC, 2004) points out, what is required is not simply more output but rather the creation of high quality sustainable neighbourhoods. The challenge of scale can actually assist in driving this approach, as when the public system is active in shaping the context for provision. The Department of the Environment, Heritage and Local Government is currently in the process of drawing up its policy in this regard and has already issued a briefing document, *Housing Policy Framework, Building Sustainable Communities* (2005). The recently completed partnership agreement, *Towards 2016* states:

The longer timeframe of a ten-year framework agreement allows for pathways to be developed to transform the Irish housing environment: to improve not only responsiveness of services but also quality of services. In this context, the core objective of housing policy is to enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment and, as far as possible, at the tenure of its choice (*Towards 2016*, 2006: 26)

Most migrants, on arrival at least, are accommodated in the private rental sector, although evidence is increasing of migrants seeking to take out mortgages (AIB Global Treasury, 2006).<sup>6</sup> Indeed, in the Dublin area in particular, it is becoming clear that migrants already form a growing proportion of first time buyers. In the longer-term context of settlement, and in line with the pattern in the indigenous population, most migrants are likely to address their housing need through purchase. This has strong potential to further fuel demand in this already overstretched sector. However, it must be acknowledged that the construction industry has demonstrated a growing capacity to address the issue of supply; nevertheless demand continues to run ahead (NESC, 2004).

### Social Housing

Given the extent to which issues of housing affordability have come to the fore in recent years it is possible that migration may add to the challenges facing this sector. The new national partnership agreement, *Towards 2016*, has given clear commitments to addressing the issue of housing affordability and, in this regard, the Department of Environment, Heritage and Local Government is considering initiatives for the development of affordable homes for rent (Department of Environment, Heritage and Local Government, 2005). The issue of housing affordability as it affects migrants must now be factored into this wider planning process. The Housing Forum, set up under the last national partnership, *Sustaining Progress, 2003-2005*, may provide a context in which migrant housing needs could be addressed.

### Migrant Concentration

Other issues with respect to the settlement and housing of migrants also arise, one of which is migrant concentration. Many Irish cities are already seeing a significant degree of concentration. The emergence of migrant communities is a readily understandable phenomenon and a feature of migration across the globe. Indeed it is important to appreciate the richness and diversity that such new communities are already bringing to parts of our cities. Nevertheless, concentrations, particularly if associated with deprivation, would be counterproductive and are likely to impede the progress of integration. It is important therefore that such issues are factored into the public policy efforts to ensure the long-term success of migrant integration.

The primary driver of concentration in the Irish context is the availability of affordable rental housing coupled with migrant preference. It is difficult to see what public policy can, or indeed should, do to address either issue. Perhaps all that can be done is to ensure that other public services—health, education etc.—are supported to address the needs of migrants in a manner that is supportive of a wider integration effort, rather than exacerbating tendencies toward separation in living space and in service use.

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6. EBS, the building society, has recently decided to produce a guide for home buyers in Polish and plans further such initiatives as the need arises.

### **‘Tied’ or Employer-Provided Accommodation**

Several NGOs dealing with migrant workers have expressed concerns regarding the phenomena of ‘tied’ accommodation, provided by or on behalf of an employer. Such arrangements, particularly in the case of temporary or seasonal work, may suit all parties, including migrant workers. It is important to note that many such cases of employer-provided accommodation may result in a *de facto* tenancy being created. Such tenants are free to avail of the dispute resolution mechanism provided by the Private Residential Tenancies Board (PRTB) under the Residential Tenancies Act (2004). If, however, the accommodation is linked to a contract of employment the tenancy will end with the termination of that contract. The security of tenure provisions of the Act do not apply in such circumstances.

Some accommodation provided to migrant workers may nevertheless fall outside the terms of the Residential Tenancies Act (2004). Such accommodation for legal purposes is viewed as a private arrangement and the PRTB has no role in disputes in these circumstances.

While certain sectors of employment may need to offer accommodation as an integral part of their employment package, it is possible that safeguards may need to be put in place to protect workers in such employment. It is also important to note that such accommodation arrangements place unhelpful barriers in the path of integration, encouraging the recruitment of workers with little English and making it more likely that they will remain separate from the indigenous population.

### **Homeless Services and the Application of the HRC**

Following the accession of the new member states from Eastern Europe in 2004, and the subsequent influx of migrant workers from these countries, some concern was expressed regarding the numbers of such migrants accessing homeless services. Subsequent research has demonstrated that numbers actually seeking to access homeless accommodation were small (Bergin and Lalor, 2006). Despite this, given the scale of current migration, particularly from Eastern Europe, some thought should be given to the management of this issue.

It is the view of the Department of the Environment, Heritage and Local Government that it is necessary that the Habitual Residency Condition (HRC) is applied consistently across the range of statutory services. Homeless persons who fail to meet the HRC are referred to the Reception and Integration Agency (RIA) of the Department of Justice, Equality and Law Reform. They are briefly accommodated by RIA pending their return to their home country.

Bergin and Lalor (2006), having examined the application of the HRC to homeless services, considered there was a need to review current practice. The Council concurs with this view while acknowledging the complexity of the issues involved. The Department of the Environment, Heritage and Local Government is aware of the recommendation to review current practices for homeless immigrants arising from the HRC and agrees that it poses complex problems. The matter is being pursued with the RIA with a view to putting in place a transparent system to deal with the accommodation issues arising.

## Inspection of Private Rented Accommodation

Other more general issues concerning standards of accommodation within the private rented sector also arise. The Consultants' report (IOM, 2006) specifically highlighted this issue. Inspection of the private rented sector is a local authority function, funded through the subscriptions paid by private landlords registered with the PRTB. The latest inspection figures, for 2005, reveal a picture which can at best be described as weak and patchy. Of the 6,815 dwellings inspected in 2005, some 3,735 were in the Dublin City Council area. By contrast Fingal Council carried out 719, South Dublin Council 314, Galway City Council 113, Limerick City Council 0 and Waterford City Council 3 (Department of Environment, Heritage and Local Government, 2006: 83).

The inspection of private rented accommodation is a general concern with regard to the quality of housing available to those who live in rented accommodation, regardless of status. As such, any improvement in the number and frequency of inspections will benefit all those living in private accommodation. Migrants may nevertheless be somewhat more vulnerable through ignorance as to their rights, or a greater willingness, in some cases, to accept substandard or overcrowded accommodation.

