

Determining Labour and Skills Shortages and the Need for Labour Migration in Ireland

Egle Gusciute, Emma Quinn and Alan Barrett

ESRI Research Series
Number 49

November 2015



EMN Ireland





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RESEARCH SERIES

NUMBER 49

Study completed by the Irish National Contact Point of the European Migration Network (EMN) which is financially supported by the European Union and the Irish Department of Justice and Equality. The EMN has been established via Council Decision 2008/381/EC.

Available to download from www.emn.ie

ISBN 978-0-7070-0395-5

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Whitaker Square, Sir John Rogerson's Quay, Dublin 2

The European Migration Network

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The Authors

Egle Gusciute is Research Assistant and Emma Quinn is Head of the Irish National Contact Point of the European Migration Network (EMN), within the Economic and Social Research Institute (ESRI). Alan Barrett is Director of the Economic and Social Research Institute.

Acknowledgements

In compiling this study valuable assistance was received from officials of the Economic Migration Policy Unit, the Employment Permit Operations Unit, and the Strategic Policy Division, all within the Department of Jobs, Enterprise and Innovation, as well as representatives of the Skills and Labour Market Research Unit, SOLAS and the Expert Group on Future Skills Needs. Thanks are also due to the Migrant Rights Centre Ireland.

We also acknowledge the useful comments and suggestions received from referees.

Finally, thanks are due to our colleagues Elaine Byrne and Sarah Burns at the ESRI. We are grateful to everyone who shared their expertise with us for the purpose of writing this study.

About this Report

This European Migration Network Study aims to investigate the process in place in Ireland for identifying labour and skills shortages and how that information is used in labour migration policymaking. The report consists of information gathered for an overview, EU-level Synthesis Report on *Determining labour shortages and the need for labour migration from third countries in the EU*. All national reports together with the synthesis report will be made available at http://ec.europa.eu/dgs/home-affairs/what-we-do/networks/european_migration_network/.

The opinions presented in this report are those of the authors and do not represent the position of the Economic and Social Research Institute, the Irish Naturalisation and Immigration Service, the Department of Justice and Equality, the Department of Jobs, Enterprise and Innovation, the Skills and Labour Market Research Unit or the European Commission, Directorate-General Migration and Home Affairs.

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Abbreviations

CSO	Central Statistics Office
DJE	Department of Justice and Equality
DJEI	Department of Jobs, Enterprise and Innovation
DPS EP	Dependant/Partner/Spouse Employment Permit
DSP	Department of Social Protection
DTF	Difficult to Fill
EEA	European Economic Area
EGFSN	Expert Group on Future Skills Needs
EMN	European Migration Network
EP	Employment Permit
EU	European Union
FDI	Foreign Direct Investment
FTDL	Freight, Transport, Distribution and Logistics
GC	Green Card
HR	Human Resources
HSE	Health Service Executive
HSEOL	Highly Skilled Eligible Occupations List
IBEC	Irish Business and Employers' Confederation
ICEL	Ineligible Categories of Employment List
ICT	Information and Communications Technology
ICTU	Irish Congress of Trade Unions
ILO	International Labour Organization
INIS	Irish Naturalisation and Immigration Service
Intra-CT	Intra-Company Transfer
ISCED	International Standard Classification of Education
ISME	Irish Small and Medium Enterprises Association
LMNT	Labour Market Needs Test
LTR	Long-term Residency
MRCI	Migrant Rights Centre Ireland
NCP	National Contact Point
NMW	National Minimum Wage

<i>NSB</i>	<i>National Skills Bulletin</i>
OECD	Organisation for Economic Co-operation and Development
QNHS	Quarterly National Household Survey
SLMRU	Skills and Labour Market Research Unit
RAS	Recruitment Agency Survey
SOC	Standard Occupational Classification
SOLAS	Further Education and Training Authority
SPD	Strategic Policy Division
TCN	Third-Country National
TFEU	Treaty on the Functioning of the European Union

Executive Summary

Many EU Member States view labour migration as one part of a wider strategy to address labour shortages. Countries differ in the importance given to labour migration relative to other measures, such as market activation of the current resident population and reforming education and training opportunities (European Migration Network, 2015). In Ireland, while the primary goal of national policy is to create high-skilled jobs for the resident population, non-EEA immigration can allow for a speedy response to emerging skill shortages and an ongoing supply where the number of graduates remains below the number needed.

Ireland's approach to labour migration can be best understood in terms of broad economic policy: the State aims to support and attract investment that results in high value-added jobs and a skilled workforce must be available to meet the demand created by such investment. In addition Ireland tends to pursue Foreign Direct Investment (FDI) in certain specific areas, such as ICT and pharmaceuticals, thereby creating employment demand in narrow occupations and fields. In order for this strategy to be successful, potential investors should not perceive or experience skills constraints; indeed if the State is seen to be proactively identifying and addressing shortages as they arise, it could support the policy objectives.

In Ireland an employment permit is issued in respect of a non-EU national only after an offer of employment has been made. Approximately 69 per cent of new employment permits issued in 2014 were to professionals (Behan et al., 2015), illustrating the link between identified skills needs and Ireland's employment permit system. This indicates that non-EEA nationals working in Ireland tend to be highly skilled and is consistent with previous research (Quinn and Gusciute, 2013). While the majority of EU Member States attempt to forge links between their economic migration policies and skills shortages, Ireland stands out for attempting to link almost all types of employment permits to identified labour market shortages (European Migration Network, 2015).

Study Aims

This study aims to investigate the process in place in Ireland for identifying labour and skills shortages, by providing an overview of the mechanisms and tools used for that purpose. The role of economic migration from outside the European

Economic Area (EEA) in addressing such shortages is examined. The extent to which information on shortages guides labour migration policy is also discussed. This report is based on the Irish contribution to an EU-wide European Migration Network (EMN) study on *Determining labour shortages and the need for labour migration from third countries in the EU*. A similar study has been undertaken by each EMN National Contact Point (NCP) and a synthesis report has been produced (See European Migration Network, 2015).

Legislative and Institutional Framework for Economic Migration Policy

In Ireland, employment permits are issued under a policy of meeting labour and skills needs from within the enlarged European Economic Area (EEA) as far as possible, while limiting non-EEA labour migration to that of the most highly skilled and hard to find workers. The employment permit system responds to labour and skills shortages by broadening and narrowing categories for eligible occupations. During periods of economic prosperity, the eligible occupation categories for non-EEA nationals are broadened, while during periods of economic downturn the categories are narrowed and other restrictions are applied.

The process for using information on labour and skills shortages in labour migration policy formulation has recently become more formalised, with the enactment of the *Employment Permits (Amendment) Act 2014*. A Highly Skilled Eligible Occupations List (HSEOL) and an Ineligible Categories of Employment List (ICEL) are now contained in secondary legislation under the amended *Employment Permits Act 2006*.¹ By underpinning the employment permit system in legislation, the 2014 Act also gave the Minister more clearly defined powers and therefore increased flexibility to adapt the system in response to changing economic conditions.

The employment permit policy and associated procedures were revised in 2013 in order to address shortages in certain employment categories and to introduce a more user-friendly application process in order to attract highly skilled workers. From October 2014 there are nine types of employment permits (EPs) falling into the following categories: Critical Skills; Intra-Company Transfer (Intra-CT); Dependant/Partner/Spouse (DPS); General; Contract for Services; Reactivation; Internship; Sport and Cultural, and Exchange Agreements. In 2014, 5,495 employment permits (new and renewed combined) were issued, representing an approximate 42 per cent increase since 2013 when 3,863 permits were issued.

¹ The lists were last amended 1 September 2015. S.I. No. 432 of 2015. Correspondence with Department of Jobs, Enterprise and Innovation (October 2015).

Employment permits designed to target skills shortages (Critical Skills Employment Permits and the pre-October 2014 equivalent 'Green Cards' combined) accounted for 33 per cent of all employment permits issued in 2014. Indian nationals accounted for 37 per cent of recipients in 2013, falling to 30 per cent in 2014. Nationals of Pakistan and the US also account for large proportions of recipients in recent years. The 2015 *National Skills Bulletin* indicated that the IT sector accounted for 43 per cent of all new employment permits issued in 2014, with a further quarter issued in respect of workers in the healthcare sector.

Instruments and Tools Used to Identify Labour and Skills Shortages

Labour and skills shortages in the Irish labour market are analysed at occupational level by the Skills and Labour Market Research Unit (SLMRU), SOLAS for the Expert Group on Future Skills Needs (EGFSN). The SLMRU maintains a National Skills Database which contains a range of quantitative information on demand and supply of skills and labour in Ireland. Each year the SLMRU publishes a *National Skills Bulletin (NSB)*, which is a key source used by the Department of Jobs, Enterprise and Innovation (DJEI) to identify occupations to be included on the Highly Skilled Eligible Occupations List (HSEOL) and the Ineligible Categories of Employment Lists (ICEL).

The Standard Occupational Classification (SOC) system (2010) is used by the SLMRU to code source data, insofar as possible. Both the HSEOL and the ICEL are also classified using SOC 2010. The SLMRU has worked with a range of data providers to have as many source datasets within the National Skills Database as possible also coded according to the SOC classification and significant progress has been made in this regard.

The main outputs that are relevant to migration policy from the SLMRU are the *National Skills Bulletin* and the *Vacancy Overview*. The EGFSN also undertakes in-depth sectoral studies in order to identify current and future labour and skills requirements in specific sectors. Sectoral studies are also used by DJEI to complement the *National Skills Bulletin* and the *Vacancy Overview* to provide a more complete picture of the demand and supply of labour and skills in the Irish labour market.

In order to compile the shortage lists published annually in the *National Skills Bulletin*, the SLMRU identifies 130 occupational groups as a basis for the analysis. A wide variety of data sources are used to cumulatively build a comprehensive picture of skill availability in each occupation category according to the following model:

$$\text{Replacement demand} + \text{expansion demand} \\ - \text{number of jobseekers available} - \text{number of graduates available}.$$

Shortages are expressed as a proportion of total employment stock although quantification is avoided in general due to data constraints. *Low* refers to a shortage of less than 1 per cent of total employment stock; *medium*, a shortage of 1 per cent to 3 per cent; *high*, a shortage of less than 3 per cent.

Although significant progress has been made in the accurate identification of skills and labour shortages in Ireland, certain challenges remain. In the context of a labour migration policy that prioritises labour migration from within the EEA, the fact that the *NSB* cannot be used to analyse the availability of skills within the EEA represents a constraint. Furthermore, data availability problems exist regarding the estimation of vacancies and the supply of graduates. The SLMRU has adopted a multi-layered approach in order to try to counteract such challenges, using a wide range of data in order to establish an overview of the Irish labour market.

Tools Used to Manage Economic Migration in Order to Address Shortages

Several tools are available to policymakers to manage economic migration and to target non-EEA immigration towards areas of shortage. The HSEOL and ICEL are used to ensure the employment permit system responds directly to identified labour and skills shortages or surpluses. Within this framework other instruments are employed to further refine the system, in particular the Labour Market Needs Test and the 50:50 Rule, along with supporting measures such as the Dependant/Partner/Spouse Employment Permit; these are explained below.

Occupations listed on the HSEOL are deemed to be both required for the proper functioning of the Irish economy and in short supply in relation to the required qualifications, experience or skills. Annual remuneration is also used as an indicator of level of skill and Critical Skills Employment Permits are available in all occupations, provided the occupation in question is not on the ICEL, once a minimum €60,000 threshold is reached. The HSEOL is mainly concerned with professional and associate professional grades. Lower skilled occupations generally do not feature on the list. The list focuses on short-term needs and is updated every six months after a ‘formalised evidence-based review process’ undertaken by DJEI. However DJEI stressed the importance of also incorporating a long-term, strategic approach in the process in order to avoid cutting across initiatives focussed on increasing domestic supply.

The ICEL identifies occupations for which it is believed there are sufficient workers available from within the EEA. In general employment permits will not be issued

in respect of employment in occupations on this list, although exceptions exist. According to the 50:50 Rule an employment permit may not be issued for a non-EEA national unless at the time of application at least 50 per cent of the employees in a company are EEA nationals. In certain cases, for example in the case of start-ups supported by Enterprise Ireland or IDA Ireland, the requirement is waived for an initial period of two years.

The Labour Market Needs Test (LMNT) is designed to ensure that employment opportunities are made available to Irish and EEA nationals in the first instance and only offered to non-EEA nationals when labour or skills needs cannot be met from within the EEA. Employers wishing to employ non-EEA nationals must show that the vacancy in question has been advertised for a specified period before a General Employment Permit or Contract for Services Employment Permit can be issued to/in respect of a non-EEA national. The LMNT is directly linked to identified skill shortages in that it is waived if the employment is in an occupation included on the HSEOL, or the annual remuneration attached is €60,000 or above.

Instant family reunification is only available to Third Country Researchers² and holders of the Critical Skills employment permit as an incentive to relocate to Ireland. The Dependant/Partner/Spouse EP issued to such family members is also designed to support the attractiveness of Ireland as a location of employment for potential and current Critical Skills Employment Permit holders and Researchers.

In addition, the Department of Justice and Equality has introduced the Highly Skilled Interview Permission, which allows non-EEA nationals to enter and remain in the State on a temporary basis in order to attend a job interview for a vacancy in an occupation identified on the HSEOL.³

It is now well established in Ireland that the employment permit system can allow for a quick response to emerging skill shortages and an ongoing response where the number of graduates remains below the number needed. The continued

² The *Third Country Researchers Directive* (Council Directive 2005/71/EC) provides for a fast track procedure (Hosting Agreement) for admitting third-country nationals, (i.e. persons from countries outside of the European Economic Area) for a period of between three months to five years, to carry out a research project with an accredited research institution. See www.djei.ie/en/What-We-Do/Research-Innovation/Hosting-Agreement-Scheme.

³ Permission to enter and remain in the State on a temporary basis (up to a maximum of 90 days from date of arrival) will be granted to non-EEA nationals who have been invited by an employer based in the State to attend a job interview for eligible employment as identified on the Highly Skilled Occupations list. During this time period, successful interviewees may apply for an Employment Permit from DJEI and await the outcome of the application. See www.inis.gov.ie/en/INIS/Pages/HIGHLY%20SKILLED%20JOB%20INTERVIEW%20AUTHORISATION.

economic recovery may mean that shortages will be observed in greater number and in more occupations and sectors. In this context, the effective identification of labour shortages and the incorporation of this information to labour migration policy are important. This study indicates that significant improvements have been made in this regard in Ireland and that the employment permit system is increasingly linked to information on labour shortages and surpluses.

Section 1

Introduction

Section 1 provides an introduction to the study, the scope of the discussion and its objectives. Relevant terminology is introduced and the methodology used to compile the study is discussed.

1.1 OBJECTIVES AND BACKGROUND TO THE STUDY

The study aims to investigate the process in place in Ireland⁴ to identify labour and skills shortages by providing an overview of mechanisms and tools used for that purpose. The role of economic migration, from outside the European Economic Area (EEA), in addressing such shortages is examined. The manner in which information on shortages is fed into labour migration policymaking is then discussed. The report is based on the Irish contribution to an EU-wide, European Migration Network (EMN) study on *Determining labour shortages and the need for labour migration from third countries in the EU*. A similar study has been undertaken by each EMN National Contact Point (NCP) and a synthesis report has been produced (see European Migration Network, 2015).

Consistent with the remit of the European Migration Network, this study is primarily concerned with labour migration from outside the EEA.⁵ Data and information on EEA nationals, where relevant, are also provided for comparison purposes. The scope of the study includes all skills and qualification levels of non-EEA nationals and is not limited to highly-skilled migrants. In the context of the current discussion labour and skills shortages are not differentiated. The study is focussed on the mechanisms and tools in place to identify labour shortages and how that information is used in labour migration policymaking. Broader, related issues such as: the linkages between skills provision and labour market demand; skill mismatches and labour market imbalances; and the effects of skills shortages on productivity growth, are outside the scope of the study and are not discussed in depth.

⁴ Ireland refers to the Republic of Ireland, i.e. excluding Northern Ireland.

⁵ Established by way of Council Decision No 2008/381/EC of 14 May 2008, the EMN has the objective of providing EU and national authorities and institutions, as well as the general public, with up-to-date, objective, reliable and comparable information on migration and asylum. In the context of EU Migration and Home Affairs policy, 'migration' refers exclusively to the migration of non-EU nationals. In Ireland, nationals of EEA states who are not EU members (Norway, Iceland, Liechtenstein, and Switzerland) are treated similarly to EU nationals in terms of access to the labour market.

The structure of this study is as follows: Section 1 provides an introduction to the study, its objectives and scope. The methodology used is also set out in this section and key terminology is introduced. The institutional framework and relevant national legislation are described in Section 2. An overview of the employment permit system and national policy regarding labour migration is also provided in this section. Section 3 explores mechanisms and instruments used to identify labour and skills shortages in Ireland. Challenges in identifying labour and skills shortages are also considered in this section. Tools used to manage economic migration in order to address labour and skills shortages and associated public debate are considered in Section 4. Section 5 highlights some of the key findings. Additional information and data are provided in Annexes 1-5.

1.1.1 EU Context

Various research studies have highlighted a number of future challenges likely to be faced by European societies. Demographic changes such as an ageing population and a shrinking labour force will impact significantly on the European labour market (Carrera et al., 2015). Population projections indicate that by 2050 the median age in Europe, on average, will reach 38 years of age while that of Africa will reach 26 years of age (OECD and European Union, 2014). It is also predicted that between 2013 and 2020 the working age population will decline by 2.2 per cent in the EU28 (OECD and European Union, 2014). In addition, factors such as rapid technological challenges and increased demand for highly-skilled labour will further affect the European labour market (Attström et al., 2014).

While immigration alone is not sufficient to address demographic and labour challenges, it has a significant role to play in counterbalancing the effects of such challenges (OECD and European Union, 2014; European Migration Network, 2015). Research indicates that in the absence of migration, all EU Member States will face shortfalls within the total labour force, with the labour force decreasing by 7.4 per cent (Fargues and McCormick, 2013).⁶

Current and future labour and skills shortages are not only due to demographic changes but also to the change in the type of skills that are in demand (OECD and European Union, 2014). Increased global competition for highly skilled workers and skill shortages, particularly in sectors such as IT, health care and engineering, will affect Europe's economic prosperity and therefore its economic recovery

⁶ The study measures ageing and population shrinking within the working age population in the EU27 between 2010 and 2025, in the context of 'no migration scenario'. In this scenario, between 2010 and 2025 the total labour force will decrease from 220,016,308 to 203,655,867 (7.4%). A no migration scenario refers to a situation where there is no immigration and no emigration. See Fargues and McCormick, 2013.