### 11.3.4 Social Welfare

The Department of Social and Family Affairs was one of the first departments required to give close consideration to the potential implications of EU migration for the provision of its services. In May 2004, at the time of the accession of the 10 new Member States, Ireland took the decision to impose an Habitual Residency Condition in respect of social assistance payments from the Department of Social and Family Affairs. This decision was taken because of fears, widely expressed at the time, that Ireland's welfare system might become the object of 'welfare tourism'. The residence condition requires a person claiming a social assistance payment to be habitually resident in the State or the rest of the Common Travel Area.<sup>7</sup> All decisions relating to habitual residence are based on the five criteria set down in European Court of Justice case law.<sup>8</sup>

The situation is further complicated with regard to EU citizens since EU law takes precedence over national law (e.g. HRC provisions). As chapter 4 makes clear, persons from an EU member state (EEA and Swiss nationals have the same rights), have a range of rights to access services and social protection measures. For present purposes, the relevant distinction is between EU workers and job seekers.<sup>9</sup>

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7. The Common Travel Area consists of The Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

8. The following factors, as set down by ECJ case law are considered in the determination of a person's habitual residence: length and continuity of residence; employment prospects; reasons for coming to Ireland; future intentions and centre of interest. The following payments are subject to the habitual residency condition:

- Unemployment Assistance
- Old Age Non-Contributory Pension
- Blind Pension
- Widow(er)'s and Orphan's Non-Contributory Pensions
- Carer's Allowance
- Disability Allowance
- Child Benefit
- One Parent Family Payment
- Supplementary Welfare Allowance (other than once-off exceptional and urgent needs payments)

9. An EU worker, a person who has worked for a time in Ireland, following which their employment has ceased, can avail of the provisions of the Regulation 1408/71 to establish entitlement to Unemployment Benefit through the aggregation of social insurance records in Ireland and their country of origin. Pending the establishment of that possible entitlement to benefit they can claim Supplementary Welfare Allowance without the need to satisfy the habitual residence condition.

**Table 11.2** Housing Entitlements for Each Class of Migrant.

Class of Migrant	Right of Access to Housing Services
Migrant within the Common Travel Area of Ireland and the UK (non-treaty arrangement)	The same right of access to social and affordable housing as Irish nationals.
EU 15 nationals plus EEA and Swiss Nationals affordable housing	The same right of access to social and as Irish nationals.
EU 10 nationals	<p>The same right of access to social and affordable housing as Irish nationals.</p> <p>Job-seekers would not have entitlement to rent supplement and would not come within the target group for RAS.</p> <p>Access to homeless services would also be impacted upon by the application of the Habitual Residency Condition.</p>
Non-EEA nationals:	No entitlement to social and affordable housing unless have been granted Refugee Status or Leave to Remain. For example Students and Non-EU Work Permit holders are not entitled to access social and affordable housing.
Asylum Seeker	Only entitled to direct provision of housing – provided by RIA.
Parents of Irish born children given leave to stay for two years, renewable for three years after that, as long as can show economic viability and non criminal activity.	Policy for such applicants is still being formulated, but generally only entitled to rent supplement and do not as yet have a determined long term housing need.
All people here more than five years.	Once naturalised, people are then entitled to go onto the social housing waiting list and entitled to apply for affordable housing schemes.

The European Court of Justice in its various judgements regarding the rights of EU migrant workers take the view that they must enjoy the same social and tax advantages as those workers who are nationals of the Member State. The practical implications of this judgement are that EU workers are deemed entitled to seek a payment under Supplementary Welfare Allowance (SWA) since this ‘last resort’ payment acts as a guarantee of the minimum means of subsistence and is considered an ‘advantage’ which must be available to all EU workers.<sup>10</sup>

10. In addition, Child Benefit and One Parent Family Payment are classified under Regulation 1408/71 as “family Benefits” and are available to all EU workers including the self-employed. The residency requirement under the HRC is overruled by the EU legislative provisions.

By contrast, an EU citizen who is a job seeker, a person who has no substantial previous employment record in their home country<sup>11</sup>, or any record of employment in Ireland, and who presents seeking a social assistance payment, will be considered to have failed the HRC. In this situation the person will be directed to the RIA of the Department of Justice, Equality and Law Reform. They will be provided with emergency accommodation and assistance to return to their home country.

Migrant workers from outside the EEA who become unemployed or ill are entitled to claim unemployment benefit or disability benefit if they satisfy the social insurance contributions for such schemes. Payment of unemployment benefit will only be made in respect of the unexpired part of their work permits. It is possible for such workers to satisfy the HRC for unemployment assistance purposes if it is deemed that their centre of interest is in the State. However payment of assistance would only be made in respect of the unexpired part of their work permits. Such persons could also satisfy the habitual residence condition for child benefit purposes. The Department has issued detailed guidance, under Freedom of Information legislation (FOI), regarding the operation of the HRC; these are available on the Department's website.

An internal administrative review of the operation of the HRC is currently underway. This review will be completed shortly.

The experience in developing, and subsequently fine tuning, the operation of the HRC illustrates the new context which migration now brings to bear with respect to the provision of social welfare services. This issue has been further underscored by the recent introduction of the Early Child Care Supplement for children under six, as well as the eligibility for Child Benefit of EU workers working in Ireland in respect of children resident outside the State. Migration, particularly in the context of Ireland's EU membership, must form an increasing consideration regarding the design and qualifying criteria for social protection systems. A delicate balance must be struck between protecting the rights of EU workers and their families to necessary social provision while at the same time avoiding qualifying criteria which may act to distort migration decisions.

There is a need to ensure that all potential beneficiaries are made aware of their entitlements and are given all necessary assistance to access payments due to them.

### 11.3.5 Policing and Justice

Providing a policing and justice system for an increasingly diverse society is a vital challenge. International experience shows that policing and justice systems frequently find themselves managing the consequences of failures in other spheres of public policy.

In terms of the justice system, as such, and how it deals with migrants and minorities, the Consultants consider much of the international evidence troubling. They assert that robust empirical evidence from various jurisdictions, including Canada, show that at every step of the way, initial interception, laying of charges,

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11. A person having a social insurance record in their home country which would entitle them to a benefit payment is free to avail of provision in Ireland as they seek work, see chapter 4 for full details on this issue.

conviction and sentencing, visible minorities tend to fare worse (Wortley, 1994). Despite this, immigrants in Canada, unlike Ireland (or Europe), are under-represented in prisons.<sup>12</sup> This suggests that crime in Europe may be related to the exclusionary conditions under which migrants live.

There is a further point concerning relations between the justice system and migrant communities. Often, these are a major source of friction, especially in the area of policing. Preventing this will require particular attention and investments in training, in recruitment (of co-ethnics) and in community relations. The Consultants conclude that while ‘numerous “best practice models” exist, the area is likely to remain troublesome’ (IOM, 2006: 152).

Some recent Garda initiatives in this area are noteworthy. The Gardai have set up a Racial and Intercultural Office within the Community Policing Section. In addition some 145 Ethnic Liaison Officers have been appointed across the country to liaise with minority communities on issues of concern.

#### 11.4 Cross-cutting Policy Concerns

Given the wider history of migration, not least that of the Irish in Britain (NESC, 1991), the possibility of ‘casualties’—those who come ill-prepared or who find the cultural transition too difficult—must be given serious consideration. What is required of the public system is a flexible response which deals humanely with cases of individual need, as well as keeping an important watch on key indicators, such as over-representation within mental health or homeless services or in the prison population. In this context, it will also be important to support the initiatives of migrant NGOs, church-based groups or other, emerging civil society bodies, who seek to assist vulnerable migrants. The experience of Irish migrant organisations may also be valuable. In this context, the failures as well as the successes of the Irish experience in Britain, detailed in the Council’s 1991 study, (NESC, 1991), can provide an important backdrop for policy makers as they attempt to come to grips with our own migration challenge.

An important recent initiative by FÁS, the ‘know before you go’ DVD, will, it is hoped, assist efforts to present a more realistic picture of the demands associated with migration to Ireland. Assistance is already in place to support the return home of EU migrants who present to homeless services and fail the HRC. Despite these important initiatives migration, on the scale currently being experienced in Ireland, will doubtless generate some who will find it difficult to cope or successfully make their way in a new country. While the provision of support for those who wish to return home is useful, it should not be assumed that all difficulties will necessarily arise in the short term, so that, a long-term perspective will be needed.

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12. It is interesting to speculate on possible explanations for the discrepancy in immigrant criminality between Canada and Europe. The Consultants suggest that in the absence of compelling evidence showing that European immigrants are more criminally inclined, the explanation is likely to be found in the treatment of migrants and the access they are given to mainstream institutions (Thomas, 1993)

#### 11.4.1 'Tied' Accommodation

As already highlighted, 'tied' accommodation is a possible matter of concern. Such provision arises in several key sectors employing migrant workers—hotels and catering, work in family homes as well as seasonal work in the horticultural and agricultural sectors. It is clear that responsibility lies with employers, whether private households, horticultural enterprises or hoteliers and restaurateurs, to ensure that they are conforming to proper standards for the accommodation of their workers, and furthermore that any wage deductions made for such accommodation do not exceed the market cost of the accommodation provided. It is in the interests of all good employers in a sector to ensure that high standards are adhered to. Not only will this enhance the profile of the sector, it will prevent those who might otherwise flout standards deriving competitive advantage from their actions.

As detailed earlier, issues affecting those living and working in their employer's home are being addressed under the terms of the new partnership agreement, *Towards 2016*. Specifically, the issue of deductions from pay, in respect of accommodation, will be addressed in a new code of practice for all such employments. However, 'tied' accommodation is not solely an issue for those living and working in their employer's home. The needs of this wider group must also be addressed.

#### 11.4.2 Migrant Concentration

The issue of migrant concentration is complex and, moreover, is not readily amenable to public policy influence. The emerging trends in migrant concentration are a consequence of the forces of the market in the housing sector, over which public policy has limited influence. They are in the main driven by the availability of rental accommodation at the lower end of the market. The primary concern for public policy would be the clustering of deprived migrant communities.

#### 11.4.3 Racism and Equality

In recent years there has been an extensive development of Ireland's institutional framework regarding issues of equality and human rights, with the establishment of the Equality Authority and the Equality Tribunal, as well as The Human Rights Commission. As the Consultants point out, such structures provide a critical starting point for efforts to tackle overt discrimination.

#### National Action Plan Against Racism

In 2004, the Department of Justice, Equality and Law Reform produced the National Action Plan Against Racism (NPAR). It was the outcome of a public consultation process that took place between March 2002 and February 2003. The aims of the NPAR are to combat racism and develop a more inclusive, intercultural society in Ireland.

While the primary focus of the NPAR (described in Box 11.3) is anti-racism and interculturalism, it makes reference to other dimensions of the integration challenge. This is evident in its discussion of service provision, economic inclusion and equality of opportunity. In the Council's view, a key challenge now is to determine how these integration aspects of policy can best be delivered.

### Box 11.3 The National Plan Against Racism (NPAR)

The plan outlines an 'intercultural framework' for the development of 'a more inclusive, intercultural society in Ireland...based on policies that promote interaction, equality of opportunity, understanding and respect' (2005: 27). It contains five objectives:

1. **Protection:** Effective protection and redress against racism.
2. **Inclusion:** Economic inclusion and equality of opportunity.
3. **Provision:** Accommodating diversity in service provision.
4. **Recognition:** Recognition and awareness of diversity.
5. **Participation:** Full participation in Irish society.

It proposes a 'whole-system approach', involving four key strategies:

1. **Mainstreaming:** linking with existing policy processes and infusing intercultural/anti-racism approaches into all relevant policy areas;
2. **Targeting:** specific policy priorities, and additional resources, to meet the needs of specific groups;

3. **Benchmarking:** progress through targets, timescales and data;
4. **Engagement** of key stakeholders, including bodies involved in policy making, the social partners, specialised bodies, local communities and groups representing cultural and ethnic minorities.

The plan describes the outcomes expected to be achieved under each of the framework objectives. In the case of the objectives of inclusion and provision, the plan recognises the overlap with important existing strategies for social inclusion, equality, employment rights, training, public service modernisation, social partnership, education, health, social services and childcare, accommodation justice and international development. There is no statutory basis nor a specific budget allocated for the implementation of the actions contained in the NPAR.

Overall, the plan calls for the reasonable accommodation of diversity and positive action in the design and implementation of policies, programmes and organisational practices. (p. 118).

## 11.4 Conclusion

Migration is a reality of contemporary global transformation. While states are by no means powerless, their policy discretion is constrained by the international context in which they must operate. In attempting to address the challenge of migration, states must be aware of this global context which bounds policy making. The challenge for policy makers is to achieve an optimal outcome. In the area of social policy, this will involve major capacity building and service development to cater for growing diversity. It will also involve an honest assessment of current systems of provision, across the full spectrum of services, to determine their capacity to deliver the best outcome, for migrants, and non-migrants alike. There should be no naivety as to the tendencies which all of these systems have demonstrated with respect to vulnerable groups in the Irish population. The systems of social protection, in key areas, have failed to achieve optimal outcomes for significant groups within the Irish population. Ireland has a poor record of achieving good outcomes in its public services for those unable to supplement public provision from their own resources. In light of this, clear challenges exist regarding the capacity of the public system to deliver an optimal outcome with respect to migration.