(European Commission, 2014). Labour and skills shortages are frequently cited by policymakers and employers as among the main reasons for the EU needing to attract foreign labour.⁷ The *European Agenda on Migration* has highlighted the identification of labour and skills shortages and attraction of highly qualified and skilled third-country nationals as among the main priorities in legal migration in the EU (European Commission, 2015).⁸ Many EU Member States view labour migration as one part of a wider strategy to address labour shortages, but countries differ in the importance placed on labour migration relative to other measures, such as market activation of the current resident population and reforming education and training opportunities (European Migration Network, 2015).

1.1.2 Irish Context

In Ireland, the tasks of identifying skill shortages and using the immigration system, in part, to address such shortages is critical to the efficient functioning of the labour market. Unlike other European countries population ageing is not, as yet, an important driver. Instead, Ireland's approach in this area can be best understood in terms of broader economic policy.

For many years, a core feature of Ireland's economic policy has been the attraction of foreign direct investment (FDI). In the early days of this policy, less attention was paid to the types of jobs that were created and the focus was on employment creation, broadly defined. In more recent times, the authorities have been eager to attract FDI that results in high value-added⁹ jobs in sectors such as ICT, science and manufacturing. Similar thinking is evident with regard to state assistance for jobs created by domestic enterprises. This policy also responds to the loss of lower value-added activities as a result of off-shoring to lower cost locations.

Given the skills orientation of public policy towards job creation, it is important that a skilled workforce is available to meet the demand created by the sorts of foreign and domestic investment which the State is seeking to assist. This is true in a broad sense but it also applies to narrow occupations and fields. This point is especially important because Ireland tends to pursue FDI in certain specific areas such as ICT and pharmaceuticals, thereby creating employment demand for

⁷ See *Europe 2020*, European Commission, 2010.

⁸ The *European Agenda on Migration* identified four pillars to manage migration: 1) Reducing the incentives for irregular migration; 2) Border management – saving lives and securing external borders; 3) Europe's duty to protect: a strong common asylum policy and 4) A new policy on legal migration. See European Commission, 2015.

⁹ The difference between the total revenues of a firm, industry, etc., and its total purchases from other firms, industries, etc.

certain skills which can be large relative to the size of the domestic labour force. If the skills are not available, the full benefits of job-creating investments will not be realised. In addition, subsequent investment might be lost if investors perceive or experience skill shortages as being a constraint on the functioning of enterprises or affiliates. Extending this logic, an advantage for the State can possibly be gained in the competition for FDI if potential investors can be shown that the State tracks skill shortages and proactively seeks to address them.

In the discussion that follows, the process used by the authorities in identifying skill shortages is set out. While the results from that process eventually feed into decisions on which skills and occupations are to be open for employment permit applications, the results are also used for planning purposes in the education and training sectors. The primary goal of policy is to create high-skilled jobs for the resident population. However, there is recognition that there is often a lag between the identification of a skill shortage, the transmission of this observation to the education and training system and the re-orientation of courses. The economic migration system, through the issuing of employment permits, can allow for a speedier response to emerging skill shortages and an ongoing response where the number of graduates remains below the number needed. In this way, the employment permit system can be seen as complementing the education and training system.

While the majority of EU Member States attempt to forge links between their economic migration policies and skills shortages, Ireland stands out for attempting to link almost all types of employment permits to identified labour market shortages (European Migration Network, 2015). By way of illustrating the link between skills and Ireland's employment permit system, it can be noted that approximately 69 per cent of new employment permits issued in 2014 were to professionals (Behan et al., 2015). This would indicate that non-EEA nationals working in Ireland tend to be highly skilled, a finding that is consistent with previous research (Quinn and Gusciute, 2013). The study showed that on average 21 per cent of non-EEA nationals were highly skilled in the EU27,¹⁰ the proportion was much higher in Ireland (46 per cent); with only the UK (53 per cent) and Luxembourg (53 per cent) reporting higher proportions. (Quinn and Gusciute, 2013; European Migration Network, 2013).¹¹

¹⁰ Note that the data do not include Croatia.

¹¹ Data were derived from the Labour Force Survey. In the case of Ireland, approximately 29,442 or 46 per cent of non-EEA nationals in employment were employed as managers, professionals and technicians and associate professionals (ISCO 1-3). Data for Luxembourg are of low reliability. See Quinn and Gusciute, 2013.

1.2 METHODOLOGY AND KEY TERMINOLOGY

The information used to compile this report was gathered according to commonly agreed EMN specifications. Extensive desk research was undertaken at the outset of the study, including a review of existing academic literature on the issue. A range of international studies focussing on labour and skills shortages were used to provide the European context for this study.

The *National Skills Bulletin*, *Vacancy Overview* and sectoral studies, produced by the Expert Group on Future Skills Needs, were key sources of information in relation to the Irish context. Previous EMN studies on economic migration and Government publications regarding economic policy were also consulted. Detailed information regarding employment permits and economic migration policy was gathered from the Department of Jobs, Enterprise and Innovation website.¹² The website of the Department of Justice and Equality was also consulted.¹³ Media reports and parliamentary debates were examined for an overview of public debates regarding labour and skills shortages and economic migration.

National data on employment permits were supplied by the Department of Jobs, Enterprise and Innovation and additional data were obtained from statistical tables available on the DJEI website. CSO statistical publications, mainly *Earnings and Labour Costs Quarterly* and the *Quarterly National Household Survey*, were also used.

A number of organisations were interviewed as part of the study (see Table 1.1).

TABLE 1.1 Organisations/Departments Interviewed for the Study, 2015

Organisation/Department	Roundtable	Follow up Interviews
Economic Migration Policy Unit, Department of Jobs, Enterprise, and Innovation	✓	✓
Employment Permit Operations, Department of Jobs, Enterprise, and Innovation	✓	
Skills and Labour Market Research Unit, SOLAS	✓	✓
Strategic Policy Division, Department of Jobs, Enterprise, and Innovation	✓	

A roundtable meeting was convened with representatives from the Skills and Labour Market Research Unit, SOLAS; the Economic Migration Policy Unit,

¹² See www.djei.ie/en.

¹³ See www.justice.ie.

Department of Jobs, Enterprise, and Innovation and the Strategic Policy Division,¹⁴ Department of Jobs, Enterprise, and Innovation. At the roundtable, the draft study was briefly presented and discussion followed. A roundtable format was chosen in order to gain a full understanding of the interplay and interactions between various actors. Prior to the roundtable, a brief overview of the study was sent to the participants and key questions and areas to be discussed were highlighted.

In order to clarify more technical details, follow-up telephone interviews were conducted with representatives from the Skills and Labour Market Research Unit, SOLAS and the Economic Migration Policy Unit, Department of Jobs, Enterprise, and Innovation.

A draft of the study was subsequently circulated to: the Economic Migration Policy Unit (DJEI); the Skills and Labour Market Research Unit, SOLAS; the Irish Naturalisation and Immigration Service (INIS); and an NGO, the Migrant Rights Centre Ireland (MRCI). Further information and comments were incorporated as appropriate.

1.2.1 Key Terminology

Key definitions used in this study are derived from various sources; mostly from previous EMN studies and the *Asylum and Migration Glossary* (European Migration Network, 2014). Where possible agreed definitions are used in order to facilitate comparison across the EU Member States, however, some terms are specific to the Irish context. Definitions related to economic migration and labour and skills shortages provided in this section reflect the terminology used at EU and international levels. Variations used in the Irish context are also indicated and used throughout the report. Where different terms are used interchangeably throughout the study, this is specified in the definitions provided below.

Abbreviations used throughout the report are provided at the front of this report.

¹⁴ Formerly Forfás. Forfás was the national policy advisory board for enterprise, trade, science, technology and innovation in Ireland. The agency was dissolved on 1 August 2014 when its policy functions were integrated with the Department of Jobs, Enterprise and Innovation. See www.djei.ie/en/Who-We-Are/Department-Structure/Strategic-Policy-Division/Strategic-Policy-Division.html.

Highly Skilled Eligible Occupations List is a list of occupations which are experiencing labour or skill shortages in respect of qualifications, experience or skills and which are required for the proper functioning of the Irish economy.¹⁵

Ineligible Categories of Employment for Employment Permits is a list of occupations in respect of which an employment permit shall not be granted in Ireland.¹⁶

Intra-corporate transferee refers to a third-country national subject to a temporary secondment from an undertaking established outside the territory of a Member State and to which the third-country national is bound by a work contract to an entity belonging to the undertaking or to the same group of undertakings which is established inside this territory (European Migration Network, 2014). In the Irish context, third-country nationals who fall into this category of workers are referred to as intra-company transferees.

Labour market test is a mechanism used to support the policy of admitting migrant workers only after employers have unsuccessfully searched for national workers, EU citizens (in EU Member States this also means EEA workers), or legally residing third-country nationals with access to the labour market according to national legislation (European Migration Network, 2014). In the Irish context this is referred to as the Labour Market Needs Test (LMNT).

Labour migration is the movement of persons from one state to another, or within their own country of residence, for the purpose of employment (European Migration Network, 2014). In this study the terms labour migration and economic migration are used interchangeably.

Labour shortage refers to a situation in which there is a shortage or an insufficient number of individuals willing or available to take up employment opportunities in a particular occupation (Behan et al., 2013).

Long-term resident is a third-country national who has long-term resident status as provided under Articles 4 to 7 of Council Directive 2003/109/EC or as provided for under national legislation (European Migration Network, 2014). Ireland has

¹⁵ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Highly-Skilled-Eligible-Occupations-List/#sthash.wW8b8JX0.dpuf.

¹⁶ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Ineligible-Categories-of-Employment/#sthash.ielFWP11.dpuf.

not opted in to this Directive and long-term residency (LTR) currently falls under an administrative scheme of the Department of Justice and Equality. Any person who has been legally resident in Ireland for a minimum of five years on the basis of an employment permit may apply for LTR.¹⁷

Replacement demand can be defined as employment resulting from the departures of employees that have to be filled by new workers due to retirement, withdrawal from the labour market temporarily or due to disability or illness etc. (Willems and De Grip, 1993).

Skills shortage refers to a situation in which there is a shortage or an insufficient number of trained/qualified individuals in the domestic market to meet the demand for an occupation (Behan et al., 2013).

Standard Occupational Classification system (SOC 2010) is a system which classifies workers into occupational categories for the purpose of collecting, calculating, or disseminating data. The Department of Jobs, Enterprise and Innovation uses the SOC system to organise the Highly Skilled Eligible Occupations List and the Ineligible Categories of Employment for Employment Permits List.¹⁸

Third-country national is any person who is not a citizen of the European Union within the meaning of Article 20 (1) of Treaty on the Functioning of the European Union (TFEU) and who is not a person enjoying the EU right to free movement as defined in Article 2(5) of the Schengen Borders Code (European Migration Network, 2014). In this study the terms third-country national (TCN) and non-EEA national are used interchangeably.

50:50 Rule is a requirement which states that an employment permit (new or renewal) cannot be issued in Ireland unless at the time of application at least 50 per cent of the employees in a firm are EEA nationals. This requirement may be waived in certain circumstances (Gusciute et al., 2015).¹⁹

¹⁷ See www.inis.gov.ie/en/INIS/Pages/Long_Term_Residency.

¹⁸ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Highly-Skilled-Eligible-Occupations-List.

¹⁹ See also www.djei.ie.

Section 2

National Framework for Economic Migration Policy

Section 2 provides an overview of the Irish immigration system in relation to labour migration from outside the European Economic Area (EEA). The institutional framework and national legislation are described. The national policy regarding labour migration and the employment permit system are outlined in order to provide context for the discussion on mechanisms used to identify labour and skills shortages and mechanisms used to manage economic migration, which are described in later sections (see Sections 3 and 4, respectively).

2.1 INSTITUTIONAL FRAMEWORK

The principal government department with responsibility for developing economic migration policy is the Department of Jobs, Enterprise and Innovation (DJEI).²⁰ The DJEI is organised into six Divisions which are further subdivided into units (see Annex 1, for the organisational structure of the DJEI).

DJEI policy development is informed by the Expert Group on Future Skills Needs (EGFSN) along with other stakeholders. The Employment Permits Section within the Labour Affairs Division of DJEI administers the employment permit system.

The Strategic Policy Division (SPD) within the DJEI is focused on evaluating, designing and executing enterprise and jobs strategies. The SPD co-ordinates the development of the *Action Plan for Jobs* within DJEI and supports the work of the EGFSN.²¹

2.1.1 The Expert Group on Future Skills Needs

The Expert Group on Future Skills Needs (EGFSN)²² was established in 1997 and advises the Government on the current and future skills needs of the economy and on other labour market issues that impact on Ireland's enterprise and employment growth. Its main role is to ensure that labour market needs for

²⁰ See www.djei.ie/en.

²¹ See www.djei.ie/en/Who-We-Are/Department-Structure/Strategic-Policy-Division/Strategic-Policy-Division.html.

²² See www.skillsireland.ie.

skilled workers are anticipated and met. The EGFSN members comprise representatives of business, employees, education, government departments and state agencies (see Table 2.1). The main function of the Group is to provide advice to the Irish Government on issues related to skills needs through:

- Skills foresight and benchmarking
- Strategic advice on building skills through education and training
- Data collection and analysis of demand and supply of skilled labour
- Influencing and monitoring implementation.

The EGFSN publishes a *National Skills Bulletin (NSB)* once a year which provides an overview of developments in the Irish labour market at occupational level. The Group also publishes a regular *Vacancy Overview* and sectoral studies as required (see Section 3).

The Department of Jobs, Enterprise and Innovation provides the EGFSN with research and secretariat support.

TABLE 2.1 Members of the Expert Group on Future Skills Needs, 2015

Members	
Government Departments and Agencies	Department of Education and Skills Department of Jobs, Enterprise and Innovation Department of Public Expenditure and Reform Enterprise Ireland IDA Ireland Skillnets SOLAS
Education	Cork Institute of Technology Higher Education Authority Institute of Guidance Counsellors Irish Universities Association National Adult Literacy Agency
Industry	Cook Medical I.C.E. Group Irish Business and Employers' Confederation (IBEC) Irish Small and Medium Enterprises Association (ISME) Openet
Trade Union	ICTU Irish Congress of Trade Unions (ICTU)

Source: *National Skills Bulletin 2015* (Behan et al., July 2015).

2.1.2 Skills and Labour Market Research Unit

The Skills and Labour Market Research Unit (SLMRU) within the Further Education and Training Authority (SOLAS)²³ provides the EGFSN with data, analysis and (primarily quantitative) research and manages the National Skills Database (see Section 3.1.2). The work of the group informs the selection of new targeted programmes (for example the initiatives such as Momentum, Springboard and the ICT skills conversion programme) designed to address skills shortages in particular economic sectors.²⁴

The EGFSN analysis of the labour market informs and provides evidence to the Employment Permits section of DJEI. The Highly Skilled Eligible Occupations List (HSEOL) and the Ineligible Categories of Employment List (ICEL) are drawn up largely on the basis of this evidence (see Sections 4.1.1 and 4.1.2).²⁵

2.2 LEGISLATIVE FRAMEWORK

The employment permit system in Ireland rests on three main pieces of legislation:²⁶ the *Employment Permits Act 2003*, the *Employment Permits Act 2006* and the *Employment Permits (Amendment) Act 2014*. Applications for employment permits are processed in accordance with the *Employment Permits Act 2006*, as amended by the *Employment Permits (Amendment) Act 2014* and associated regulations. The amended 2006 Act sets out the procedures relating to the application, grant, refusal and revocation of employment permits.²⁷ In general all non-EEA nationals require an employment permit in order to take up employment in the State, but certain exceptions apply (see Table 2.2 for different types of employment permits).²⁸

²³ See www.solas.ie.

²⁴ Dáil Éireann Debate, (Unrevised), Written Answer No. 47 'Skills Shortages' (24 January 2013).

²⁵ See www.djei.ie/labour/workpermits/expertgrouponfutureskillsneeds.htm.

²⁶ Note that the legislative basis for the employment permits regime in Ireland is set out in the Employment Permits Acts 2003 and 2006 as amended by the Employment Permits (Amendment) Act 2014, the European Union (Accession of the Republic of Croatia) (Access to the Labour Market) Act 2013, the Employment Permits (Amendment) Act 2014 and S.I. No. 682 of 2006, S.I. No. 430 of 2014 and S.I. No. 432 of 2014, S.I. 172 of 2015 and S.I. 349 of 2015.

²⁷ See www.djei.ie/labour/workpermits/legislation.htm.

²⁸ In the following cases an employment permit is not required: i. Van der Elst Visa holders; ii. Non-EEA nationals who have been granted permission to remain in the State as a spouse or a dependant of an Irish/EEA national or as the parent of an Irish national; iii. Non-EEA nationals who have been granted temporary leave to remain in the State on humanitarian grounds, having been in the asylum process; iv. Non-EEA nationals who have been granted an explicit permission from the Department of Justice and Equality to remain resident and employed in the State; v. Non-EEA students who are permitted to work 20 hours during term-time and 40 hours during holiday periods; vi. Non-EEA nationals who have been granted permission to remain in the State under the terms of the Diplomatic Relations and Immunities Act 1967, and are assigned to a Mission of a country with whom the Government has entered into a Working Dependants Agreement; vii. Swiss Nationals in accordance with the terms of the European Communities and Swiss Confederation Act, 2001.

The *Employment Permits (Amendment) Act 2014* now provides *inter alia* for new types of permits, and additional criteria and rules for determining whether or not to grant applications for permits. DJEI noted that by underpinning the employment permit system in legislation, the Act gives the Minister more clearly defined powers and therefore increased flexibility to adapt the system in response to changing economic conditions.²⁹

Central to the current discussion is the Highly Skilled Eligible Occupations List (HSEOL), which is now contained in secondary legislation made under the amended 2006 Act.³⁰ Section 15(1)(d) of the *Employment Permits Act 2006* as amended sets out the Minister for Jobs, Enterprise and Innovation's responsibilities regarding the estimation of skills shortages: the Minister must consider whether, in his or her opinion

...there is likely to be, during the relevant period, a shortage or surplus in respect of qualifications or skills falling within paragraph (c), an estimate as best the Minister may make (and which estimate the Minister is, by virtue of this section, required to make) of what the extent of that shortage or surplus will be.

The Employment Permits Regulations 2014-2015³¹ set out at Schedule 3

Employments in respect of which there is a shortage in respect of qualifications, experience or skills which are required for the proper functioning of the economy.

Schedule 4 sets out 'Employments in respect of which an employment permit shall not be granted'.

The Highly Skilled Eligible Occupations List (HSEOL) and the Ineligible Categories of Employment List (ICEL) replicate Schedules 3 and 4 respectively.

2.3 NATIONAL POLICY ON LABOUR MIGRATION

In 2005 a study entitled *Skills Needs in the Irish Economy: The Role of Migration* was submitted by the Expert Group on Future Skills Needs (EGFSN) and Forfás³² to

²⁹ Communication with the Department of Jobs, Enterprise and Innovation, May 2015.

³⁰ S.I. No. 432 of 2014. DJEI, Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015.