Migrants come not simply as labour units, useful for a while, but ultimately dispensable; to paraphrase one author's realisation regarding the Continental European experience of the 1960s: 'we wanted workers and we got people.' We also have got people with a range of family and other commitments. They come with hopes for the future which may involve remaining and settling in Ireland or it may not. Insofar as migrants and their families may come to Ireland and for as long as they remain in Ireland, it is important that the wider reality of migrants' lives form part of the focus of public policy and service adaptation. It is in all our interests that the quality of migrants' experience of life in Ireland is positive and they enjoy a sense that they can both contribute to and benefit from living and working in Ireland. In this way, no matter how long they remain, their presence will contribute to the achievement of Ireland's wider economic and societal goals.



12

Policy Development  
and Management

## 12.1. Introduction

This chapter discusses the challenge of developing and implementing a whole-of-government approach to migration and integration. Section 12.2 describes the existing institutional and policy landscape. Section 12.3 argues that the three goals outlined in Chapter 6—economic and social development, the rule of law and integration—are interdependent and discusses the challenges that this poses to the policy system. These include building a widely-shared understanding of the role of immigration in Ireland’s development, a whole-of-government approach to migration and integration policy and more effective and integrated data gathering and management. In Section 12.4, the Council suggests that in designing institutional arrangements, government can draw on a number of recent experiences in policy making and coordination. In that context, the Council canvasses the possibility of a specialised unit on migration data.

## 12.2. The Institutional and Policy Landscape

### 12.2.1 Overview of Policy Responsibilities

Ireland’s policy system for migration has been shaped by two main factors: the increase in the number of refugees and asylum seekers in the late 1990s and the perceived need to meet labour shortages by issuing work permits. Since the enlargement of the EU in mid-2004, the emphasis has shifted significantly since most inward migration is now from the EU, particularly the new member states. The following are the main departmental responsibilities for migration policy and migration-related issues:

- ◆ The Department of Justice, Equality and Law Reform (DJELR) is the lead Department for immigration and citizenship policy and, in that context, had the major responsibility for dealing with asylum matters, operational responsibility for visa policy and processing, leave to remain, and security issues.
- ◆ The Department of Foreign Affairs (DFA) has responsibility for processing and issuing visas, although this is now shared significantly with DJELR (see below).
- ◆ The Department of Enterprise, Trade and Employment (DETE) has responsibility for labour migration policy and for monitoring and enforcement of employment law.

- ◆ The Garda National Immigration Bureau, GNIB, (established in 2001) has responsibility for the enforcement of Employment Permits legislation, border controls, registration of non-nationals, and deportation, anti-trafficking measures and investigations.
- ◆ The Department of Social and Family Affairs (DSFA) has responsibility for social assistance for migrants.

In addition, a number of other public bodies have some role in the overall policy response to migration. These include the Equality Authority and related bodies, which promote non-discrimination, and the Central Statistics Office (CSO), which has played an important role in measuring migration and adapting existing surveys to gather information on migration.

### 12.2.2 The Evolving Role of the Department of Justice, Equality and Law Reform

#### The Irish Naturalisation and Immigration Service

As noted above, the Department of Justice, Equality and Law Reform (DJELR) is the lead department for immigration and citizenship policy. An important institutional development in the DJELR is the establishment of the Irish Naturalisation and Immigration Service (INIS).

INIS was established following a Government decision in March 2005. The Service incorporates the Department of Justice, Equality and Law Reform's existing structures dealing with asylum, immigration and citizenship and the Visa Section of the Department of Foreign Affairs, which transferred to INIS<sup>1</sup>. INIS aims to contribute to a cohesive system for the issuing of work permits and visas through a virtual link with the work permit system in DETE. INIS is responsible for developing the government's response to immigration, citizenship and asylum issues. The economic migration policy function remains with the Minister for Enterprise Trade and Employment. The overall effectiveness of these arrangements is to be reviewed within 2 years.

In creating INIS, government aimed to both improve customer service and strengthen the effectiveness and integrity of Ireland's immigration system. In particular, it aimed to provide:

- ◆ A single contact point or 'one-stop shop' for applications for entry to the State, combining the work permit and visa application processes;
- ◆ A clearer system involving more streamlined processes;
- ◆ Improved sharing of information to simplify decision making;
- ◆ Improved service times; and
- ◆ Improved control and enforcement mechanisms.

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1. Responsibility for the provision of visa services at diplomatic and consular missions abroad remains with the Department of Foreign Affairs.

INIS is establishing a new Integration Unit to promote and co-ordinate social and organisational measures across government for the acceptance of lawful immigrants into Irish economic and cultural life. Its initial focus was on the integration of refugees and others from outside the EEA given leave to remain. However, it subsequently acquired the task of leading government thinking on the wider challenge of integration and the building of a comprehensive integration policy.

The Reception and Integration Agency (RIA) was established in April 2001 with the merger of the Directorate for Asylum Support Services and the former Refugee Agency of the Department of Foreign Affairs. It is now located within the structure of INIS. RIA is responsible for coordinating the provision of services and integration policy to asylum seekers, refugees and persons granted leave to remain in the State. It also has responsibility for responding to crisis situations abroad which result in large numbers of refugees arriving in Ireland within a short period of time.

On foot of a Government Decision of 2nd March 2004, the Reception and Integration Agency was also assigned responsibility for supporting the repatriation, for the Department of Social and Family Affairs, of nationals of the ten new EU Member States who fail the Habitual Residency Condition attaching to Social Assistance payments.

### **The National Action Plan against Racism**

As described in Chapter 11, the *National Action Plan Against Racism* (NPAR) was published by the Department of Justice, Equality and Law Reform in 2004. The aims of the NPAR are to combat racism and to develop a more inclusive, intercultural society in Ireland (DJELR, 2004). While the primary focus of the NPAR (described in Box 11.1) is anti-racism and interculturalism, it does make reference to other dimensions of the integration challenge. This is evident in its discussion of service provision, economic inclusion and equality of opportunity. In the Council's view, a key challenge now is how these integration aspects of policy can best be delivered.

### **The Forthcoming Immigration and Residence Bill**

In April 2005, the DJELR published a discussion document, *Outline Policy Proposals for an Immigration and Residence Bill* (DJELR, 2005a). It proposes to provide a comprehensive framework within which immigration policy will be developed and implemented. This will include provisions on visas and pre-entry clearance, border controls, admission for the purposes of work, self-employment, research, study, family reunification, admission for non-economically active persons, and residence status and residence permits. The Bill will also make provision for monitoring and compliance, mechanisms for removing people from the state and the reorganisation of immigration and citizenship services in the context of the establishment of INIS.

### The National Consultative Committee on Racism and Interculturalism (NCCRI)

In 1998, the DJELR established the National Consultative Committee on Racism and Interculturalism (NCCRI). Its role was to work with government and non-government organisations to develop an inclusive and strategic approach to combat racism by focusing on its prevention and promoting an intercultural society and to contribute to policy and legislative developments. It played a role in the consultation process leading to the National Action Plan Against Racism (NPAR), mentioned above and described in Chapter 11. Although it is not a state-sponsored body, it receives its core funding from the DJELR (IPA, 2006).

#### 12.2.3 The DETE: Work Permits and Labour Standards

The DETE has the main responsibility for labour migration policy. New economic migration arrangements including a new green-card system will be introduced in 2007. The revised approach will include a role for the Expert Future Skill Needs Group, based in Forfás. It will provide analysis of labour shortages and skill shortages for the Minister for Enterprise, Trade and Employment.

As discussed in Chapter 9, under the terms of the partnership agreement, *Towards 2016*, a new approach is to be adopted to the monitoring and enforcement of employment law. These new measures include the establishment of a new, statutory Office dedicated to employment rights compliance; a trebling in the number of Labour Inspectors; greater coordination among organisations concerned with compliance; new requirements in respect of record keeping; enhanced employment rights awareness activity; the introduction of a new and more user-friendly system of employment rights compliance; increased resourcing of the system; and higher penalties for non-compliance with employment law (see *Towards 2016*: 92–107).

#### 12.2.4 Education Ireland

In 1993, the Government established the International Education Board of Ireland (IEBI). Its remit is to facilitate and support the development of Ireland as an international education centre. The Board has representation from all interested sections of Irish education—universities, institutes of technology, independent colleges and language schools—as well as from other government departments and agencies. IEBI is actively supported by Enterprise Ireland, Irish embassies and Fáilte Ireland.

IEBI's mandate is to promote Ireland as a quality destination for students and trainees and to support the international activities of Irish education institutions. It acts as a national point of contact and referral to and from Irish suppliers of education services and the international market place. It is to liaise with education interests and government to identify and remove barriers to the development of the international education sector.

The IEBI responds to enquiries from overseas students interested in the study options available in Ireland. It promotes Irish education overseas via advertising, developing and circulating generic information and by participating at education fairs, seminars and workshops.

## 12.3 The Policy Challenge

### 12.3.1 The Three Broad Goals are Interdependent

In Chapter 6, the Council identified three broad goals which should inform policy in this area:

1. **Economic and social development:** migration should promote the achievement of a successful society, as defined in the NESC vision.
2. **The rule of law:** migration and migration-related activity should enhance, rather than erode, the rule of law.
3. **Integration:** people coming to Ireland, to settle or for a short period, should be appropriately integrated into the life of Irish society.

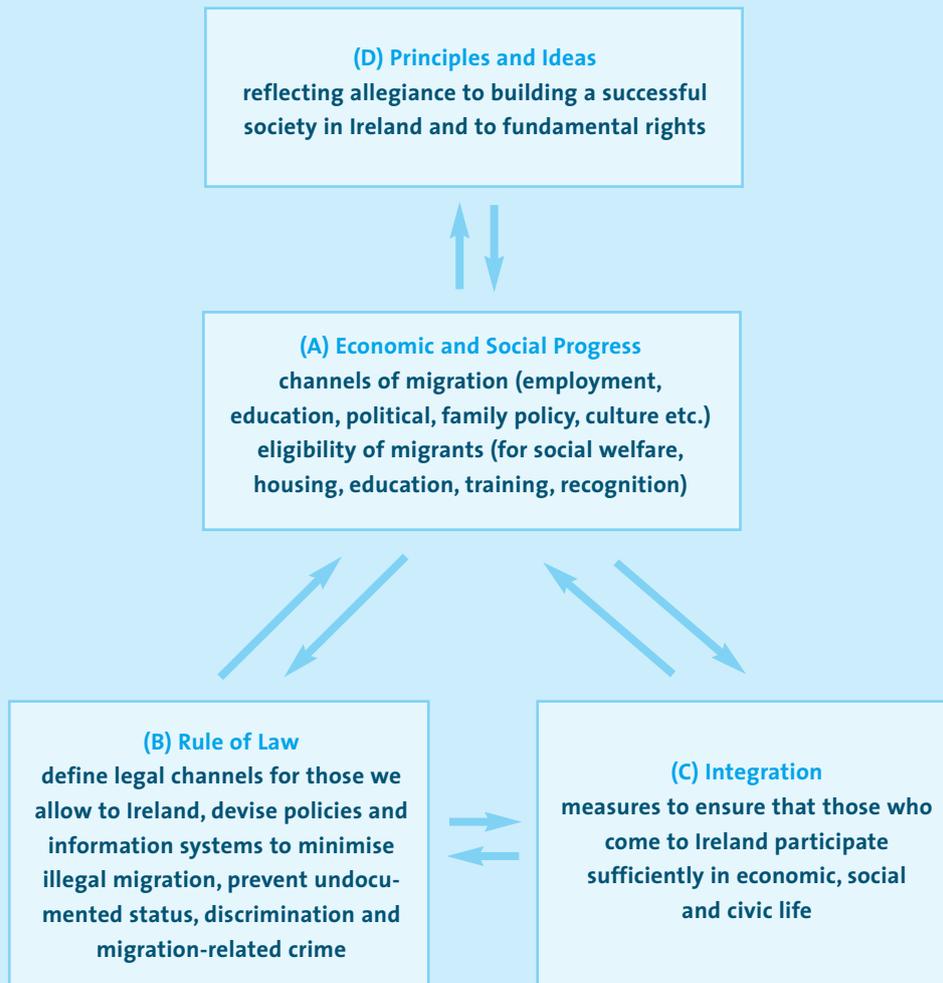
Achievement of effective and coherent approaches to these three broad goals might be made easier if all three were informed by some over-arching principles and ideals.

Each of these goals were explained in Chapter 6 and illustrated in Figure 6.1. Here we are interested in the inter-relationship between these goals and the challenge this poses to the policy system. The arrows in Figure in 12.1 suggest that each of these goals and policies must be informed by the other two. This way of framing Ireland's ends and means suggests that the challenge of consistent, joined-up, policy and implementation arises in a number of different areas and guises.