³¹ S.I. No. 349 of 2015 is the most up-to-date version of Schedules 3 and 4. Regulations may be consulted at www.irishstatutebook.ie/home.html.

³² Forfás acted as Secretariat of the EGFSN. In 2014 it was subsumed into the Department of Jobs, Enterprise and Innovation and is now called the Strategic Policy Unit.

the then Minister of Enterprise, Trade and Employment and the Minister for Education and Science. The subsequent development of Irish labour migration policy has been underpinned by principles identified at that time.³³ The EGFSN/Forfás study argued that while migration should not be seen as a substitute for up-skilling the resident population, managed economic migration is of benefit to the Irish economy. In general, it was argued, Ireland should seek to meet labour and skills needs from within the enlarged European Economic Area (EEA) as far as possible, while limiting non-EEA labour migration to that of the most highly skilled and hard to find workers. It was also recognised that Ireland would have to compete with other countries for migrant labour, particularly at the high end of the skills continuum (Expert Group on Future Skills Needs, Forfás, 2005).

The current Irish employment permit system is operated to 'maximise the benefits of migration while minimising the risk of disrupting Ireland's labour market.'³⁴ The employment permit system responds to labour and skills shortages by broadening and narrowing categories for eligible occupations. During periods of economic prosperity, the eligible occupation categories for non-EEA nationals are broadened, while during periods of economic downturn the categories are narrowed and other restrictions are applied.³⁵ For example between 2013 and 2015 (January-September) more than half of the employment permits issued were for the Service Industry (mostly ICT) and Medical and Nursing sectors (see Section 2.3.1.1 and Figure 2.1). This can be attributed to the Irish employment system responding to identified skills and labour shortages in these sectors. The lists can be adjusted to respond to specific challenges, for example the occupation of meat boners has recently become eligible for consideration for employment permits.³⁶

As the economy improves demand for skills is increasing. The *National Skills Bulletin 2015* showed that shortages are intensifying in previously identified areas such as: ICT, engineering, sales/customer care, logistics, health, business and finance. Shortages are also emerging in new areas such as hospitality (chefs) and construction (surveyors and steel erectors/fixers).

³³ Strategic Policy Division, (formerly Forfás), Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015.

³⁴ See Department of Jobs, Enterprise and Innovation 'Employment Permit Policy' (updated 1 October 2014) www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Policy.

³⁵ Ibid.

³⁶ See 'Employment Permits for Boners (Meat)' (updated 1 September 2015). Notice on www.djei.ie.

2.3.1 Employment Permit System

The Irish employment permit system is employer-led and a permit will only be issued where a job exists. The advantage of this type of system is that there is a clear link between the persons entering the State and labour market needs; in addition there is no financial burden on the State as the person is employed immediately on arrival (OECD, 2006; Chaloff and Lemaitre, 2009). Systems with a greater emphasis on increasing the supply of labour migrants (e.g. points-based systems) involve the host country taking immigration applications directly from potential candidates, independent of a specific job offer. This system allows the host country authorities to evaluate the suitability of potential migrants on the basis of certain criteria (OECD, 2006; Chaloff and Lemaitre, 2009).

A skills shortage refers to a situation where there is an insufficient number of trained/qualified individuals in the domestic market to meet the demand for an occupation. A labour shortage occurs where there is an insufficient number of individuals willing to take up employment opportunities in a particular occupation for example due to pay or working conditions (Behan et al., 2013).

During a parliamentary debate the Minister for Jobs, Enterprise and Innovation stated that new employment permits are generally issued for highly skilled, highly remunerated positions or for positions where there is a recognised demand in relation to a particular qualification or occupation type.³⁷ Currently employment permits are issued in

*response to employer demand for strategic skills and labour shortages in designated occupations in key economic sectors such as healthcare, information technology and financial services.*³⁸

The Employment Permit policy and associated procedures were reviewed in 2013 in order to address shortages in certain employment categories and to enhance a more user-friendly application process in order to attract highly skilled workers.³⁹

From October 2014 there are nine types of employment permits (EPs) and these are summarised in Table 2.2 below.⁴⁰ In certain circumstances annual remuneration is used as an indicator of level of skill. Different criteria may apply

³⁷ Dáil Éireann Debate (Unrevised), Written Answer No. 261 'Employment Permits' (5 March 2013).

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Between 2007 and September 2014 employment permits comprised: Green Cards, Intra-Company Transfer Employment Permit, Spouse/Dependant Employment Permit, Training Employment Permit and Work Permit.

at different remuneration thresholds and in certain circumstances at different levels of education and qualifications.

TABLE 2.2 Overview of Employment Permit System in Ireland, 2015⁴¹

Type of EP	Objective	Eligible Occupations and Conditions (including minimum remuneration)
Critical Skills EP	<p>Designed to attract highly skilled workers into the Irish labour market with the aim of encouraging them to take up permanent residence in the State.</p> <p>Replaces the Green Card EP.</p>	<p>Eligible occupations: Occupations in significant shortage of supply and deemed to be critically important to the Irish economy.</p> <p>Annual Remuneration:</p> <p>€60,000 and over: All occupations except those on the ICEL or which are contrary to the public interest. A person who does not have a degree qualification or higher must have the necessary level of experience.</p> <p>€30,000 and over: Restricted number of strategically important occupations contained in the HSEOL only. A relevant degree qualification or higher is required in this salary range.</p> <p>Duration and Renewal: The job offer must be of at least two years duration. Permit holder may reside and work without an EP upon completion of the initial Critical Skills EP.</p>
Intra-Company Transfer (Intra-CT) EP	<p>Designed to facilitate the transfer of senior management, key personnel or trainees from an overseas branch of a multinational corporation to its Irish branch.</p>	<p>Eligible occupations: Not available for occupations listed on the ICEL and cannot be used to permanently substitute the filling of a vacancy which otherwise would have resulted in a job opportunity on the labour market.</p> <p>Annual remuneration: €40,000 and over for senior management and key personnel; €30,000 or over for trainees.</p> <p>Duration and Renewal: EP is issued for an initial period of two years and may be extended for a further three years; training permits are issued for 12 months and are not renewable.</p> <p>Other: Must be employed with the foreign employer for at least six months before the transfer.</p>
Dependant/ Partner/ Spouse (DPS) EP	<p>Designed to support the attractiveness of Ireland as a location of employment for potential and current Critical Skills EP holders and Researchers.</p> <p>Replaces the previous Spouse/ Dependant EP.</p>	<p>Eligible occupations: Considered for all occupations other than in a domestic setting, with the exception of certain carers.</p> <p>Annual remuneration: Remuneration may be less than €30,000 p.a. but not less than the hourly National Minimum Wage (NMW) rate.</p> <p>Duration and Renewal: Duration of this EP is dependent on that of the primary permit holder or researcher.</p> <p>Other: May work for a minimum of 10 hours per week.</p>
		<i>Contd.</i>

⁴¹ See Abbreviations section at the front of the report for abbreviations used in this table.

TABLE 2.2 Contd.

Type of EP	Objective	Eligible Occupations and Conditions (including minimum remuneration)
General EP	<p>Designed to attract non-EEA nationals for occupations which are experiencing a labour or skills shortage.</p> <p>Replaces the Work Permit.</p>	<p>Eligible occupations: Considered for all occupations except those on the ICEL or which are contrary to the public interest.</p> <p>Annual remuneration: €30,000 and over. Remuneration lower than €30,000 may be considered in respect of:</p> <ul style="list-style-type: none"> • Non-EEA students who have graduated in the last 12 months from an Irish third-level institution and have been offered a graduate position from the HSEOL; • Non-EEA students who have graduated in the last 12 months from an overseas third-level institution and have been offered a graduate position as an ICT professional from the HSEOL. Certain roles in Specialist, Technical or Sales Support with support from the Enterprise Development Agencies. <p>Duration and Renewal: Issued for a maximum of two years in the first instance and may be renewed upon application for a further three years.</p>
Contract for Services EP	<p>Designed for situations where a foreign undertaking (Contractor) has won a contract to provide services to an Irish entity on a contract for services basis. The Contract for Services EP facilitates the transfer of non-EEA employees to work on the Irish contract in the State.</p> <p>Previously fell under the Work Permit Scheme.</p>	<p>Eligible occupations: Strictly limited to positions required for the service of the contract and cannot be considered for any occupations listed on the ICEL or which are contrary to the public interest.</p> <p>Annual remuneration: €40,000 and over.</p> <p>Duration and Renewal: Issued for a maximum of two years in the first instance and may be renewed upon application for a further three years.</p> <p>Other: The employee must be working for a minimum period of six months with the Contractor prior to transfer. The foreign Contractor must be registered with the Revenue Commissioners as an employer.</p>
Reactivation EP	<p>Designed for situations where a non-EEA national who entered the State on a valid EP but who fell out of the system through no fault of their own and/or who has been badly treated or exploited in the workplace, to work legally again.</p> <p>Replaces a class of Work Permit EP dealing with applications routed through the Migrant Rights Centre of Ireland (MRCI).</p>	<p>Eligible occupations: All occupations are permitted, including certain carers in the home, and excluding all other occupations in a domestic setting.</p> <p>Annual remuneration: Remuneration must be equal to the NMW or higher.</p> <p>Duration and Renewal: Issued for a maximum of two years in the first instance and may be renewed upon application for a further three years.</p> <p>Other: The employee must have previously held an EP and have a 'Reactivation Employment Permit' letter from the Department of Justice and Equality.</p>
		Contd.

TABLE 2.2 Contd.

Type of EP	Objective	Eligible Occupations and Conditions (including minimum remuneration)
Internship EP	<p>Designed to facilitate the employment of non-EEA nationals in the State who are full-time students, enrolled in third-level institution outside the State, for the purpose of gaining work experience.</p> <p>Previously fell under the Work Permit Scheme.</p>	<p>Eligible occupations: The course of study must be wholly or substantially concerned with the skills shortages identified on the HSEOL and the internship must be in respect of one of the occupations on the HSEOL.</p> <p>Annual remuneration: Remuneration must be National Minimum Wage or higher.</p> <p>Duration and Renewal: Issued for a maximum of 12 months and is not renewable.</p> <p>Other: Must be a requirement for the completion of the course of study to obtain experience. Must have a job offer from an employer in Ireland and leave the State at the end of the internship.</p>
Sport and Cultural EP	<p>Designed to facilitate the employment in the State of non-EEA nationals with the relevant qualifications, skills, experience or knowledge for the development, operation and capacity of sporting and cultural activities.</p> <p>Previously fell under the Work Permit Scheme.</p>	<p>Eligible occupations: All relevant occupations considered other than those listed on the ineligible categories of employment for an EP.</p> <p>Annual remuneration: Remuneration must NMW or higher.</p> <p>Duration and Renewal: Can be issued seasonally or for up to two years. May be renewed for up to three years; seasonal employment is not renewable.</p>
Exchange Agreements EP	<p>Designed to facilitate the employment in the State of non-EEA nationals pursuant to prescribed agreements or other international agreements to which the State is a party, e.g. the Fulbright Programme for Researchers and Academics.</p> <p>Previously such permits fell under the Work Permit Scheme.</p>	<p>Annual remuneration: Remuneration must be NMW or higher.</p> <p>Duration and Renewal: Issued for a maximum of 12 months and is not renewable.</p> <p>Other: Applications can only be accepted which fall under the prescribed exchange agreements.</p>

Source: Shanagher and Flood (July 2014) and Department of Jobs, Enterprise and Innovation website.⁴²

2.3.1.1 Employment Permit Data

Just under 5,500 employment permits (new and renewed combined) were issued in 2014, representing a 42 per cent increase since 2013 when 3,863 permits were issued. Employment permits designed to address skills shortages (Critical Skills EPs and the pre-October 2014 equivalent Green Card (GC) combined) accounted for 32.5 per cent of all employment permits issued (new and renewed) in 2014.

⁴² See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits.

Table 2.3 provides a percentage breakdown of employment permits issued, renewed and refused in 2014. See Annex 5, Table A5.1 for additional data on employment permits.

TABLE 2.3 Employment Permits Issued, Renewed and Refused, 2014, by Permit Type

Year	Type of Permit (Current EP/Broadly equivalent permit issued pre-Oct. 2014)	New	Renewed	Total	Refused
2014	Total	4,861	634	5,495	503
	Critical Skills EP/Green Card	36.7%	0.0%	32.5%	20.9%
	Intra-CT EP/ Intra-CT permit*	14.7%	17.2%	13.2%	3.6%
	DPS EP /Spouse/Dependant Permit	3.3%	21.1%	5.6%	9.4%
	General EP/Work permit	45.9%	61.4%	47.7%	65.9%
	Other	1.0%	0.6%	1%	0.2%

Source: Department of Jobs, Enterprise and Innovation (March 2014) and (October 2015).

Note: * Intra-Company Transfer Employment Permits include trainee Intra-Company EPs.

**See also Annex 5, Table A5.1.

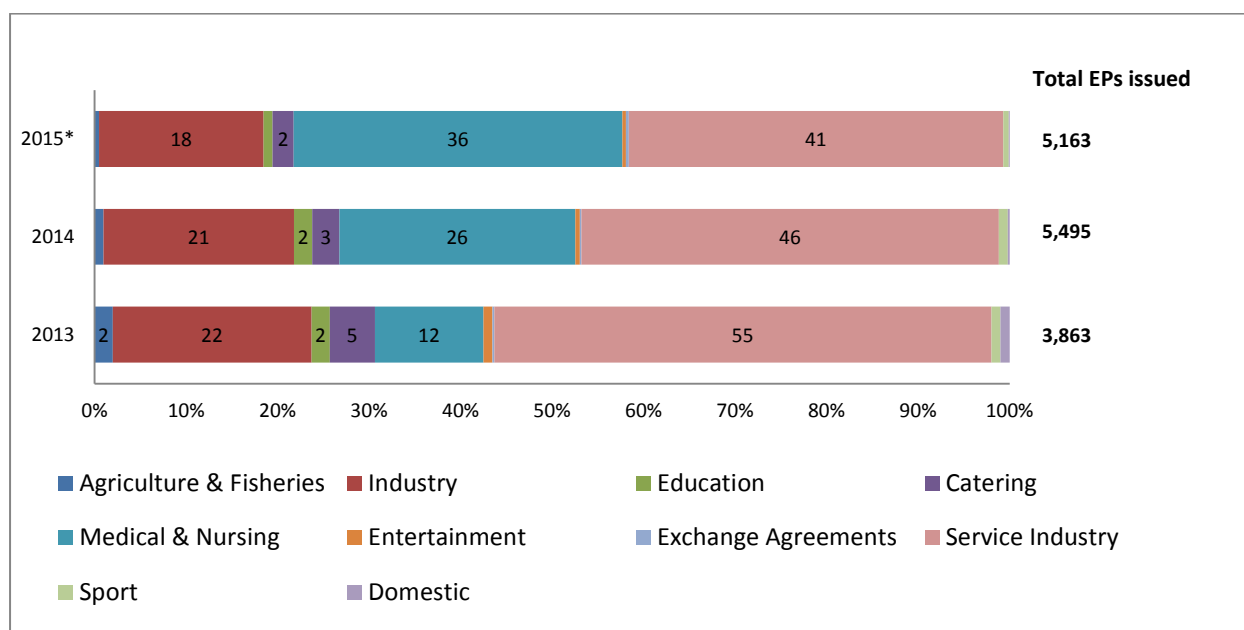
*** Percentages may not always add up to 100 per cent when combined.

The number of permits issued continued to increase during 2015. A total of 5,175 permits were issued between Quarter 1 and Quarter 3 2015, compared to 4,590 in the same period in 2014.⁴³

Figure 2.1 provides a percentage breakdown of total employment permits issued by sector between 2013 and 2015 (January-September) and shows that the Service Industry (mostly for IT services) and Medical and Nursing accounted for the majority of permits issued in the period.⁴⁴ Table 2.4 shows employment permits issued by nationality in the period 2013-2015. Indian nationals accounted for 37 per cent of recipients in 2013, falling to 30 per cent in 2014. Nationals of Pakistan and the US accounted for 12 and 9 per cent of recipients in 2014 respectively.

⁴³ Correspondence with Department of Jobs, Enterprise and Innovation (October 2015).

⁴⁴ Ibid.

FIGURE 2.1 Employment Permits Issued (New and Renewed) by Sector, 2013-2015*

Source: Statistical Tables, Department of Jobs, Enterprise and Innovation Website (Various Years) and Department of Jobs, Enterprise and Innovation (October 2015).

Note: *2015 refers to January-September

** Percentages are rounded and may not always add up to 100 per cent. Values of less than 2 per cent are not displayed in the bar chart.

TABLE 2.4 New Employment Permits Issued (New and Renewed) by Nationality, 2013-2015*

2013		2014		2015*	
Nationality		Nationality		Nationality	
India	1,410	India	1,657	India	1,381
US	583	US	685	Pakistan	726
Philippines	211	Pakistan	507	US	547
China	208	Israel	276	Brazil	203
Pakistan	121	China	253	Israel	195
Brazil	115	Malaysia	177	Sudan	194
Russia	99	Brazil	167	China	174
Canada	91	Sudan	125	Malaysia	159
Ukraine	84	Philippines	122	Russia	155
Malaysia	81	Canada	120	Canada	117
Other	860	Other	1,406	Other	1,312
Total	3,863	Total	5,495	Total	5,163

Source: Statistical Tables, Department of Jobs, Enterprise and Innovation Website (Various Years) and Department of Jobs, Enterprise and Innovation (October 2015).

Note: *2015 refers to January-September.

Section 3

Mechanisms and Tools Used to Identify Labour and Skills Shortages

Mechanisms and tools used to identify labour and skills shortages in Ireland are discussed in this section. The section begins with the introduction of definitions and classification of labour and skills shortages in order to provide context. The National Skills Database and tools such as the *National Skills Bulletin*, *Vacancy Overview* and sectoral studies are examined. Challenges in identifying skill and labour shortages are discussed.

TABLE 3.1 Mechanisms Used to Identify Labour and Skills Shortages and Tools Used to Manage Labour Migration in Order to Address Shortages

Instrument/ Mechanism	Objective/Focus	Tool to Identify Shortages	Tool to Manage Labour Migration in Order to Address Shortages
<i>National Skills Bulletin (NSB)</i>	NSB is an annual report which aims to identify shortages in the Irish labour market and is a key source used to update/review the HSEOL.	✓	
<i>Vacancy Overview</i>	<i>Vacancy Overview</i> is an annual report which aims to provide an overview of the demand in the Irish labour market for labour and skills by identifying trends in advertised vacancies.	✓	
Sectoral Studies	Sectoral studies are in-depth studies which aim to identify current and future skill/labour requirements within a specific sector.	✓	
Highly Skilled Eligible Occupations List (HSEOL)	HSEOL is focused on identifying the need for non-EEA workers in relation to occupations with skill/labour shortages. The list can be broadened/narrowed depending on demand/supply and the economic situation.		✓
Ineligible Categories of Employment List (ICEL)	ICEL contains a list of occupations for which an employment permit cannot be issued. The list can be broadened/ narrowed depending on demand/supply and the economic situation.		✓
Labour Market Needs Test (LMNT)	LMNT is designed to ensure that employment opportunities are made available to EEA nationals in the first instance and only offered to non-EEA nationals when labour or skills needs cannot be met from within the EEA.		✓
50:50 Rule	50:50 Rule aims to ensure that an EP is not issued not a non-EEA national unless at the time of application at least 50 per cent of the employees are EEA nationals.		✓

Source: Authors' own research.