Consider economic and social development, as described in the central Box A. It is clear that policies defining channels of migration and the eligibility of migrants—devised to promote economic and social development—must inform, and be coordinated with, the policies in Box B, the Rule of Law. At a most basic level, legal channels must be defined and managed to facilitate the arrival of various kinds of migrants. But there should also be an influence in the other direction. A concern for the rule of law (Box B) should inform the approach to admission of migrants and their eligibility for services (Box A). A country that ignored that connection could adopt migration policies—for perceived economic, social or political purposes—which unwittingly undermined the rule of law. It could do this by giving rise to illegal migration, undocumented status, migration-related crime or by creating relations between parties in civil society which are extremely unequal and, consequently, governed by power rather than law or voluntary contract. To take an hypothetical example, imagine a country that adopted an approach to labour migration or educational migration which unintentionally created a stock or flow of illegal migrants or people with irregular status. Although that approach to labour or educational migration might serve economic or other purposes, it could

undermine the rule of law in the ways cited above. Since both goals are valid, a balance needs to be struck between the economic and social benefits of different channels of migration, on the one hand, and protection of the rule of law, on the other.

**Figure 12.1. The Goals of Migration Policy are Inter-dependent**



Likewise, policies aimed at economic and social development (Box A) and at integration (Box C) should inform each other. The need for policy on channels of migration and eligibility to influence, and be coordinated with, integration policy is obvious, if hard to achieve. The former policy determines the demographic, occupational and ethnic composition of the migrant population, as well as its scale, and thus shapes the integration policy challenge. But it is also appropriate that the concern for integration should influence the design of migration channels and eligibility. While commercial or budgetary concerns motivate a particular approach to migration (e.g. who should be allowed to come and what services they should be eligible for), a concern to ensure integration might qualify this. It might,

for example, suggest that certain migration channels, or certain restrictions on eligibility, would make integration harder to achieve. Indeed, as noted in Chapter 6, in the second half of the twentieth century, several European countries, such as Germany and the Netherlands, adopted approaches to economic migration which were inimical to long-term integration, or at least paid insufficient attention to the issue of integration.

In like manner, the goal of integration (Box C) and goal of ensuring the rule of law (Box B) need to be coordinated. For example, integration concerns might suggest that certain approaches to protecting the rule of law, even if they were effective in a narrow sense, might undermine integration by stigmatising or harassing certain migrants. But equally, a focus on the rule of law might suggest that certain approaches to migration or integration, if they were perceived to undermine the rule of law, could weaken support for migration (among either the indigenous or migrant population) and consequently weaken the commitment to integration.

### 12.3.2 The Challenge of Policy Coherence and Coordination

This discussion suggests that the challenge of coherent, joined-up, policy is formidable; but it also suggests ways in which it can be made more tractable.

First, we can identify some general, widely-shared, principles and ideals—such as allegiance to what might be called the ‘project of Ireland’—that can inform policy in different spheres (as depicted in Box D of Figure 12.1). While we should not exaggerate the power of over-arching principles to inform practice, it is important that the ‘project of Ireland’—social, cultural, economic and political—commands allegiance among the indigenous population and those settling here.

Second, some of the policy challenges are relatively well-defined, even if they pose complex problems for both policy-making and implementation. Thus, integration policy, as depicted in Box C of Figure 12.1, is a task that can now be addressed by all the relevant departments, provided there is a clear lead department and sufficient coordination across departments and agencies (see below).

Third, the analysis suggests that, within a coherent overall approach, much of the policy coordination can be done by sub-sets of departments and agencies, working on the interactions described above (and depicted by the arrows in Figure 12.1). Occasionally, work on these interactions will throw up policy choices which require a wider discussion. An actual example was the move to amend the constitutional provision on the parents of Irish-born children in 2004. More hypothetically, work on how to combine migration, integration and the rule of law might, for example, throw up a suggestion for a single identifier or possibly an identity card, a suggestion which would inevitably require wider debate.

A number of questions must be answered in designing a coherent and coordinated approach to migration policy, broadly defined:

- ◆ How can a whole-of-government approach to migration policy, broadly defined, be created within the next year or two?

- ◆ How can sufficient shared understanding of migration and its implications be created—across government and civil society—to ensure an effective partnership approach to making and implementing policy?
- ◆ How can the integration challenge be inserted into the mainstream work of departments and agencies?
- ◆ How can the adaptation of information systems be achieved to support individual policy spheres and to allow sufficient connection between them?

As emphasised in Chapter 6, migration makes urgent a range of existing policy challenges, more than it creates entirely new ones, although it does create some of these. In particular, migration underlines the urgency of ensuring that labour market policy and social policy really support both Irish citizens and migrants in accessing employment and achieving career progression. Here we briefly explain why Ireland's policy institutions must answer each of the questions listed above.

### 12.3.3 Need for a Shared Understanding on Migration

The importance of the first two of these tasks—the need for a clearly articulated shared understanding—emerges strongly in the Consultants' report:

The requirement to mobilise interests across the board dictates the need for a compelling rationale that is able to cut through complexity and resonate with numerous, diverse groups. Such a rationale has yet to be constructed in Ireland, though a number of important new initiatives indicate that the process has begun (IOM, 2006: 173).

### 12.3.4 Placing the Integration Challenge in the Mainstream of Government

#### Delivery

Likewise the need for migration and integration policy to include anti-racism measures, but to go beyond to them, is a central theme of the IOM report. It notes that the NPAR expands the integration debate to the critical areas of housing, health, education and justice, while the forthcoming Immigration and Residence Bill will offer a machinery for reconfiguring the admission system to address a broader set of strategic interests (IOM, 2006: 173).

Ultimately, for integration to succeed migrants will have to be seen as potential assets and not as charitable works or temporary aids to facilitate labour adjustment. This will require going beyond the NPAR's asylum-inspired approach. Anti-racism measures can, at best, produce tolerance, which is undeniably important. But such measures are unlikely to produce integration, which cannot be compelled or achieved through sanctions. For integration to occur, support will need to be built on a widely shared vision of how integration might contribute to a dynamic, secure and socially cohesive Irish future. The creation of such a vision would provide a basis for stakeholder alliances and would permit the development of coherent plans. In the absence of such a vision policy will inevitably remain fragmented and integration will be impaired. (IOM, 2006: 169)

### The Development of Better Data On Migration

In the Council's view, the fourth question listed above, concerning data, is critical. The formulation of migration policy, broadly defined, is made more difficult by the limited availability of the data and paucity of research. The situation is acute in Ireland because much of its immigration is recent and an awareness of the importance of capturing the required data, and of how to do so, is insufficiently developed across the public system. In addition, sufficient time has not yet elapsed to generate data on the experience of migrants. The Consultants repeatedly refer to the paucity of data in Ireland; for example, they say 'there are virtually no empirical data concerning the social, or even economic, integration of minorities in Ireland, and scant academic analysis of the social impacts of migration' (IOM, 2006: 150).