Table 3.1 sets out (a) the mechanisms for identifying labour and skills shortages and (b) the tools used to manage labour migration in order to address these shortages. The former is examined in this section while the latter is discussed in Section 4.

3.1 DEFINITION AND CLASSIFICATION OF LABOUR AND SKILLS SHORTAGES

Labour and skills shortages in the Irish labour market are analysed at occupational level by the Skills and Labour Market Research Unit (SLMRU). Shortages are expressed as a proportion of total employment stock⁴⁵ and categories indicating the estimated magnitudes of shortages within occupations are published annually in the *National Skills Bulletin (NSB)*. The Unit exercises caution regarding the quantification of shortages due to data constraints. In general, *low* refers to a shortage of less than 1 per cent of total employment stock; *medium*, a shortage of 1 per cent to 3 per cent; *high*, a shortage of greater than 3 per cent. It is also noted that while some shortages are estimated by the SLMRU to be low in magnitude, they may be of high importance (e.g. co-vigilance in bio-pharma).⁴⁶ Table 3.2 supplies definitions for different categories of shortages within occupations as used in the *NSB*.

TABLE 3.2 Categories and Definitions of Shortages

Category of Shortage	Definition
No shortage	A situation where there are no apparent labour market imbalances, i.e. where supply of skills and the number of individuals willing to take up employment is sufficient to meet the demand.
Labour Shortage	A situation where there is an insufficient number of individuals available to take up employment opportunities in a particular occupation.
Skills Shortage	A situation where there is an insufficient number of individuals who have the required level of educational attainment, skills set and/or experience to meet the required labour market demand.
Inconclusive	Used for occupations for which the available quantitative information was insufficient for the identification of shortages.
Low	A shortage of less than 1 per cent of total employment stock.
Medium	A shortage between 1 and 3 per cent of total employment stock.
High	A shortage of more than 3 per cent of total employment stock.

Source: Behan et al., July 2015; interview with the Skills and Labour Market Research Unit (May 2015).

⁴⁵ Communication with the Skills and Labour Market Research Unit, January 2015.

⁴⁶ Internal methodological document supplied by the Skills and Labour Market Research Unit, September 2015.

The analysis produced by the SLMRU provides an annual ‘snap shot’ of the situation in the Irish labour market and in addition to the definitions provided in Table 3.2 above, skills shortages areas may be also identified as:

- Skills shortage in a niche area
- Current and/or estimated future shortages
- Issues with attracting and retaining staff for occupations where there is no apparent shortage in supply.

3.1.1 *Classification of Labour and Skills Shortages*

Occupation is used as a proxy for skill in the context of the National Skills Database.⁴⁷ Labour and skills shortages in the Irish labour market are classified using the Standard Occupational Classification (SOC) system (2010), a system which is used to organise workers into occupational categories for the purpose of collecting, calculating, or disseminating data. Occupations in which shortages exist, as identified in the *NSB* and on the Highly Skilled Eligible Occupations List (HSEOL), are also classified using the SOC system. This system was adopted by the SLMRU to ensure compatibility of data with the Quarterly National Household Survey (QNHS) (Irish Labour Force Survey) produced by the Central Statistics Office (CSO) which is a key source of labour market data used in the National Skills Database (see Section 3.1.2 below).

The SLMRU has worked with a range of data providers to have as many source datasets as possible on demand and supply of labour at occupational level within the National Skills Database. The SLMRU adds value to the collected datasets by cleaning and classifying the data using SOC and International Standard Classification of Education (ISCED). The SLMRU also supports data providers to adopt occupational classifications and to code data at source. Significant progress has been made in this regard, for example the vacancy data derived from Jobs Ireland (the public employment service provided by the Department of Social Protection)⁴⁸ is now coded at source. Educational data from the QNHS are coded using the ISCED system of classification.

In the context of the current discussion the most significant progress has been made with the DJEI. Since 2013, the Department’s IT system has used a SOC coding facility for employment permit processing, which is used to code applications at source. All applications received and permits issued are now coded

⁴⁷ An issue with this approach is that the occupational classification systems adjust slowly and are slow to account for the changing skill levels within occupations over time.

⁴⁸ See www.jobsireland.ie.

using the SOC classification system, meaning that the data may be inputted directly into the National Skills Database.⁴⁹

The Highly Skilled Eligible Occupations List and the Ineligible Categories of Employment Lists are classified according to the SOC system, levels 3 and 4.

3.1.2 *National Skills Database*

As discussed above, the SLMRU maintains a National Skills Database which contains quantitative information on skills and labour in Ireland. The data held in the National Skills Database is coded using SOC, while the educational data is coded using the ISCED system of classification.⁵⁰

The database is continually developed but the following sources and datasets are currently of key importance; each is classified using SOC or ISCED systems:

- Occupational projections derived from an in-house economic model;
- Labour market transitions model;
- Micro-level data on profile and trends in employment, unemployment and inactivity from the Quarterly National Household Survey (QNHS) (provided by the Central Statistics Office);
- Data on education provision, participation and output (provided by the Higher Education Authority, the Department of Education and Skills, and SOLAS);
- The first destination of third-level students (provided by the Higher Education Authority);
- Data on employment permits applied for and issued (provided by the Department of Jobs, Enterprise and Innovation);
- Data on subsets of the overall vacancy market accessed through: Jobs Ireland (the public employment service provided by the Department of Social Protection); and data from IrishJobs.ie (a private recruitment agency) delivered in monthly snap-shots;
- Estimates of total vacancies by sector (provided by the Central Statistics Office);
- Data on 'churn' i.e. workers moving in and out of occupations (provided by the Central Statistics Office);

⁴⁹ Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015 and comments received from Skills and Labour Market Research Unit, October 2015.

⁵⁰ Comments received from Skills and Labour Market Research Unit, October 2015.

- Jobseeker data (employment service provided by the DSP);
- Job announcements (sourced in the media and from IDA Ireland job announcements);
- Data on skills shortages derived from the HEA/SOLAS/QQI Employer Survey.⁵¹

A telephone survey of recruitment agencies is also conducted by SLMRU personnel.⁵² This qualitative information is coded using the SOC system and inputted to the database (see Annex 2 for a sample copy of the survey).

In 2015, the SLMRU began to work with the Department of Education and Skills to establish 'Regional Skills Fora' in order to facilitate engagement between education and training providers and employers. The SLMRU expect such Fora to yield further information on employers' views of skills issues, which will be incorporated into the National Skills Database and existing labour market information.⁵³

The National Skills Database also contains data on inflows and outflows from Ireland's education and training system according to qualification level and field of study. The annual publication *Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs* is produced as a companion report to the *National Skills Bulletin*⁵⁴ (See McNaboe and Condon, 2015).

3.2 MECHANISMS IN PLACE TO IDENTIFY LABOUR AND SKILLS SHORTAGES

This section looks at mechanisms and tools used in Ireland to identify labour and skills shortages. The *National Skills Bulletin* is the key source used to identify occupations which appear on the HSEOL and ICEL. In addition, sectoral studies and the *Vacancy Overview*, (an annual publication which identifies trends in advertised vacancies) compliment the *National Skills Bulletin*, in providing a more complete picture of the demand and supply of labour and skills in the Irish labour market.

⁵¹ The survey was run in 2015 and it is planned that it will be repeated at regular intervals. (Comments received from Skills and Labour Market Research Unit, October 2015.)

⁵² The survey used to be available online but the participation rate was low. The telephone survey is considered to be much more effective by the SLMRU. Interview with the Skills and Labour Market Research Unit, May 2015.

⁵³ Comments received from Skills and Labour Market Research Unit, October 2015.

⁵⁴ Reports available at www.skillsireland.ie.

The *National Skills Bulletin*, *Vacancy Overview* and sectoral studies (produced for the EGFSN), are disseminated widely. This policy helps to ensure that the impact of the forecasts on public policy is as wide-ranging as possible. During 2014, the EGFSN engaged with a broad range of stakeholders e.g. third-level institutions, education training boards, government agencies and bodies. Furthermore, the EGFSN's output is disseminated through websites and newsletters, such as Careers Portal,⁵⁵ Qualifax⁵⁶ and the Institute of Guidance Counsellors to inform guidance counsellors, students, parents and teachers (Expert Group on Future Skills Needs, April 2015b). In addition, the forecasts were developed into an online tool that allows unrestricted access and is publicly available to all potential users.⁵⁷

3.2.1 *National Skills Bulletin*

The *National Skills Bulletin* is produced by the Skills and Labour Market Research Unit in SOLAS on behalf of the Expert Group on Future Skills Needs.⁵⁸ The Bulletin is produced once a year and provides an overview of the Irish labour market at occupational level by observing a wide variety of demand and supply indicators.

The broad range of data sets contained in the National Skills Database is used to produce the Bulletin (see Section 3.1.2). Further research, in the form of sectoral studies, is undertaken by the Expert Group on Future Skills Needs in order to probe into the issues highlighted in the *NSB* (the specific skills within occupations that are lacking, the reasons for such shortages and the appropriate policy response). The main focus of the *NSB* is to inform policy formulation in the areas of employment, education, training and immigration and career guidance (Behan et al., 2015).

The Bulletin is a key source used by the DJEI in order to identify the occupations to be included on the Highly Skilled Eligible Occupations List (HSEOL) and the Ineligible Categories of Employment List (ICEL). The objective of the *NSB* is to identify areas of shortages rather than to quantify them.

The SLMRU noted that shortage estimates are highly tentative as they are based primarily on the estimated excess demand expressed through difficult to fill (DTF) vacancies and without a detailed analysis of the supply side. The SLMRU cannot take account of education and training providers' efforts to adjust supply in

⁵⁵ See www.careersportal.ie.

⁵⁶ See www.qualifax.ie.

⁵⁷ See <http://lmi.solas.ie/search.aspx?t=1>.

⁵⁸ Bulletins are available at www.skillsireland.ie/Publications.

response to changing labour market demands (for example through initiatives such as Springboard). The key issue relates to multiple sources of supply for an occupation, together with an absence of mandatory qualifications. This makes it difficult to quantify supply (see Section 3.3).⁵⁹

3.2.1.1 The Process for Identifying Shortages and Compiling the *National Skills Bulletin*

The SLMRU identifies 130 occupational groups, each with a minimum cell size of 3,000, as a basis for the analysis. The occupational groups discussed are classified according to SOC system and a wide variety of data sources (see Sections 3.1.1 and 3.1.2) is then used to cumulatively build a comprehensive picture of skill availability in each occupation according to the following model:

$$\begin{aligned} & \text{Replacement demand} + \text{expansion demand} \\ & - \text{number of jobseekers available} - \text{number of graduates available.} \end{aligned}$$

Available data on vacancies and difficult to fill vacancies are used to further develop the overall picture of demand.⁶⁰

Replacement and expansion demand: An estimate of recruitment requirement is based on analysis of replacement and expansion demand.

To estimate expansion demand, sectoral forecasts (produced every three years by the Economic and Social Research Institute) are translated into occupational forecasts using shift-share analysis and sector/occupation matrices.⁶¹

Replacement demand is based on labour market transitions analysis. In particular, transitions to inactivity are examined i.e. exits to home duties, retirement, disability etc. In addition, inter-occupational movements are considered in order to identify 'net loser' and 'net winner' occupations, i.e. those occupations that are losing/gaining workers to/from other occupations; in the case of the former additional replacement is required.

Transitions analysis also allows for the identification of occupations where there is an above average churn, due to inter- or intra-occupational movements. This

⁵⁹ Internal methodological document supplied by the Skills and Labour Market Research Unit.

⁶⁰ Interview with the Skills and Labour Market Research Unit, May 2015.

⁶¹ Comments received from Skills and Labour Market Research Unit, October 2015.

highlights occupations for which retention issues are present.⁶² Collectively, replacement demand and expansion demand express the future number of job openings for newcomers in the labour market (Willems and De Grip, 1993).

Vacancy data: Key vacancy data sources are Jobs Ireland (the public employment service) and an online recruitment site (www.irishjobs.ie). When the SLMRU receives the data it is cleaned, coded and loaded into the National Skills Database. However vacancy data is not complete and duplications cannot be ruled out. The SLMRU monitors these data for trends, using the analysis to further refine the quantitative analysis described above. The SLMRU also undertakes a Recruitment Agency Survey (RAS) (see Annex 2 for a copy of the questionnaire) in order to further elucidate identified patterns. Difficult to fill (DTF) vacancies and niche occupations with skills deficits may also be identified in this way. Sectoral studies are consulted to complement the analysis if particular issues have been identified (see Section 3.2.3). The identification of niche shortages tends to emerge from the use of qualitative information contained in the vacancy datasets, including RAS.⁶³

Supply Side: On the supply side the SLMRU aims to assess recruitment requirements against how many jobseekers and higher and further education and training graduates are ready to work in a given occupational group.⁶⁴ For non-vocational occupations it is difficult to tell from educational data whether the skills are becoming available due to lack of qualifications requirements and multiple sources of supply being applicable.⁶⁵

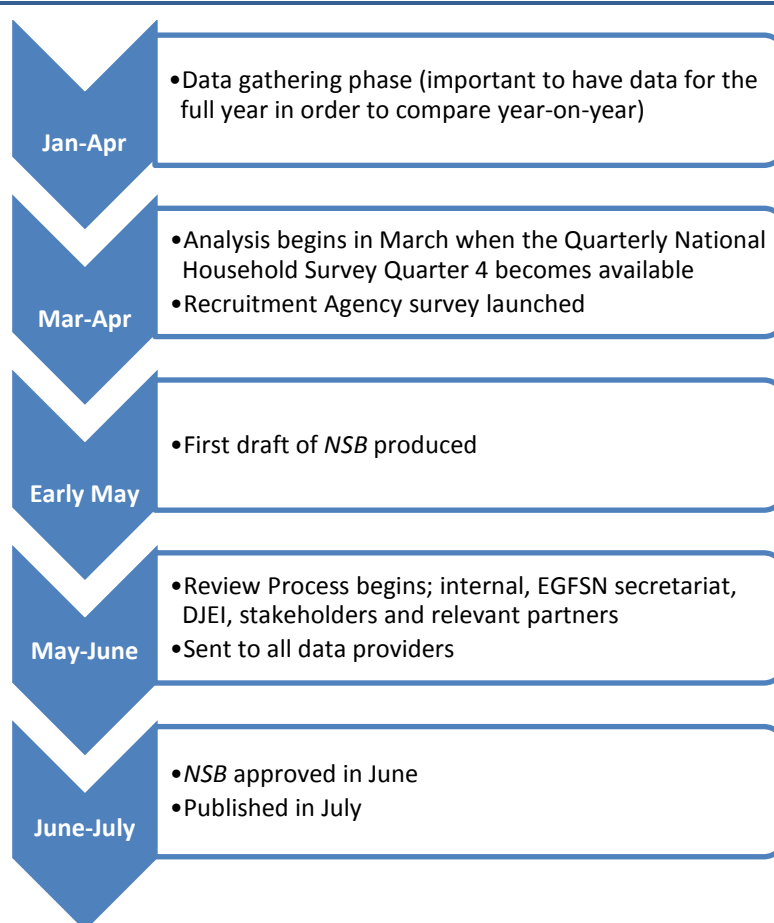
Figure 3.1 below provides an outline of the process involved in compiling and producing the *NSB*.

⁶² Replacement demand can be defined as employment resulting from the departures of employees that have to be filled by new workers due to retirement, withdrawal from the labour market temporarily or due to disability or illness etc. (Willems and De Grip, 1993).

⁶³ Interview with the Skills and Labour Market Research Unit, May 2015.

⁶⁴ The inactive population is also potentially of interest.

⁶⁵ Interview with the Skills and Labour Market Research Unit, May 2015.

FIGURE 3.1 The Process of Producing the *National Skills Bulletin*

Source: Interview with the Skills and Labour Market Research Unit (May 2015).

Table 3.3 below provides a summary of occupations with estimated shortages in 2014.

TABLE 3.3 Summary of Occupations with ‘High’ Levels of Shortages, 2014

Shortage*	Skill Level	Estimated number employed	Tentative Magnitude Estimates**
ICT Specialists and project managers	High	16,000	High
IT Business Analysts and systems designers	High	4,000	High
Programmers and Software developers	High	18,000	High
Web Designers and Developers	High	2,000	High
ICT professionals n.e.c.	High	7,000	High
IT Operations Technicians	Medium	9,000	High
IT User Support Technicians	Medium	5,000	High
Customer Service Occupations	Low-Medium	21,000	High

Source: Internal methodological document supplied by the Skills and Labour Market Research Unit (September 2015).

Note: *Only occupations with high level of shortages (greater than 3 per cent of total employment stock) are included in this table.

**Shortage estimates are highly tentative as they are based on the estimated excess demand expressed through difficult to fill vacancies and without a detailed analysis of the supply side.

3.2.1.2 Findings from the *National Skills Bulletin 2015*

The most recent *National Skills Bulletin* indicates improvements in the Irish labour market during 2014 compared to 2013; with the labour force participation rate and employment rate increasing and unemployment levels and redundancies declining.⁶⁶ However the unemployment rate continued to be high for certain segments of the labour market, e.g. persons previously employed in construction (21 per cent) and under 25s (20 per cent). In addition, net outward migration of Irish nationals (29,200) persisted (Behan et al., July 2015).

As the economic recovery continued, shortages⁶⁷ were observed in a greater number of occupations and sectors in 2014, than in previous years. Shortages were seen in healthcare and in specific occupations within the science sector. Engineering professionals were in demand as were workers in certain finance and business roles. In the latter case the impact of technological advances was marked as it was noted that financial companies were sourcing science, maths and computing graduates for roles in ‘big data’, quantitative modelling and business intelligence. Table 3.4 provides a brief overview of main skills shortages in 2014.

⁶⁶ The employment rate increased by 1.2 per cent to approximately 62 per cent (annual average). The unemployment rate declined by 1.8 per cent to approximately 11 per cent (annual average). The total number of redundancies declined by almost 50 per cent. See Behan, (July 2015).

⁶⁷ Due to data constraints the term ‘shortage’ in the *National Skills Bulletin* refers only to a situation where the supply of skills or labour from within the Irish labour force is insufficient to meet demand. This does not imply a shortage at the European Economic Area (EEA) level.

TABLE 3.4 An Overview of Sectors and Occupations Experiencing Skill/Labour Shortages, 2014

Sector	Areas/roles experiencing skills shortages
Art, Sport and Tourism	<ul style="list-style-type: none"> • Chefs⁶⁸
Business and Financial	<ul style="list-style-type: none"> • Risk management • Compliance • Accounting • Business intelligence • Data analytics, economics and statistics • Financial advisors • Fund accounting/trustee roles and transfer agency client servicing roles • Multilingual financial clerks
Construction Professionals	<ul style="list-style-type: none"> • Construction and quantity surveyors • Building information modelling
Craft/Skilled Trade	<ul style="list-style-type: none"> • Steel erectors/fixers • TIG/MIG welders • Tool making • Butchers, de-boners⁶⁹
Engineering	<ul style="list-style-type: none"> • Production and process engineering • Product development and design engineering • Quality control, assurance and validation engineering • Electrical engineering • Electronic engineering • Chemical engineering • Mechanical engineering
Health	<ul style="list-style-type: none"> • Medical Practitioners (e.g. locum and non-consultant doctors, registrars and medical specialists) • Nurses (e.g. advance nursing practitioners, registered nurses and clinical nurses) • Radiographers • Niche area specialists (radiation, therapists, audiologists, orthoptists, prosthetists, orthotists) • Health service managers
ICT	<ul style="list-style-type: none"> • Programming and software development: programming languages • Cloud computing • Web design (niche areas only) • IT project management • Networking and infrastructure • IT business analysis • Databases, big data analytics and data warehousing • Testing, quality assurance and troubleshooting • Technical support (especially with foreign language skills)
Operatives	<ul style="list-style-type: none"> • Computer numeric control operatives in high technology manufacturing and engineering
	<i>Contd.</i>

⁶⁸ A shortage of qualified chefs or chefs in ethnic cuisine has been identified (Behan et al., 2015).

⁶⁹ It was recognised that some employers in the meat industry are experiencing difficulties in attracting and retaining skilled butchers/de-boners (Behan et al., 2015).

TABLE 3.4 Contd.

Sector	Areas/roles experiencing skills shortages
Sales and Customer Service	<ul style="list-style-type: none"> • Technical and product/service knowledge (e.g. medical devices) • Communication skills, cultural awareness and foreign languages • Marketing experts
Science	<ul style="list-style-type: none"> • Chemical scientist, biological scientists and biochemists in the areas of pharma co-vigilance, analytical development and product formulation • Cardiac technicians • Biotechnology technicians
Social and Care	<ul style="list-style-type: none"> • Care and childcare workers (some employers may be facing difficulties)⁷⁰
Transport	<ul style="list-style-type: none"> • Shortage of skills relevant to supply chain management e.g. inventory control/planning, supply chain analysis, indirect purchasing, customer control etc.) • Proficiency in foreign languages (especially EU) • Drivers (difficulty in sourcing fork lift and special vehicle drivers)

Source: Behan et al., 2015 and Behan, July 2015.

Note: This table is a brief summary of skill and labour shortages identified in the *National Skills Bulletin, 2015*. For more detailed information see Behan et al., 2015.

3.2.2 Vacancy Overview

The *Vacancy Overview* is an annual report produced by the Skills and Labour Market Research Unit in SOLAS. It provides an overview of the demand in the Irish labour market for labour and skills by identifying trends in advertised vacancies. The report is based on data from the following sources:

- Vacancy data from the Department of Social Protection (DSP) Jobs Ireland databank⁷¹ and a private online recruitment agency, IrishJobs.ie;⁷²
- The annual *Recruitment Agency Survey* conducted by the SLMRU which aims to identify difficult to fill vacancies (see Annex 2);
- Employment permits data, which indicates that employers were unable to find suitable candidates within the Irish labour market and the EEA;
- CSO job churn data;
- CSO vacancy data;
- Job announcements in the media and IDA client companies – indicate future demand in the short to medium term.

⁷⁰ A particularly high rate of turnover was noted in 2014 for care workers and childminders. These were among occupations with the highest number of transitions between employment, unemployment and economic inactivity. Given such a large level of movement, it was recognised that some employers may be experiencing difficulty in attracting and retaining qualified care and childcare workers (Behan et al., 2015).

⁷¹ See www.jobsireland.ie.

⁷² See www.irishjobs.ie.

The objective of the *Vacancy Overview* is not to quantify vacancies but to provide a qualitative overview of the types of skills and occupations most frequently appearing in the data sources captured (McNaboe et al., 2015).

3.2.2.1 Findings from the *Vacancy Overview 2014*

The most recent *Vacancy Overview 2014* indicates that the volume of vacancies has increased in a wide variety of occupations (McNaboe et al., 2015). Compared to the 2013 Overview, there has been an 8 per cent increase in the number of vacancies advertised per month on average (McNaboe et al., 2014 and McNaboe et al., 2015).⁷³

In 2014, vacancies advertised through the DSP were primarily in elementary (e.g. cleaning, security and catering), personal services (e.g. care workers) and skilled trade occupations (e.g. chefs, electricians, metal and construction trades); while vacancies advertised through a website 'IrishJobs.ie' were primarily in professional and associate professional occupations (e.g. IT professionals, business and finance professionals etc.).⁷⁴ There was a demand for language skills in associate professional positions such as business sales executives, especially for German, French, Spanish and Dutch. The SLMRU Recruitment Agency Survey indicates that there is an increase in difficult to fill vacancies (DTF). Three quarters of all DTF vacancy mentions were for professional occupations (IT, engineering health etc.) (McNaboe et al., 2015).

⁷³ In 2013, 7,600 vacancies were advertised each month on average through the DSP Jobs Ireland and through IrishJobs.ie (McNaboe, 2014). In 2014, 8,200 vacancies were advertised each month on average through the DSP Jobs Ireland and through IrishJobs.ie (McNaboe, 2015).

⁷⁴ 'Traditional bias' as the DSP vacancies have always been geared towards elementary, personal services and skilled trade occupations while the IrishJobs.ie vacancies have been primarily in professional and associate professional occupations.

TABLE 3.5 Summary of Vacancies as Identified in the *Vacancy Overview, 2014*

Occupational Level	Sectors with most vacancies	DSP Jobs Ireland notified vacancies (% of total)	IrishJobs.ie notified vacancies (% of total)	DTF vacancies (% of total)	New EPs issued (Jan-Sept)* (% of total)
Managerial Occupations	<ul style="list-style-type: none"> • Hospitality • Retail • Financial 	2	7	4	5
Professional Occupations	<ul style="list-style-type: none"> • IT • Engineering • Science • Health • Business and finance 	7	31	67	69
Associate Professional and Technical Occupations	<ul style="list-style-type: none"> • IT • Sales • Finance • Accounting 	11	31	15	15
Administrative and Secretarial Occupations	<ul style="list-style-type: none"> • Accounting • Business and finance • Secretarial/Admin 	7	13	N/A**	1
Skilled Trade Occupations	<ul style="list-style-type: none"> • Hotel and catering • Food/beverage manufacturing • Construction 	16	5	N/A**	6
Caring, Leisure and Other Services Occupations	<ul style="list-style-type: none"> • Healthcare 	17	2	N/A**	2
Sales and Customer Service Occupations	<ul style="list-style-type: none"> • Customer service • Retail • Sales • Contact centres • Banking 	11	6	5	1
Process, Plant and Machine Operative Occupations	<ul style="list-style-type: none"> • IT • Science • Engineering 	10	4	N/A**	0.2
Elementary Occupations	<ul style="list-style-type: none"> • Construction • Security • Cleaning • Catering 	20	2	N/A**	1

Source: *Vacancy Overview, 2014* (See McNaboe et al., 2015).

Note: Percentages are approximates and may not always amount to 100 per cent when combined.

* The Employment Permits (Amendment) Act 2014 came into effect in October 2014. Analysis covered here covers the period January to September 2014 and pertains to the pre-Act employment permit scheme.

** Specific occupations were reported as being difficult to fill. See McNaboe et al., 2015.

3.2.3 Sectoral Studies

The Expert Group on Future Skills Needs undertakes in-depth sectoral studies⁷⁵ in order to identify current and future labour and skills requirements in a specific sector, guided by the findings in the *NSB*. Each year the EGFSN agrees on the work programme which identifies sectors of the labour market that require research into skills and labour needs. In this respect sectoral studies are flexible and respond to the most pressing information gaps as they emerge. The studies are mainly used by the SLMRU and the DJEI for contextual purposes as they may provide multi-layered analysis of skills, occupations, sectors, professions and level of qualifications. Employer's input is an important source in sectoral studies, e.g. in the *Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015-2020* study (See Expert Group for Future Skills Needs, February 2015) employers' input was a significant source of information.⁷⁶

Table 3.6 below provides an overview of the recent sectoral studies produced by the EGFSN.

TABLE 3.6 Sectoral Studies, 2012-2015*

Year	Study	Sector
2015*	A Study of the Current and Future Skills Requirements of the Marine/Maritime Economy to 2020	Maritime
	Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015-2020	Transport
2014	Assessing the Demand for Big Data and Analytics Skills, 2013-2020	ICT
2013	Addressing Future Demand for High-Level ICT Skills	ICT
	Future Skills Requirements of the Manufacturing Sector to 2020	Manufacturing
2012	Key Skills for Enterprise to Trade Internationally	Business and Finance
	Addressing High-Level ICT Skills Recruitment Needs: Research Findings	ICT

Source: www.skillsireland.ie/Publications.

Note: *January-April.

3.2.3.1 Findings from Recent Sectoral Studies

This section details the most recent sectoral studies undertaken by the Expert Group on Future Skills and Needs.

A Study of the current and future skills requirements of the Marine/Maritime Economy to 2020 was undertaken by the EGFSN to assess the occupations and

⁷⁵ See www.skillsireland.ie/Publications.

⁷⁶ Interview with the Skills and Labour Market Research Unit, May 2015.

skills requirements of enterprises in the different sectors within the Marine/ Maritime Economy. The study found that sectors such as seafood, maritime transport, shipbuilding, and services and marine tourism had the greatest skills demand. One of the key findings that emerged from the study was the concept of ‘marinisation’, i.e. while many occupations are either non-technical or not specific to the marine economy they may be ‘marinised’ through additional training or a top-up qualification in a marine context. This up-skilling or ‘marinising’ of a skill may provide more employment opportunities (Expert Group on Future Skills Needs, April 2015a).

Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015-2020 aims to assess the skills and competency requirements for Freight, Transport, Distribution and Logistics (FTDL) activities in Ireland up to 2020. The study found that the FTDL sector is of strategic and operational importance for business within Ireland across all sectors of the economy. The need for a consistent supply of suitably trained staff was identified, as well as the need to retain and up-skill current employees. Regarding recruitment, the main anticipated skills impediment in the medium term is HGV drivers with the required licence. There is also a demand for graduates with a broad set of skills and competencies such as e-skills, languages, flexibility and cultural awareness. The demand forecast analysis has found that some 13,500 to 15,500 job vacancies could become available over the period 2015-2020.⁷⁷ Approximately 45 per cent of the total potential vacancies are comprised of heavy goods vehicle drivers (Expert Group on Future Skills Needs, February 2015).

The study on *Assessing the Demand for Big Data and Analytics Skills, 2013-2020* and its findings were a key input to the *Action Plan for Jobs 2013*.⁷⁸ The study found that the economic and social benefits from enhanced adoption of big data and analytics are potentially transformative and could span ‘from improved health and environmental outcomes to better efficiency, higher productivity in industry and avoidance of waste, error and fraud.’ Stakeholders surveyed for the purpose of this study noted that they expect a future demand for big data / data analytics skills to grow and the mix of skills to change. The study defined three categories of data analytics skills, namely:

- Deep analytical talent
- ‘Big data savvy’ roles
- Supporting technology professionals.

⁷⁷ Depending on which economic forecast is applied. See Expert Group on Future Skills Needs (February 2015) for more information.

⁷⁸ See www.djei.ie/enterprise/apj.htm.

‘Big data savvy’ roles were the largest component followed by supporting technology professionals.

The majority of stakeholders expect that suitable talent will be difficult to find due to insufficient skill mix (for example technical and business) and insufficient education/experience. The sourcing of qualified individuals varies between categories but it is expected that for deep analytical skills and supporting technology roles qualified individuals will be sourced from abroad, in addition to the hiring of graduates and up-skilling of existing employees. One of the recommendations from the report highlights the importance of promoting Ireland globally as the centre for analytical talent and establishing an information portal to attract international talent (Expert Group on Future Skills Needs, April 2014).

3.3 CHALLENGES IN IDENTIFYING LABOUR AND SKILLS SHORTAGES

During the interviews and roundtable meetings a number of challenges were highlighted in identifying labour and skills shortages. The Skills and Labour Market Research Unit has adopted a multi-layered approach, incorporating a range of data to the National Skills Database in order to cumulatively establish an overview. The SLMRU noted that shortage estimates are highly tentative as they are based primarily on the estimated excess demand expressed through difficult to fill (DTF) vacancies and without a detailed analysis of the supply side.⁷⁹ The Unit exercises caution regarding the quantification of shortages due to data constraints, some of which are outlined below.

Vacancy data: Vacancies are particularly challenging to estimate and several information sources are used. Each source has its particular strengths and weaknesses:

- ‘Jobs Ireland’ (the public employment service provided by the DSP) is considered to be a ‘clean’ dataset, with few duplications and good classification. However data is limited by the fact that the service has traditionally been used mainly by jobseekers for trades, services, sales, operative and labouring positions;
- ‘IrishJobs.ie’ (an online recruitment site) provides access to a wide range of vacancies, including those in higher end occupations. However there are challenges associated with multiple advertisements of the same job, agencies ‘fishing’ for jobseekers etc;

⁷⁹ Internal methodological document supplied by the Skills and Labour Market Research Unit.

- The telephone survey of 100 recruitment agencies conducted by SLMRU personnel is deemed by the Unit to be a quick and effective means of accessing contextual, qualitative information. However, it is not clear if the survey represents employers' views adequately and other sources are used (e.g. sectoral studies) and being developed (e.g. Regional Skills Fora) to complement these data.⁸⁰

The *Vacancy Overview* also highlights a number of limitations in identifying vacancies. Vacancies may not be advertised through channels captured in the Overview, e.g. social media, which in turn may lead to an underestimation of the true demand. This may be particularly the case for certain foreign languages as employers may prefer to advertise jobs in the language being sought e.g. Mandarin. On the other hand vacancies may be advertised through several channels leading to an overestimation of the true demand (McNaboe et al., 2015).

Supply data: The supply side of the equation is particularly difficult to determine, especially in relation to recent graduates as most occupations do not have specific minimum entry requirements. General courses such as commerce do not relate to specific occupations and graduates from such courses may work across a variety of sectors. As supply side is difficult to determine, in turn so are any potential shortages.⁸¹

Nationality data: Although available, the nationality of non-Irish nationals is not reported on in the *NSB* due to small sample size at that level of disaggregation.⁸² The key source for information on non-Irish nationals in the labour market is the quarterly labour force survey results, published by the Central Statistics Office as the Quarterly National Household Survey (QNHS).

The Department of Jobs, Enterprise and Innovation and the Skills and Labour Market Research Unit also noted that one of the challenges associated with the instruments used to identify labour shortages is a lack of information regarding the availability of skills within the EEA, although reports from CEDEFOP,⁸³ and the *European Vacancy and Recruitment Report* produced by the European Commission⁸⁴ are consulted.⁸⁵ DJEI stated that consideration must be given to

⁸⁰ Interview with the Skills and Labour Market Research Unit, May 2014.

⁸¹ Ibid.

⁸² Department of Jobs, Enterprise and Innovation; Expert Groups on Future Skills Needs; and Skills and Labour Market Research Unit. Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015.

⁸³ www.cedefop.europa.eu.

⁸⁴ See http://ec.europa.eu/index_en.htm.

EEA-wide skills and labour shortages/surpluses when reviewing the HSEOL and ICEL due to the fact that Ireland is part of an EEA labour market, which affords a large supply of skilled workers, and preference must be given to EEA nationals. However this is challenging due to limited comparable statistical data with other EEA countries. In addition, the DJEI noted that while no definite comparisons can be made, indications are that labour/skills shortages/surpluses experienced in Ireland are generally replicated in other EEA countries.⁸⁶

Regional versus national analysis: Regional mobility and the impact this may have on shortages is poorly understood, meaning that while there may not be any shortages in certain occupations on the national level, on a regional level this may not be the case. Regional analysis does not identify national shortages and further disaggregation means that data may be unreliable.⁸⁷

Reliability of data: The reliability of the occupational forecasts used by the SLMRU to estimate expansion demand is dependent on the accuracy of the macroeconomic model on which they are based.⁸⁸ Furthermore, given that forecasting methodology is based on extrapolating forward historical occupational and sectoral shares it cannot explicitly incorporate the major impact of technological change on the demand for labour which is seen as one of the most important impacts affecting the demand for skilled and unskilled labour.⁸⁹

Reliable data on wages is not available at occupational level which would be an important indicator for identification of excess demand or supply.⁹⁰

⁸⁵ Interview with the Department of Jobs, Enterprise and Innovation, May 2014. Correspondence with the Department of Jobs, Enterprise and Innovation, October 2015.

⁸⁶ Correspondence with the Department of Jobs, Enterprise and Innovation, October 2015.

⁸⁷ Interview with the SLMRU, May 2014.

⁸⁸ For example D'Agostino et al. (2008) reviews various Irish macroeconomic forecasts.

⁸⁹ Interview with the SLMRU, May 2014. Technological changes are implicit in the sectoral skill mix changes but they are not explicitly modelled. Correspondence with the SLMRU, November, 2015.

⁹⁰ Department of Jobs, Enterprise and Innovation; Expert Groups on Future Skills Needs; and Skills and Labour Market Research Unit. Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015.

Section 4

Managing Economic Migration in Order to Address Shortages

This section looks at the tools used to manage economic migration in order to address skills and labour shortages. The Highly Skilled Eligible Occupations List and the Ineligible Categories for Employment Permits List are key features of the Irish economic migration system, which are designed to ensure that the employment permit system responds directly to identified labour and skills shortages or surpluses. The compilation and review of these lists will be discussed.

Within this framework other instruments are used to further refine the system, in particular the Labour Market Needs Test and the 50:50 Rule. Other supporting measures, such as the Dependant/Partner/Spouse Employment Permit, are also examined in this section. Finally the public debate on national policies is considered.

4.1 TOOLS USED TO MANAGE ECONOMIC MIGRATION IN ORDER TO ADDRESS SHORTAGES

Ireland's general policy regarding economic migration is to source labour and skills needs from within the EEA and issue employment permits only in cases where labour or specific skills needs cannot be met within the EEA workforce.⁹¹ As mentioned in Section 2.3, the current Irish employment permit system is operated to 'maximise the benefits of migration while minimising the risk of disrupting Ireland's labour market.'⁹²

The main tools used in Ireland to manage economic migration and to target non-EEA immigration to areas of shortage are: the Highly Skilled Eligible Occupations List, the Ineligible Categories of Employment List, the 50:50 Rule and the Labour Market Needs Test. In addition, some conditions of the employment permits such

⁹¹ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Policy/#sthash.fm3DI7jG.dpuf.