The Council believes that these data deficits must be addressed in three ways:

1. By making more use of existing data sources;
2. By incorporating migration and migration information into standard procedures; and
3. By undertaking new data-gathering exercises.

### Making More Use of Existing Data Sets

Some important steps are underway to make better use of existing information. INIS is completing the procurement phase of a major IT project covering asylum, immigration, repatriation and citizenship in order to give a 'whole organisation' view of clients throughout the process. This will join up data in the justice sector and will have considerable potential both within the sector and in terms of wider integration. In addition, virtual links are being explored between the Work Permits System of the Department of Enterprise Trade and Employment and the Visa System in INIS.

Nevertheless, across a wide front, better use can be made of existing procedures for gathering and entering data. For example, where the nationality of respondents, applicants or service users is, in fact, asked for in regular procedures, it is important that it is subsequently entered into the relevant dataset ('captured'), and that nationality as recorded can be linked across datasets<sup>2</sup>. The CSO says:

Given the importance of immigration to understanding recent social change in Ireland, there is a clear need to be able to reliably classify information by nationality (CSO, 2003: 113).

2. When the CSO examined the data holdings in six government departments (approximately 120 datasets in all), it found that details on nationality were provided in 37 instances using nine different nationality-coding systems. However, only two of the 37 cases used what the CSO would regard as a standard classification. By contrast, the situation was more favourable for age coding. 65 data sources recorded data on age, also used nine different age coding systems but 51 of the 65 instances were consistent with CSO best practice.

In other instances, particularly where social welfare claim forms are concerned, the CSO describes as 'a common feature and a key weakness' the fact that the answers provided to several questions are not captured in the Service Delivery Model (SDM) system (*ibid.*: 87). This arises in applications for Child Benefit and other areas<sup>3</sup>.

More ambitious use could be made of existing datasets. For example, both the CSO and the Consultants rate highly the potential of the 'Database of non-EEA Nationals' maintained by the Garda National Immigration Bureau (GNIB) since 2001 (CSO, 2003: 73-74; IOM, 2006: 10). The CSO believe 'it should be possible to compile accurate stocks and flow figures for the relevant target populations from the registered non-EEA nationals database' (*ibid.*: 77). However, other than the head count, little information from this dataset is publicly communicated. In addition, the *Quarterly National Household Survey (QNHS)* collects data on nationality, place of birth and length of time resident in Ireland but, usually, they are 'not reported, and are thought to be too scanty for analysis' (IOM, 2006: 70). An Annex to the QNHS in May 2006 was a welcome departure (other than the private release of QNHS Q2 2003 to Barrett *et al.*, 2002) and provided valuable indications of the sizes of the migrant workforce and resident working age population<sup>4</sup>. Eurostat are to add a significant migration module to the Labour Force Survey for 2008, which will provide data thoroughly comparable across the Member States.

A good example of how to exploit the potential of existing datasets was the access the DETE gave an independent researcher to its database on work permits. This generated some of the more important empirical evidence on which the Consultants were able to rely in their report to the Council as well as producing several suggestions as to how the dataset could be improved<sup>5</sup>.

Statistical information relating to the issue of visas should be computerised. This information could give an early indication of future immigration patterns (CSO, 2003, Recommendation 18).

There may be reasons, such as the security of the state or the protection of small and, therefore, identifiable minorities, why some data on migration should be not be publicly disclosed<sup>6</sup>. However, the default position should be to put data on migration regularly into the public domain rather than wait for FOI requests or once-off requests from independent researchers before gathering and communicating it. A comprehensive picture of what migration is doing to Ireland will need the multiple contributions of researchers in many different fields working over several years if it is to be reliably established.

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3. In the case of child benefit, what is in fact asked on all CB forms but not captured includes details of benefits received from other countries (country, name of payment, date of payment), employment details from work abroad (social security number, country, date last worked) and immigration details if arrived from abroad (date arrived, address abroad, nationality, spouse's nationality) (CSO, 2003: 87). It is not unique to social welfare procedures that relevant information on country of birth and nationality is asked for but not captured (*ibid.*: 74).

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4. While the CSO acknowledged 'concerns ... based on international experience, around the extent to which (such a general purpose household survey) captures minority communities in a proportionate and representative manner', it, nevertheless, described the Annex findings as 'a broadly accurate picture of the current situation and recent trends'.

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5. For example, no data are available on the length of stay of permit holders though it can be assumed that a significant proportion of foreign nationals return home after the expiry of their work permits. The database includes information on earnings but not on education or work experience (IOM, 2006: 23, 68).

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6. For example, it is more important that the relevant authorities have accurate data on border apprehensions or the public health risks associated with some source areas of migrants than that all such data is available to the media

### Incorporating Migration and Migration Information into Standard Procedures

There is a need to be more aware of the importance of individual characteristics—such as nationality, place of birth, duration of residence in Ireland and ethnicity—when routine surveys, application forms for public services and questionnaires are being designed. A number of examples illustrate this:

- ◆ To date, the periodic report on perinatal statistics has not featured data on the nationality, duration of residence, place of birth or ethnicity of the mother and father. Among other things, the population projections of the CSO would benefit from information on the birth rate of different nationalities (CSO, 2003: 113/4).
- ◆ The proposals by the DJELR to use biometric data in border controls, and by the Department of Health and Children to use an ethnic identifier for all health data, are examples of useful innovations that would assist the public system in meeting its growing responsibilities.
- ◆ The National Disease Surveillance Centre has begun collecting data on the country of origin of Irish residents with certain infectious diseases, largely in response to moves to improve epidemiological surveillance at the European level.<sup>7</sup>
- ◆ Official estimates of the number of irregular migrants in Ireland are lacking, and there is little data on which to base estimates of those irregularly working and residing in Ireland. Data on border apprehensions are not publicly available, though information is collected by the Garda on its border activities. It is difficult, therefore, to estimate the number of migrants entering the country irregularly, and whether they arrive independently or through smugglers and traffickers. The increased level of legislation and deportations suggests that the government is expanding its efforts to combat irregular immigration; however, the lack of reliable data or systematic evidence hamper any assessment of the extent to which Ireland's current immigration and employment laws are in fact enforced (IOM, 2006: 30, 45).