⁹² See Department of Jobs, Enterprise and Innovation 'Employment Permit Policy' (updated 1 October 2014) www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Policy.

as the Dependant/Partner/Spouse Permit, act as supporting measures for attracting workers with skills in high demand.

Table 4.1 provides a brief overview of some of the features of the EPs that are used to target labour migration towards occupations experiencing shortages (see also Section 2.3.1., Table 2.2 for an overview of different types of EPs).

TABLE 4.1 Conditions and Features of Employment Permits, 2015

Type of Permit	50:50 Rule *	Labour Market Needs Test (LMNT)*	Family Reunification	Accrue rights for long term-residency (LTR)?	Reside and work without EP upon completion of initial EP?
Critical Skills EP	✓	X	Instant	✓	✓
Intra-CT EP	✓	X	No automatic entitlement**	X	X
DPS EP	✓	X	None	✓	X
General EP	✓	✓	No automatic entitlement**	✓	X
Contract for Services EP	✓	✓	None	X	X
Reactivation EP	✓	X	No automatic entitlement**	✓	X
Internship EP	✓	X	None	X (exceptions apply***)	X
Sport and Cultural EP	✓	X	No automatic entitlement**	✓	X
Exchange Agreements EP	✓	X	None	X (exceptions apply***)	X

Source: Shanagher and Flood (July 2014) and Department of Jobs, Enterprise and Innovation website.⁹³

Note: *The 50:50 Rule and the LMNT may be waived in certain circumstances. See Sections 4.1.3 and 4.1.4 respectively.

** Policy guidelines apply. See Irish Naturalisation and Immigration Service (December 2013).

*** If holders of Internship and Exchange Agreement EPs switch to another EP, the period on the original EP may be counted towards the five-year period required for LTR.

4.1.1 Highly Skilled Eligible Occupations List

The Highly Skilled Eligible Occupations List (HSEOL) aims to identify occupations with skills shortages suitable to be met by non-EEA immigration. The list is a tool used for policy formulation. Occupations listed on the HSEOL are deemed to be required for the proper functioning of the Irish economy and are in short supply in relation to the required qualifications, experience or skills. The HSEOL is mainly

⁹³ See www.djei.ie/labour/workpermits/index.htm.

concerned with professional and associate professional grades. Technician and similar positions generally do not feature on the list.⁹⁴

The HSEOL is set out in Schedule 3 of the *Employment Permits (Amendment) Regulation 2014-2015*⁹⁵ and is organised according to the SOC (2010) system (which classifies employment by categories of occupations) levels 3 and 4. The SOC system classification level 4 is further refined by DJEI and skills, qualifications or abilities in demand are specified where relevant. See Annex 3 for occupations currently on the HSEOL. The specific occupations are termed ‘Employments with Specific Skills’ and it is these occupations which are eligible for Critical Skills EPs. If a non-EEA national is applying for employment that falls within the broad occupational category, but does not have a required specialism, he or she may not be eligible for a Critical Skills EP.⁹⁶

4.1.1.1 The Process for Reviewing the HSEOL

A ‘formalised evidence-based review process’ of the HSEOL is undertaken by DJEI in order to ensure that the list continues to align with the needs of the labour market, especially in relation to skills deemed to be strategically important to the Irish economy.⁹⁷ An undertaking to update the list every six months is contained in the *Progress Report on the Government’s Action Plan for Jobs* (for example see Department of Jobs, Enterprise and Innovation, April 2015). Since enactment of the *Employment Permits (Amendment) Act, 2014* a public consultation process has been launched by DJEI, by way of a targeted call issued to key stakeholders including relevant government departments and agencies, NGOs, Trade Unions and employers. The DJEI reviews submissions in the context of their other work in the area, and then makes recommendations to the Minister regarding possible amendments to the HSEOL.⁹⁸

The annual *National Skills Bulletin* (see Section 3.2.1) is a key source used by the DJEI in order to regularly review the HSEOL. The list is updated bi-annually (see Annex 3); therefore the emphasis in this process is on short-term shortages. However the Department of Jobs, Enterprise and Innovation also incorporates a longer-term, strategic approach to assessing skills shortages to be addressed by

⁹⁴ Interview with the Department of Jobs, Enterprise and Innovation, May 2015.

⁹⁵ Updated every six months. The most recent update is reflected in S.I. No. 349 of 2015.

⁹⁶ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Highly-Skilled-Eligible-Occupations-List.

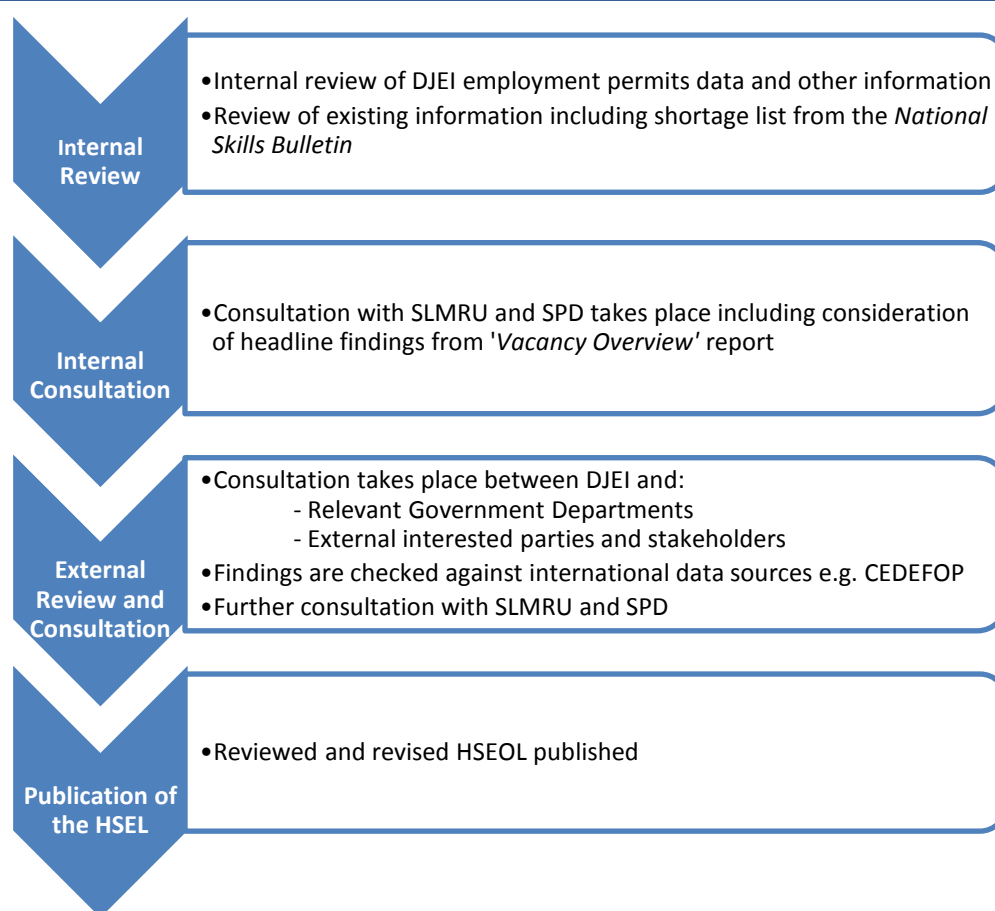
⁹⁷ Dáil Éireann Debate, (Unrevised) Vol. 813 No. 1, Written Answer No. 506 ‘Work Permit Criteria’ (18 September 2013).

⁹⁸ Department of Jobs, Enterprise and Innovation, Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015.

way of the HSEOL. For example care is taken not to cut across initiatives focussed on increasing domestic supply, e.g. graduates, training courses etc. In relation to sectors with acute skill shortages e.g. the ICT sector, the outlook spans from short to medium term as skills may not become available domestically in short-term.⁹⁹ Updates to the HSEOL are disseminated via the website of the Department of Jobs, Enterprise and Innovation.¹⁰⁰

The procedure for updating the HSEOL is summarised in Figure 4.1.

FIGURE 4.1 Review Process of the HSEOL



Source: Authors' own research; and interview (May 2015) and correspondence (October 2015) with the Department of Jobs, Enterprise and Innovation.

4.1.2 Ineligible Categories of Employment for Employment Permits

The Ineligible Categories of Employment for Employment Permits list (ICEL) identifies occupations for which it is believed there are sufficient workers available from within the EEA. Generally employment permits will not be issued in

⁹⁹ Interview with the Department of Jobs, Enterprise and Innovation, May 2015.

¹⁰⁰ www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Highly-Skilled-Eligible-Occupations-List.

respect of employment in occupations on this list. See Annex 4 for occupations currently on the list.

The list is set out in Schedule 4 of the *Employment Permits (Amendment) Regulation 2014-2015*¹⁰¹ and is organised according to the SOC (2010) system, levels 3 and 4. The ICEL is organised by broad employment categories and not all employment under these categories is ineligible for EPs. In most cases employments for which an employment permit will not be granted are specifically listed as 'Ineligible Employments'.¹⁰²

Non-EEA nationals, who are eligible for the Dependant/Partner/Spouse Employment Permit or the Reactivation Employment Permit, may undertake any employment on the ICEL, provided it does not take place in a domestic setting (other than certain carers) or is contrary to the public interest.¹⁰³

4.1.3 50:50 Rule

According to the 50:50 Rule an employment permit may not be issued for a non-EEA national unless at the time of application at least 50 per cent of the employees in a company are EEA nationals.¹⁰⁴ The 50:50 Rule generally applies at both application and renewal stages. In the following cases the 50:50 Rule is waived:

- Start-up companies (within two years of their establishment) and which are supported by Enterprise Ireland or IDA Ireland are not required to satisfy the 50:50 Rule in the case of Critical Skills, General and Intra-CT EPs;
- Where employers do not have any employees and where the Minister is satisfied, that having regard to the employment in respect of which the application is made, the foreign national concerned will be the sole employee of the employer concerned;¹⁰⁵
- Renewals of employment permits issued pre-enactment of the 2014 Act may be eligible for a waiver.

¹⁰¹ Updated every six months. The most recent update is reflected in S.I. No. 349 of 2015.

¹⁰² See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Ineligible-Categories-of-Employment.

¹⁰³ Ibid.

¹⁰⁴ Section 12 of the Employment Permits (Amendment) Act 2014 amends Section 10 and inserts Section 10 (a) as amended.

¹⁰⁵ Correspondence with Department of Jobs, Enterprise and Innovation (October 2015).

In the case of a Contractor for Services Employment Permit the rule may be satisfied by either the foreign contractor or the Irish entity (See Shanagher and Flood, July 2014 and the website of the DJEI).

4.1.4 Labour Market Needs Test

The Labour Market Needs Test (LMNT) is designed to ensure that employment opportunities are made available to Irish and EEA nationals in the first instance and only offered to non-EEA nationals when labour or skills needs cannot be met from within the EEA. Employers wishing to employ non-EEA nationals must satisfy a LMNT before a General Employment Permit or Contract Services Employment Permit can be issued to a non-EEA national. Other types of employment permits do not require a LMNT to be carried out before an employment permit may be issued.

The LMNT requires that the vacancy in question must have been advertised with the Department of Social Protection (DSP) employment services/EURES employment network for two weeks, in a national newspaper for at least three days and in either a local newspaper or jobs website for three days. The advertisement must contain a description of the employment, the name of the employer and employment conditions such as annual remuneration and work hours.¹⁰⁶

The Labour Market Needs Test is also directly linked to identified skill shortages and it is not required for General or Contract for Services EPs, if:

- The employment is in an occupation included on the HSEOL;
- The employment offer is in respect of an eligible employment with a minimum annual remuneration of €60,000. However this does not apply to occupations on the ICEL, irrespective of remuneration;
- A recommendation from Enterprise Ireland¹⁰⁷ or IDA Ireland¹⁰⁸ has been made in relation to the employment offer.¹⁰⁹

¹⁰⁶ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Labour-Market-Needs-Test.

¹⁰⁷ Enterprise Ireland is a government agency responsible for development and growth of Irish enterprises in international markets. See www.enterprise-ireland.com/en.

¹⁰⁸ IDA Ireland is responsible for promoting and developing Foreign Direct Investment in Ireland. See www.idaireland.com.

¹⁰⁹ Certain categories of non-EEA nationals are also exempt from the Labour Market Needs Test and are not relevant to this study. For example in cases where the job offer is for a Carer of a person with exceptional medical needs and the non-EEA national has been providing care to the person before the application was made and that person has developed a high level of dependence on that non-EEA national. See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Labour-Market-Needs-Test.

4.1.5 Other Relevant Supporting Measures and Tools

The following measures and tools support the attractiveness of Ireland as location for work purposes and in most cases apply to Critical Skills EP holders.

Dependant/Partner/Spouse Employment Permit and Family Reunification

The Dependant/Partner/Spouse EP is designed to support the attractiveness of Ireland as a location of employment for potential and current Critical Skills Employment Permit holders and Researchers. While it is not an instrument used by the Department of Jobs, Enterprise and Innovation to address labour shortages, it is part of a deliberate policy to attract highly-skilled professionals in occupations with severe skill shortages.¹¹⁰

Instant family reunification is only available to Researchers and holders of the Critical Skills Employment Permit as an incentive to relocate to Ireland. Intra-CT, General, Reactivation and Sport and Cultural Employment Permit holders have no automatic entitlement to family reunification but may be eligible as per Department of Justice and Equality policy guidelines. The guidelines are not set out in legislation and Ministerial discretion ultimately applies to decision making regarding family reunification (Irish Naturalisation and Immigration Service, December 2013). Holders of employment permits which are designed for specific or temporary employment (e.g. Internship EP), or which are dependent on another EP (e.g. DPS EP) are not eligible for family reunification (see Table 4.1).

Highly Skilled Interview Permission

The Department of Justice and Equality has introduced a scheme which allows non-EEA nationals, who have been invited by an employer based in the State, to enter and remain in the State on a temporary basis (maximum 90 days from date of arrival), in order to attend a job interview for a vacancy in an occupation identified on the Highly Skilled Eligible Occupations List. Normal immigration requirements apply. The person must have a valid passport, valid visa (for visa-required nationals), original letter of invitation to attend interview from the prospective employer (contact details of the employer are required for verification purposes), medical insurance and evidence of sufficient funding for the duration of the stay; these must be available for inspection by an Immigration Officer at the port of entry.¹¹¹ If the person is successful at interview, he or she

¹¹⁰ Interview with Department of Jobs, Enterprise and Innovation, May 2014.

¹⁰⁷ See www.inis.gov.ie/en/INIS/Pages/HIGHLY%20SKILLED%20JOB%20INTERVIEW%20AUTHORISATION.

must apply for an employment permit as soon as possible and his or her application is subject to the general qualifying criteria.¹¹²

Long-Term Residency

Ireland has not opted in to *Directive 2003/109/EC concerning the status of third-country nationals who are long-term residents*. In the absence of a statutory scheme, an administrative long-term residence status is open to employment permit holders, Researchers and their dependants (Quinn and Gusciute, 2013). Such non-EEA nationals, who have been legally resident in Ireland for a minimum of five years on the basis of an employment permit, may apply to the Irish Naturalisation and Immigration Service (INIS), Department of Justice and Equality for a five year residency extension. Successful applicants are issued with Stamp 4¹¹³ which is valid for five years.¹¹⁴

Most employment permit holders can accrue rights for long-term residency (see Table 4.1). Only Critical Skills Employment Permit holders may reside and work without an employment permit upon completion of the initial Critical Skills EP.

4.2 MONITORING OUTCOMES AND THE ROLE OF SOCIAL PARTNERS

The Skills and Labour Market Research Unit within the Expert Group on Future Skills Needs carries out annual monitoring of the Irish labour market in the context of the *National Skills Bulletin* (see Section 3.2.1). A specific component within the *NSB* analysis monitors the effect of migration on the Irish labour market.

The Department of Jobs, Enterprise and Innovation monitors the number of permits issued on an ongoing basis, and more formally in the context of the bi-annual HSEOL review.¹¹⁵ The Highly Skilled Eligible Occupations List (see Section 4.1.1) is reviewed annually in Quarter 2 and Quarter 4 to ensure it is aligned with the needs of the Irish labour market.

4.2.1 The Role of Social Partners

The Department of Jobs, Enterprise and Innovation meets with a range of stakeholders including employers, government agencies and trade unions. The Department engages closely with the Health Service Executive and the

¹¹² See www.djei.ie/labour/workpermits/highlyskilledjobinterview.htm.

¹¹³ Stamp 4 holders may work without an employment permit.

¹¹⁴ See www.inis.gov.ie/en/INIS/Pages/Long_Term_Residency.

¹¹⁵ Interview with the Department of Jobs, Enterprise and Innovation, May 2015.

Department of Health due to the fact that between approximately one-quarter and one-third of permits issued were issued to workers in the health sector in 2014-2015.¹¹⁶ Another key sector is Information Communication Technology and the Department regularly meets employers and employers groups experiencing skills shortages in this field.

Table 4.2 details top employers issued with employment permits in 2014. The Health Service Executive (HSE) had the highest number of permits issued, accounting for 28 per cent of all permits issued. Between January-July 2015 over 1,100 permits were issued to the HSE, accounting for 27 per cent of all permits issued in that period.¹¹⁷

TABLE 4.2 Top Employers Issued with Employment Permits in 2014

Company	Sector	Number of EPs issued (new and renewed)
Health Service Executive (HSE)	Health	908
Google Ireland	IT	234
Intel Ireland	IT/Manufacturing	211
Tata Consultancy Services	IT	131
Wipro Technologies Ltd	IT	110
LMN Ericsson Ltd	Telecommunications	99
HCL Technologies Ltd	Software	93
Cognisant Technology Solutions Ireland Ltd	IT	74
Accenture	Consulting	66
Applied Materials Ireland	Electronics/Manufacturing	65
Sap SSC (Ireland) Ltd	Software	63
Ernst and Young	Financial Services	62
Facebook Ireland Limited	Social Networking Service	55
Amazon Data Services Ireland Ltd	Internet	52
Other*	Various	3,272
Total		5,495

Source: Statistical Tables, Department of Jobs, Enterprise and Innovation (December 2014).

Note: Only Companies issued with 50 or more employment permits in 2014 were included in this table.

*All companies with less than 50 EPs issued in 2014.

¹¹⁶ Department of Jobs, Enterprise and Innovation, Roundtable meeting, Department of Jobs, Enterprise and Innovation, May 2015.

¹¹⁷ See Department of Jobs, Enterprise and Innovation, 'Statistical Tables and Company Listings for 2015' www.djei.ie/en/Publications/Employment-Permit-Statistics-2015.html.