### Undertaking New-Data Gathering Exercises

Going further, the Council believes that new data should be gathered in order to deepen our understanding of the dynamics of migration. In particular:

- ◆ There is virtually no data on the labour market status of the almost 7,000 people who were officially recognised as refugees between 1995 and 2004 (IOM, 2006: 74).
- ◆ Dependants may be expected to rapidly become a significant immigration category. Data and research into the numbers, labour market participation and employment of dependants are urgently needed (IOM, 2006: 114).

7. The Consultants observe that, while these data show that foreign-born residents in Ireland are over-represented as regards HIV and tuberculosis, it is hard to determine whether the high proportion of foreign-born in the dataset demonstrates that surveillance of the health status of the migrant population is working, or whether it is evidence of the urgency to focus on the needs of some migrant populations (CSO, 2006: 134).

- ◆ There is clearly a need for more information and data about the contribution made by ‘students’ to employment in Ireland and for this to be taken account of in determining the number of admissions under the labour immigration channels (IOM, 2006: 115).
- ◆ On-going research is needed on the implications of migration for housing demand and supply<sup>8</sup>. As more migrants are joined by family dependants, some of their housing need might shift from the private rental sector to social housing (IOM, 2006: 127).
- ◆ The numbers of migrant children in primary and secondary education are not known, and mechanisms for collecting information on the ethnicity and nationality of pupils in the Irish education system still need to be developed (IOM, 2006: 137).

## 12.4. Institutional Arrangements to Achieve Policy Coherence and Coordination

In some respects, the immediate and long-term location of many policy responsibilities is clear. And, once the integration goal has been internalised in the policy system, responsibility for its components will naturally lie with line departments, such as Education and Science, and their agencies.

### 12.4.1 The Consultant’s Recommendations on Policy Coordination

The Consultants note that ‘the administration of a system involving so many policy actors is a complex process and requires a great deal of coordination, consultation and sharing of information’ (IOM, 2006; 4). ‘Horizontal policy development requires horizontal coordinating machinery’. They note that this is gradually being developed and that a ‘new, combined service delivery agency is nearing completion (the Integration Unit<sup>9</sup>) and several high-level committees have started to operate’. IOM argue that a sense of urgency will need to be injected into the work of these structures and their mandates will need to be framed more clearly and more publicly. They suggest that ‘consideration should also be given to a single migration agency that could exercise leadership and drive the combined enterprise’. (IOM, 2006: 168)

### 12.4.2 The Report of the Joint Oireachtas Committee on European Affairs

In its recent report on migration, the Joint Oireachtas Committee on European Affairs makes a number of recommendations on policy development and policy coordination. It suggests that ongoing efforts to coordinate information should be progressed with as much speed as possible. It proposes that Irish agencies should be asked to work even more closely with the governments of the sending countries, to publicise the appropriate routes for finding jobs in Ireland and restricting the activities of unscrupulous or careless agencies.

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8. Available work permit data suggest that nearly half of migrant workers are employed in the Greater Dublin Area. Even by the year 2000, it was estimated that migrants were increasing housing demand by 8,000 to 10,000 units a year (IOM, 2006: 126).

9. This service is being developed as part of the work of INIS.

The Committee agrees that there should be greater cooperation and coordination between the bodies involved in inspecting and enforcing the range of legislation already enacted to protect worker's rights. Finally, the Committee considers that clear responsibility to support social and economic integration of migrants should be given to one government agency.

#### 12.4.3 The Council's Recommendation

The Council does not interpret the recommendation of the Consultants or the Joint Oireachtas Committee to mean that the formulation and implementation of migration and integration policy can be allocated to a single, existing or new, department or agency. The range of policies and services involved is so great that no feasible institutional reallocation could encompass them. Consequently, even if a new entity is created to assist policy development, there will remain the challenge of coordinating policy across several departments and agencies.

As noted above, in thinking about institutional approaches, the Council sees four main challenges:

1. To achieve a whole-of-government approach to the cross-cutting challenges depicted in Figure 12.1;
2. To ensure that the integration agenda is firmly mainstreamed in key service-delivery departments;
3. To communicate a clear vision of the role of migration in Ireland's long-term economic and social development; and
4. To create information systems to support individual policy spheres and to allow sufficient connection between them.

Given the importance of these tasks, the Council recommends that government focus on the institutional arrangements to achieve them. Considerable consultation has already been undertaken, through the NCCRI, the preparation of the NPAR<sup>10</sup>, discussion in NESC and the social partnership talks and other processes. In addition, government has defined some of the main parameters of both migration and integration policy. But there are parts of both migration and integration policy—and their harmony with the third broad goal, the rule of law—which do seem to require a more coordinated and articulated approach. In designing this, government can draw on a number of recent experiences in policy making and coordination. Among these are the Cabinet Committee on Social Inclusion (served by the Senior Officials Group on Social Inclusion), the National Disability Strategy, and the National Children's Strategy, which includes the creation of the Office of the Minister for Children.

The Council's recommendation on policy development combines a more focused and authoritative approach to the integration challenge at national government level, with significant partnership. On the one hand, integration policy needs to become more centred in government, so that the requirements of integration can be delivered by the machinery of public administration in key service departments

10. Although the Council believes that more consultation might be undertaken on aspects beyond the remit of National Consultative Committee on Racism and Interculturalism (NCCRI)

and agencies. On the other hand, as integration policy becomes established and mainstreamed, appropriate partnership arrangements with non-government organisations need to be further developed. This is necessary because of the limited ability of government, acting on its own, to achieve integration and make a success of migration.

#### **12.4.4 A Specialised Unit on Migration Data**

The data developments discussed above will require specific oversight and commitment from a dedicated unit. Its remit should be to ensure that the data to enable migration to be monitored and understood is generated and made available in an appropriate way. The Council considers that this is likely to be situated in whatever office or inter-departmental body is charged with monitoring and implementing migration policy generally. It should have a clear leadership role in influencing how departments and public agencies gather data, as well as in communicating vigorously their data requirements in respect of migration. It would work closely with the CSO, providing it with dedicated resources when necessary, to improve the statistical collection, storage and transferability of data relevant to migration, including the manner in which data on nationality, ethnicity and residence would be available via a central repository, such as the Central Records System (CRS) (see Recommendation 6 of CSO, 2003: 124).



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