4.3 PUBLIC DEBATE ON NATIONAL POLICIES

Irish migration policy is underpinned by the understanding that while migration should not be seen as a substitute for up-skilling the resident population, managed economic migration is of benefit to the economy. It is also recognised that Ireland has to compete for migrant labour, particularly at the high end of the skills continuum (Expert Group on Future Skills Needs, Forfás, 2005).

Ireland pursues a policy to meet labour and skills shortages from within the enlarged EEA as far as possible, and to limit non-EEA labour migration to that of the most highly skilled and hard to find workers. The Government regularly assesses key actions to be undertaken in order to support business and job creation through its annual *Action Plan for Jobs*.¹¹⁸ The *Action Plan for Jobs 2015* highlights the importance of availability of skills; one of the objectives of the 2015 plan is to attract and retain world class talent through the work permit system and through initiatives aimed to attract highly skilled workers (Department of Jobs, Enterprise and Innovation, January 2015).

The *ICT Action Plan* published in 2014¹¹⁹ aims to ensure that employers can source their ICT skills needs in Ireland through a combination of domestic supply and immigration (Department of Jobs, Enterprise and Innovation, January 2015). The plan remarks that there will be a shortage of ICT professionals across the EEA and Ireland is likely to encounter increased demand for these professionals across various sectors. In order to meet this demand, attraction of skilled professionals from the EEA and third countries will be required (Department of Education and Skills and Department of Jobs, Enterprise and Innovation, March 2014). The ICT action plan was developed to identify measures needed in order to address the skills needs in the ICT sector in Ireland.¹²⁰

While overall inward migration is seen as a short- to medium-term solution, the Minister for Jobs, Enterprise and Innovation noted during a parliamentary debate that;

¹¹⁸ An Action Plan for Jobs is published once a year and sets out actions and targets required in order to stimulate job creation. See www.djei.ie/enterprise/apj.htm.

¹¹⁹ ICT Skills Action Plan, developed by Government, industry and the education system, was published in March 2014 and builds on the first ICT Action Plan produced in 2012. See Department of Education and Skills and Department of Jobs, Enterprise and Innovation (March 2014) and Department of Jobs, Enterprise and Innovation (January 2015).

¹²⁰ Dáil Éireann Debate Vol. 748 No. 6, Written Answer No. 135 'Skills Shortages' (6 December 2011).

*there will always be a cohort of knowledge leaders, or those with a novel combination of skill sets that it would be advantageous to attract to work in Irish based enterprises.*¹²¹

This section examines public and policy debates in the area of labour migration and labour market shortages through government reviews, parliamentary debates (Dáil Éireann)¹²² and articles in the national media.

Action Plan for Jobs – Progress Reports

The Government assesses key actions to be undertaken in order to support business and job creation through its *Action Plan for Jobs*,¹²³ which is published once a year. Results and progress of the set actions and targets are reviewed quarterly¹²⁴ by the Monitoring Committee. The Committee established by the Government is made up of representatives from the Department of the Taoiseach,¹²⁵ the Office of the Tánaiste,¹²⁶ the Department of Jobs, Enterprise and Innovation, and the Department of Public Expenditure and Reform.¹²⁷

ICT shortages in the Irish labour market

One of the objectives of the *Action Plan for Jobs 2015* was to attract highly skilled workers through the employment permit system (Department of Jobs, Enterprise and Innovation, January 2015). The most recent progress report highlights that additional employment permits were issued in areas of critical skills needs, including ICT (Department of Jobs, Enterprise and Innovation, April 2015).

The total number of ICT permits issued Quarter 1-Quarter 3, 2015 was 1,680 compared to 1,595 for the same period in 2014, which represents a 5 per cent increase over last year. This can be attributed to a continued shortage of ICT professionals in the Irish labour market.¹²⁸

¹²¹ Dáil Debate (Unrevised) *Employment Permits (Amendment) Bill 2014: Second Stage (27 May 2014)*.

¹²² Lower House.

¹²³ See www.djei.ie/enterprise/apj.htm.

¹²⁴ Progress Reports are available at www.djei.ie/enterprise/apj.htm.

¹²⁵ The Department of the Prime Minister of Ireland.

¹²⁶ The Office of the Deputy Prime Minister of Ireland.

¹²⁷ See www.per.gov.ie.

¹²⁸ Correspondence with the Department of Jobs, Enterprise and Innovation, October 2015.

TABLE 4.3 Selected Actions from *Action Plan for Jobs 2015 – First Progress Report*

Reforms	Actions	Measures	Progress
National talent drive	Information portal to attract international technical talent (Nr.5), in order to: To promote top tech career opportunities and job openings in Ireland To brand Ireland as a ‘recognised, exciting, accessible and attractive ‘Relocation’ destination for talented and experienced tech professionals To provide a single, focal point of information	Issue a request for tenders	Delayed – tender request expected in 2015
	Ensure employers can secure EPs for critical skills (No. 26)	Review HSEOL in Q2 and Q4 to ensure its aligned with the needs of the Irish labour market and review employment permit data on a quarterly basis to monitor progress	Completed
Competitiveness	Develop a new employer vacancy and job-matching system (No. 220)	Develop a new employer vacancy and job-matching system	Delayed – the tender evaluation process is complete a decision will be made shortly
Evaluations and reviews to inform future policy development	Review and disseminate of findings of 2014 HEA/SOLAS employer survey	Finalisation and publication of survey results	Completed – due to be published shortly

Source: *Action Plan for Jobs 2015 – First Progress Report*. See Department of Jobs, Enterprise and Innovation (April 2015).

Recent Parliamentary Debates

Labour shortages and labour migration have been subject to public debate, often within the national parliament (Dáil Éireann).

Skill Shortages in the ICT sector

The increasing demand for ICT professionals in Ireland has been subject of public debate. During parliamentary debates a number of T.D.s noted that the growth in the ICT sector should not be hindered by a lack of skilled professionals.¹²⁹

¹²⁹ See Dáil Debate (Unrevised) *Employment Permits (Amendment) Bill 2014: Second Stage* (27 May 2014).

Debates also took place in relation to initiatives being taken regarding skill shortages in this sector. The Minister for Jobs, Enterprise and Innovation noted that a number of plans were in place to address this, for example measures to simplify the employment permit application procedure and the introduction of a 'Trusted Partner Registration Scheme' to fast track applications for enterprise agency clients.¹³⁰ In addition the Minister stated that the ICT Action Plan has been broadened in order to increase the supply of highly skilled ICT professionals through inward migration to meet the demand in the short term.¹³¹

Up-Skilling versus Immigration

During parliamentary debates concerns were expressed by various T.D.s over skills shortages in the ICT sector being met by workers from abroad rather than domestically and the high levels of unemployment amongst recent Irish graduates.¹³²

In addition during a debate about the *Employment Permits (Amendment) 2014 Bill* the role of immigration in the Irish economy was highlighted; especially in relation to job vacancies that could not be filled domestically.¹³³

Highly Skilled Eligible Occupations List and the Ineligible Categories of Employment for Employment Permits List

The Department of Jobs, Enterprise and Innovation does not consider the HSEOL to be politically sensitive given that it relates to skills shortages which cannot be sourced domestically. In contrast removal of occupations from the list of Ineligible Categories of Employments can be sensitive, especially in periods of high unemployment. The Department of Jobs, Enterprise and Innovation considers the domestic availability, giving regard to training, education and up-skilling programmes, when reviewing both lists of occupations.¹³⁴

National Media

An article in a national newspaper highlighted that the number of employment permits issued to non-EEA nationals increased by over 40 per cent in 2014 when compared with the 2013 figures; most of the permits issued were in sectors with skills shortages such as IT and health industries. A spokesperson for the

¹³⁰ Dáil Éireann Debate, (Unrevised), Written Answer No. 21 'Skills Shortages' (23 January 2014).

¹³¹ Ibid.

¹³² See Dáil Debate (Unrevised) *Employment Permits (Amendment) Bill 2014: Second Stage* (27 May 2014).

¹³³ Ibid.

¹³⁴ Interview with the Department of Jobs, Enterprise and Innovation, May 2014.

Department of Jobs, Enterprise and Innovation stated that in order to maintain a strong ICT talent pool both increase in ICT graduates and inward migration were needed.¹³⁵

¹³⁵ Data in the article is sourced from the Department of Jobs, Enterprise and Innovation. *The Irish Times* (20 February 2015). 'Irish work permits: the story in graphs'. Available at www.irishtimes.com.

Section 5

Conclusions

One aspect of Ireland's broad economic policy is to create high value-added jobs, in part by attracting foreign direct investment (FDI) in certain specific areas such as ICT and pharmaceuticals. This can create employment demand in narrow occupations and fields. Such demands can be large relative to the size of the domestic labour force. If the skills are not available, the full benefits of job-creating investments cannot be realised and subsequent investment might be lost. Furthermore the State may gain an advantage in the competition for FDI if potential investors can be shown that the State tracks skill shortages and proactively seeks to address them. The current economic model therefore requires a sensitive and well-functioning system for identifying and monitoring labour and skills needs.

Significant progress has been made in recent years in the development of such a system in Ireland. The development of the National Skills Database has allowed a range of data sources to be coded and used in order to cumulatively build up a picture of supply and demand in the Irish labour market. This innovative, incremental approach goes some way to counterbalance data constraints, for example in regard to the estimation of vacancies. The lack of national information regarding the availability of skills within the EEA remains a challenge.

A defined link now exists between labour market indicators and the development of labour migration policy, underpinned in 2014 with the enactment of the *Employment Permits (Amendment) Act* and the overhaul of the employment permit system at that time. Data on employment permits applied for and issued are coded and incorporated into the National Skills Database, and are used along with a range of datasets (including on employment profile and trends, vacancies, graduates, job seekers, etc.) and quantitative models (such as occupational forecasting model and labour market transitions models) to inform analysis of skills shortages reported on in the *National Skills Bulletin*. This shortage list in turn forms the basis for the development of the Highly Skilled Eligible Occupations List and the Ineligible Categories of Employment for Employment Permits. A range of other tools to manage economic migration and to target non-EEA migration towards areas of identified shortages can be linked in some way to the HSEOL/ICEL including: the labour market needs test, the 50:50 Rule and the Highly Skilled Interview Permission.

The continued economic recovery may mean that shortages will be observed in greater numbers of occupations and sectors, placing increased importance on effective monitoring. While Ireland is not yet facing the demographic challenges seen in other parts of the EU, labour market constraints are emerging in other ways. For example the *National Skills Bulletin 2015* points to the impact of technological advances on skills shortages in the finance sector as companies try to source graduates for roles in big data, quantitative modelling and business intelligence. Sectors impacted upon by shortages for a range of reasons also include healthcare, science and engineering. It is now well established that the immigration system can allow for a quick response to emerging skill shortages and an ongoing response where the number of graduates remains below the number needed. Provided migrants with the necessary skills can be attracted to Ireland, the employment permit system can complement the education and training system.

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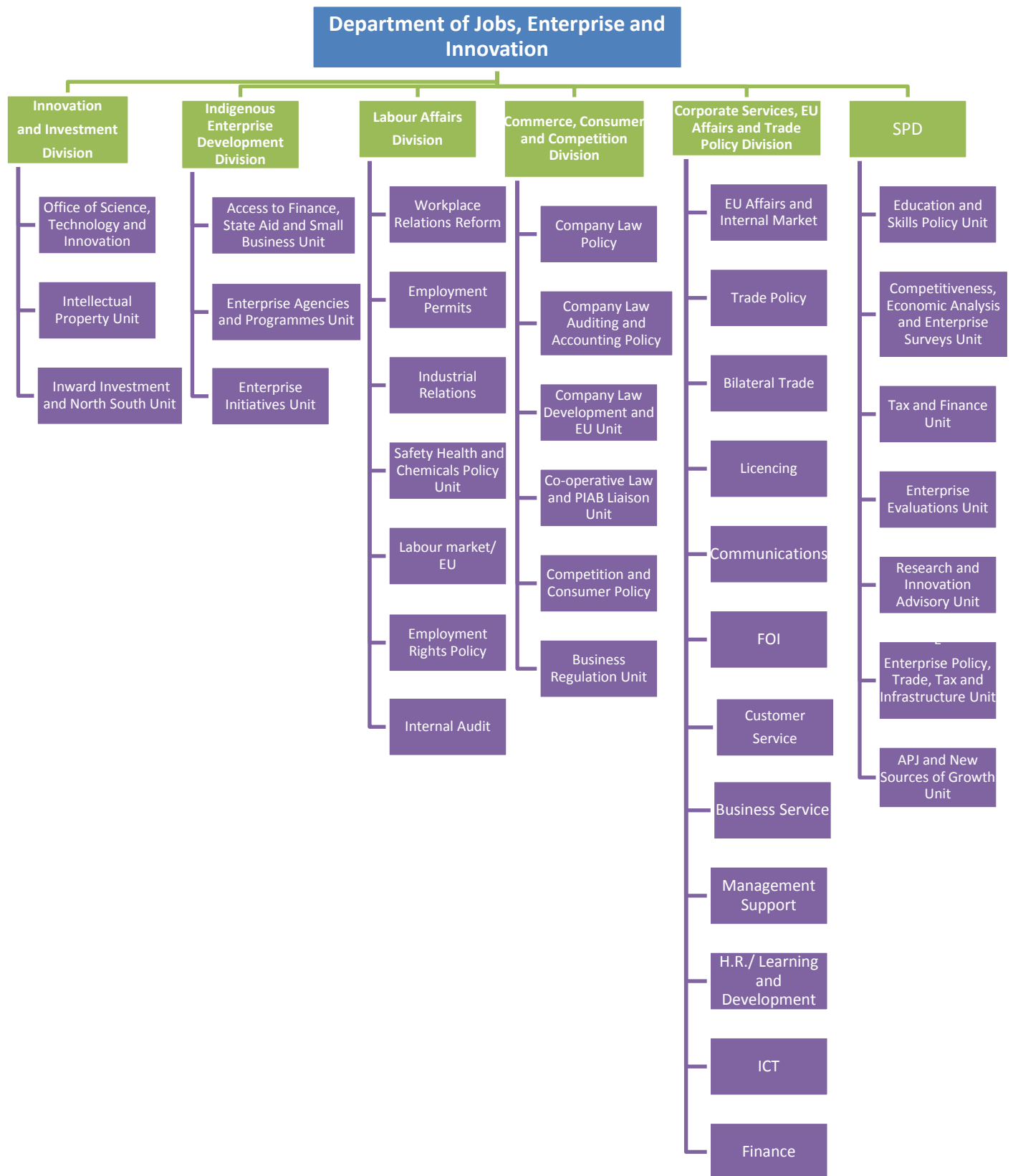
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Annex 1 Department of Jobs, Enterprise and Innovation Organisational Structure



Source: Department of Jobs, Enterprise and Innovation website.

Annex 2 Sample Recruitment Agency Survey: Skill Shortages in Ireland

SURVEY: SKILLS SHORTAGES IN IRELAND

Strictly confidential

Q1. In your experience over the last six months, what vacancies have been difficult to fill?

(Please complete one row in respect of each job title by ticking relevant boxes)

Job title (as specific as possible)	How difficult is it to fill these vacancies?	What is the reason for difficulty in filling these vacancies?	What is the level of experience required for these jobs?	Are these jobs:	What is the nationality of placed (if any) candidates?	One year ago, was the demand for these skills:	Are wages for these jobs rising faster than others?
	<input type="checkbox"/> Too difficult to fill <input type="checkbox"/> Very difficult to fill <input type="checkbox"/> Difficult to fill	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Too difficult <input type="checkbox"/> Very difficult <input type="checkbox"/> Difficult	<input type="checkbox"/> Insufficient number of skilled candidates <input type="checkbox"/> Job not attractive	<input type="checkbox"/> None <input type="checkbox"/> 1-5 years <input type="checkbox"/> 5 years + <input type="checkbox"/> All levels	<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Both	<input type="checkbox"/> Mostly Irish <input type="checkbox"/> Mostly EU <input type="checkbox"/> Mostly Non-EU <input type="checkbox"/> All	<input type="checkbox"/> Lower <input type="checkbox"/> Same <input type="checkbox"/> Higher	<input type="checkbox"/> Yes <input type="checkbox"/> No

Q2. In your opinion, is the number and quality of graduates emerging from the Irish education system adequate to meet the demand of the Irish economy?

Number of graduates ☐ Yes ☐ No

Quality of graduates ☐ Yes ☐ No

Q3. If no, please elaborate. _____

Q4. Do you specialise in any of the following areas: (Please tick box(es) below)

- | | |
|---|---|
| <input type="checkbox"/> Financial and accounting | <input type="checkbox"/> Hotel and catering |
| <input type="checkbox"/> ICT | <input type="checkbox"/> Pharmaceutical |
| <input type="checkbox"/> Engineering and related | <input type="checkbox"/> Education |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Services (e.g. retail, logistics, personal services, etc.) |
| <input type="checkbox"/> Nursing/medical/care | |
| <input type="checkbox"/> Secretarial and clerical | <input type="checkbox"/> Other, please specify _____ |

Q5. What region(s) do you cover? ☐ Dublin and Mid East ☐ Border, Midlands and West ☐ South East and South West ☐ Northern Ireland

DATE _____

Source: SLMRU, May 2015.

Annex 3 Highly Skilled Eligible Occupations List

SOC-3	Employment category	SOC-4	Employments with Specific Skills
211	Natural and Social Science Professionals	2111 2112 2113	Medical laboratory scientists Chemical scientists/ Biological scientists and biochemists/ Physical scientists in: Manufacturing (including food and beverages, medical devices), Product development, Clinical co-vigilance, or Biotechnology or Related and relevant specialist skills, qualifications or experience.
212	Engineering Professionals	2122	Mechanical engineers specialising in: Quality control, or validation and regulation engineering (high tech industry; food and beverages), or Mechanical engineering (especially polymer engineering skills in the areas of pharmaceuticals, medical devices or green economy), or Chemical process engineering, or Process automation engineering, or Power generation, transmission and distribution, or Related and relevant specialist skills, qualifications or experience
		2123 2124	Electrical engineers/ Electronics engineers specialising in: Chip design, test engineering, or application engineering, or Process automation engineering, or Power generation, transmission and distribution, or Related and relevant specialist skills, qualifications or experience
		2126	Design and development engineers specialising in: Quality control, or validation and regulation engineering (high tech industry; food and beverages), or Chip design, test engineering, or application engineering, or Process automation engineering, or Power generation, transmission and distribution, or Related and relevant specialist skills, qualifications or experience
		2127	Production and process engineers specialising in: Quality control, or validation and regulation engineering (high tech industry; food and beverages), or Chemical process engineering, or Process automation engineering, or Power generation, transmission and distribution, or Related and relevant specialist skills, qualifications or experience
113 213	ICT Professionals	1136 2133 2134 2135 2136 2137 2139	Information technology and telecommunications directors IT specialist managers IT project and programme managers IT business analysts, architects and systems designers Programmers and software development professionals Web design and development professionals All other ICT professionals
			<i>Contd.</i>

HIGHLY SKILLED ELIGIBLE OCCUPATIONS LIST *CONTD.*

SOC-3	Employment category	SOC-4	Employments with Specific Skills
221	Health Professionals	2211	Medical practitioners
		2217	Medical radiographers Vascular technologists Radiation therapists
		2219	Audiologists
118	Health and Social Services Managers and Directors	1181	Senior health services and public health managers and directors
223	Nursing and Midwifery Professionals	2231	Registered Nurses (RGN, MHN, ID and Children's nurses) Clinical Nurse Specialists Clinical Nurse Managers Advanced Nursing Practitioners
		2232	Registered Midwives Clinical Midwife Specialists Clinical Midwife Managers Advanced Midwife Practitioners
222	Therapy Professionals	2229	Orthoptists
321	Health Associate Professionals	3218	Prosthetists Orthotists
242	Business, Research and Administrative Professionals	2421	Chartered and certified accountants and taxation experts specialising in tax, compliance, regulation, solvency, or financial management, or related and relevant specialist skills, qualifications or experience
		2423	Management consultants and business analysts specialising in big data analytics with skills in IT, data mining, modelling, and advanced maths or related and relevant specialist skills, qualifications or experience
		2424	Business and financial project management professionals specialising in finance and investment analytics, risk analytics, credit, fraud analytics or related and relevant specialist skills, qualifications or experience
		2425	Actuaries, economists and statisticians specialising in big data analytics with skills in IT, data mining, modelling, and advanced maths or related and relevant specialist skills, qualifications or experience
246	Quality and Regulatory Professionals	2461	Quality control and planning engineers
		2462	Quality assurance and regulatory professionals
		2463	Environmental health professionals
354	Sales, Marketing and Related Associate Professionals	3542	Business sales executives specialising in International Sales Roles or ITB2B sales roles and with fluency in the official language, apart from English, of a state which is not a Member State of the EEA

Source: Department of Jobs, Enterprise and Innovation (September 2015).¹³⁶

¹³⁶ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Highly-Skilled-Eligible-Occupations-List.

Annex 4 Ineligible Categories of Employment for Employment Permits

SOC-3	Categories of employment	SOC-4	Ineligible Employments
122	Managers in Hospitality and Leisure Services	1221	Hotel and accommodation managers
		1223	Restaurant and catering establishment managers
		1224	Publicans and managers of licensed premises
		1225	Leisure and sports facilities managers
		1226	Travel agency managers
124	Managers in Health and Care Services	1242	Residential, day and domiciliary care managers
125	Managers in Other Services	1251	Property, housing and estate managers
		1252	Garage managers
		1253	Hairdressing and beauty salon managers
		1254	Shopkeepers – wholesale and retail
		1255	Waste disposal and environmental services managers
		1259	Other managers in other services (includes betting shop manager, graphic design manager, library manager, plant hire manager, production manager)
222	Therapy Professionals	2221	Physiotherapists (with the exception of a physiotherapist affiliated to a particular sporting organisation applying for a Sport and Cultural Employment Permit)
		2222	Occupational therapists
		2223	Speech and language therapists
		2229	Other therapy professionals (with the exception of orthoptists and chiropractors who are members of the Chiropractic Association of Ireland)
244	Welfare Professionals	2442	Social workers
		2443	Probation officers
		2449	Other welfare professionals
311	Science, Engineering and Production Technicians	3114	Building and civil engineering technicians
312	Draughtspersons and Related Architectural Technicians	3121	Architectural and town planning technicians
		3122	Draughtspersons
321	Health Associate Professionals	3213	Paramedics
		3216	Dispensing opticians
		3217	Pharmaceutical technicians
		3218	Dental technicians
		3219	Other health associate professionals (includes Acupuncturists, Homeopaths, Hypnotherapists, Massage therapists, Reflexologists, Sports therapists)
			<i>Contd.</i>

INELIGIBLE CATEGORIES OF EMPLOYMENT FOR EMPLOYMENT PERMITS *CONTD.*

SOC-3	Categories of employment	SOC-4	Ineligible Employments
323	Welfare and Housing Associate Professionals	3231	Youth and community workers
		3233	Child and early years officers
		3234	Housing officers
		3235	Counsellors
		3239	Other welfare and housing associate professionals
331	Protective Service Occupations	3311	NCOs and other ranks
		3312	Police officers (sergeant and below)
		3313	Fire service officers (watch manager and below)
		3314	Prison service officers (below principal officer)
		3315	Police community support officers
		3319	Other protective service associate professionals
344	Sports and Fitness Occupations	3443	Fitness instructors
352	Legal Associate Professionals	3520	Legal associate professionals
354	Sales, Marketing and Related Associate Professionals	3544	Estate agents and auctioneers
		3546	Conference and exhibition managers and organisers
356	Public Services and Other Associate Professionals	3561	Public services associate professionals
		3563	Vocational and industrial trainers and instructors (with the exception of mobility instructors for the visually impaired)
		3564	Careers advisers and vocational guidance specialists
		3565	Inspectors of standards and regulations
		3567	Health and safety officers
411	Administrative Occupations: Government and Related Organisations	4112	National government administrative occupations
		4113	Local government administrative occupations
412	Administrative Occupations: Finance	4122	Book-keepers, payroll managers and wages clerks (with the exception of employment of a person fluent in the official language, apart from English, of a state which is not a Member State of the EEA in a role in accounts payable and credit control where the employment is supported by an enterprise development agency)
		4123	Bank and post office clerks
		4124	Finance officers
		4129	Other financial administrative occupations
413	Administrative Occupations: Records	4132	Pensions and insurance clerks and assistants
		4131	Records clerks and assistants
		4135	Library clerks and assistants
		4138	Human resources administrative occupations
415	Other Administrative Occupations	4151	Sales administrators
		4159	Other administrative occupations
			<i>Contd.</i>

INELIGIBLE CATEGORIES OF EMPLOYMENT FOR EMPLOYMENT PERMITS *CONTD.*

SOC-3	Categories of employment	SOC-4	Ineligible Employments
416	Administrative Occupations: Office Managers and Supervisors	4161	Office managers
		4162	Office supervisors
421	Secretarial and Related Occupations	4211	Medical secretaries
		4213	School secretaries
		4214	Company secretaries
		4215	Personal assistants and other secretaries
		4217	Typists and related keyboard occupations
		4216	Receptionists
511	Agricultural and Related Trades	5111	Farmers
		5112	Horticultural trades
		5113	Gardeners and landscape gardeners
		5114	Groundsmen and greenkeepers
		5119	Other agricultural and fishing trades
521	Metal Forming, Welding and Related Trades	5211	Smiths and forge workers
		5212	Moulders, core makers and die casters
		5213	Sheet metal workers
		5214	Metal plate workers, and riveters
		5216	Pipe fitters
522	Metal Machining, Fitting and Instrument Making Trades	5225	Air-conditioning and refrigeration engineers
523	Vehicle Trades	5231	Vehicle technicians, mechanics and electricians (with the exception of vehicle technicians and mechanics affiliated to a particular sporting organisation applying for a Sport and Cultural Employment Permit)
		5232	Vehicle body builders and repairers
		5234	Vehicle paint technicians
		5235	Aircraft maintenance and related trades
		5236	Boat and ship builders and repairers
		5237	Rail and rolling stock builders and repairers
524	Electrical and Electronic Trades	5241	Electricians and electrical fitters
		5244	TV, video and audio engineers
		5249	Other electrical and electronic trades
525	Skilled Metal, Electrical and Electronic Trades Supervisors	5250	Skilled metal, electrical and electronic trades supervisors
531	Construction and building trades	5312	Bricklayers and masons
		5314	Plumbers and heating and ventilating engineers
		5315	Carpenters and joiners
		5313	Roofers, roof tilers and slaters
		5316	Glaziers, window fabricators and fitters
		5319	Other construction and building trades
			<i>Contd.</i>

INELIGIBLE CATEGORIES OF EMPLOYMENT FOR EMPLOYMENT PERMITS *CONTD.*

SOC-3	Categories of employment	SOC-4	Ineligible Employments
532	Building Finishing Trades	5321	Plasterers
		5322	Floorers and wall tilers
		5323	Painters and decorators
533	Construction and Building Trades Supervisors	5330	Construction and building trades supervisors
541	Textiles and Garments Trades	5411	Weavers and knitters
		5412	Upholsterers
		5413	Footwear and leather working trades
		5414	Tailors and dressmakers
		5419	Other textiles, garments and related trades
542	Printing Trades	5421	Pre-press technicians
		5422	Printers
		5423	Print finishing and binding workers
543	Food Preparation and Hospitality Trades	5431	Butchers (with the exception of boners (meat))
		5433	Fishmongers and poultry dressers
		5432	Bakers and flour confectioners
		5434	Chefs (with the exception of executive chefs, head chefs, sous chefs, and specialist chefs specialising in cuisine originating from a state which is not a Member State of the EEA and working in establishments other than fast food outlets)
		5435	Cooks
		5436	Catering and bar managers
544	Other Skilled Trades	5441	Glass and ceramics makers, decorators and finishers
		5442	Furniture makers and other craft woodworkers
		5443	Florists
		5449	All other skilled trades
612	Childcare and Related Personal Services	6121	Nursery nurses and assistants and playworkers
		6122	Childminders and related occupations
		6125	Teaching assistants
		6126	Educational support assistants
613	Animal Care and Control Services	6131	Veterinary nurses
		6132	Pest control officers
		6139	Other animal care services occupations (includes work riders)
614	Caring Personal Services	6143	Dental nurses
		6141	Nursing auxiliaries and assistants
		6142	Ambulance staff (excluding paramedics)
		6148	Undertakers, mortuary and crematorium assistants
		6144	Houseparents and residential wardens
		6145	Care workers and home carers (with the exception of a carer in a private home)
		6146	Senior care workers
		6147	Care escorts
			<i>Contd.</i>

INELIGIBLE CATEGORIES OF EMPLOYMENT FOR EMPLOYMENT PERMITS *CONTD.*

SOC-3	Categories of employment	SOC-4	Ineligible Employments
621	Leisure and Travel Services	6211	Sports and leisure assistants
		6212	Travel agents
		6214	Air travel assistants
		6215	Rail travel assistants
		6219	Other leisure and travel service occupations
622	Hairdressers and Related Services	6221	Hairdressers, barbers and related occupations
		6222	Beauticians and related occupations
623	Housekeeping and Related Services	6231	Housekeepers and related occupations
		6232	Caretakers
624	Cleaning and Housekeeping Managers and Supervisors	6240	Cleaning and housekeeping managers and supervisors
711	Sales Assistants and Retail Cashiers	7111	Sales and retail assistants, cashiers and check-out operators
		7112	Retail cashiers and check-out operators
		7113	Telephone salespersons
		7114	Pharmacy and other dispensing assistants
		7115	Vehicle and parts salespersons and advisers
712	Sales Related Occupations	7121	Collector salespersons and credit agents
		7122	Debt, rent and other cash collectors
		7123	Roundspersons and van salespersons
		7124	Market and street traders and assistants
		7125	Merchandisers and window dressers
		7129	Other sales related occupations
713	Sales Supervisors	7130	Sales supervisors
721	Customer Service Occupations	7211	Call and contact centre occupations (with the exception of employment of a person fluent in the official language, apart from English, of a state which is not a Member State of the EEA, where the employment is supported by an enterprise development agency and is in— (i) a customer service and sales role with relevant product knowledge, (ii) a specialist online digital marketing and sales role, or (iii) a specialist language support and technical sales support role)
		7213	Telephonists
		7214	Communication operators
		7215	Market research interviewers
		7219	Other customer service occupations
722	Customer Service Managers and Supervisors	7220	Customer service managers and supervisors
			<i>Contd.</i>

INELIGIBLE CATEGORIES OF EMPLOYMENT FOR EMPLOYMENT PERMITS *CONTD.*

SOC-3	Categories of employment	SOC-4	Ineligible Employments
811	Process Operatives	8111	Food, drink and tobacco process operatives
		8114	Chemical and related process operatives
		8112	Glass and ceramics process operatives
		8113	Textile process operatives
		8115	Rubber process operatives
		8116	Plastics process operatives
		8117	Metal making and treating process operatives
		8118	Electroplaters
		8119	Other process operatives
812	Plant and Machine Operatives	8121	Paper and wood machine operatives
		8122	Coal mine operatives
		8123	Quarry workers and related operatives
		8124	Energy plant operatives
		8125	Metal working machine operatives
		8126	Water and sewerage plant operatives
		8127	Printing machine assistants
		8129	Other plant and machine operatives
813	Assemblers and Routine Operatives	8131	Assemblers (electrical and electronic products)
		8132	Assemblers (vehicles and metal goods)
		8133	Routine inspectors and testers
		8134	Weighers, graders and sorters
		8135	Tyre, exhaust and windscreen fitters
		8137	Sewing machinists
		8139	Other assemblers and routine operatives
814	Construction Operatives	8141	Scaffolders, staggers and riggers
		8142	Road construction operatives
		8143	Rail construction and maintenance operatives
		8149	Other construction operatives
821	Road Transport Drivers	8211	Large goods vehicle drivers
		8212	Van drivers
		8213	Bus and coach drivers
		8214	Taxi and cab drivers and chauffeurs
		8215	Driving instructors
822	Mobile Machine Drivers and Operatives	8221	Crane drivers
		8222	Fork-lift truck drivers
		8223	Agricultural machinery drivers
		8229	Other mobile machine drivers and operatives
823	Other Drivers and Transport Operatives	8231	Train and tram drivers
		8232	Marine and waterways transport operatives
		8233	Air transport operatives
		8234	Rail transport operatives
		8239	Other drivers and transport operatives
		9112	Forestry workers
		9119	Other fishing and other general agriculture occupations
			<i>Contd.</i>

INELIGIBLE CATEGORIES OF EMPLOYMENT FOR EMPLOYMENT PERMITS *CONTD.*

SOC-3	Categories of employment	SOC-4	Ineligible Employments
911	Elementary Agricultural Occupations	9111	Farm workers
912	Elementary Construction Occupations	9120	Elementary construction occupations
913	Elementary Process Plant Occupations	9132	Industrial cleaning process occupations
		9134	Packers, bottlers, canners and fillers
		9139	Other elementary process plant occupations
921	Elementary Administration Occupations	9211	Postal workers, mail sorters, messengers and couriers
		9219	Other elementary administration occupations
923	Elementary Cleaning Occupations	9231	Window cleaners
		9232	Street cleaners
		9233	Cleaners and domestics
		9234	Launderers, dry cleaners and pressers
		9235	Refuse and salvage occupations
		9236	Vehicle valeters and cleaners
		9239	Other elementary cleaning occupations
924	Elementary Security Occupations	9241	Security guards and related occupations
		9242	Parking and civil enforcement occupations
		9244	School midday and crossing patrol occupations
		9249	Other elementary security occupations
925	Elementary Sales Occupations	9251	Shelf fillers
		9259	Other elementary sales occupations
926	Elementary Storage Occupations	9260	Elementary storage occupations
927	Other Elementary Services Occupations	9272	Kitchen and catering assistants
		9273	Waiters and waitresses
		9274	Bar staff
		9271	Hospital porters
		9275	Leisure and theme park attendants
		9279	Other elementary service occupations
All	Work in the private home	All	Domestic operatives

Source: Department of Jobs, Enterprise and Innovation (September 2015).¹³⁷

¹³⁷ See www.djei.ie/en/What-We-Do/Jobs-Workplace-and-Skills/Employment-Permits/Employment-Permit-Eligibility/Ineligible-Categories-of-Employment.

Annex 5 Additional Data

TABLE A5.1 Employment Permits Issued, Renewed, Refused and Withdrawn, 2012-2014

Year	Type of Permit	New	Renewed	Total	Refused	Withdrawn
2014	Total	4,861	634	5,495	498	144
	Oct-Dec 2014					
	Critical Skills EP	272	0	272	30	5
	Intra-CT EP	132	14	146	4	8
	Intra-CT (Training) EP	2	0	2	0	0
	DPS EP	25	17	42	11	2
	General EP	291	126	417	54	5
	Contract for Services EP	12	1	13	0	0
	Reactivation EP	1	0	1	0	0
	Internship EP	1	0	1	0	0
	Sport and Cultural EP	7	0	7	1	0
	Exchange Agreement EP	2	0	2	0	0
	Jan-Sept 2014					
	Green Card	1,512	0	1,512	74	43
	Intra-CT	483	95	578	13	7
	Spouse/Dependant	147	117	264	36	7
	Training	33	1	34	1	0
	Work Permit	1,914	263	2,204	274	67
2013	Total	3,034	829	3863	541	122
	Green Card	1,468	0	1,468	120	56
	Intra-CT	436	130	566	14	9
	Spouse/Dependant	177	352	529	96	15
	Training	18	2	20	0	0
	Work Permit	935	345	1,280	311	42
2012	Total	2,919	1,088	4,007	803	248
	Green Card	1,013	0	1,013	148	40
	Intra-CT	378	106	484	6	5
	Spouse/Dependant	314	536	850	165	24
	Training	22	0	22	0	0
	Work Permit	1,192	446	1,638	484	179

Source: Department of Jobs, Enterprise and Innovation (March 2015) and (October 2015).

TABLE A5.2 Persons Aged 15 Years and Over in Employment (ILO) Classified by Nationality and by NACE Rev.2 Economic Sector Q1 2015.

Ref.	Economic Sector	Irish	EU28 (Excl. IE)	Non-EU	Total
A	Agriculture, Forestry and Fishing	102,000	[4900]	*	107,800
B-E	Industry	199,700	37,400	9,200	246,300
F	Construction	107,200	12,700	*	121,800
G	Wholesale and Retail Trade; Repair of motor vehicles and motorcycles	224,300	35,600	10,600	270,500
H	Transport and Storage	82,200	7,100	*	90,700
I	Accommodation and Food Service Activities	89,400	27,900	15,100	132,300
J	Information and Communication	64,700	11,800	[5300]	81,800
K-L	Financial, insurance and real estate activities	89,400	7,500	[5400]	102,300
M	Professional, Scientific and Technical Activities	97,100	8,800	*	109,300
N	Administrative and Support Service Activities	47,000	9,300	[5700]	62,100
O	Public Administration and Defence; Compulsory Social Security	94,900	*	*	97,800
P	Education	145,600	6,300	*	154,200
Q	Human Health and Social Work Activities	220,400	15,200	10,900	246,500
R-U	Other Services Activities	82,600	12,400	[8000]	103,000
	Not Stated	*	*	*	*
Total		1,649,200	199,700	80,700	1,929,500

Source: Quarterly National Household Survey, Central Statistics Office.

Note: Reference period is Quarter 1 2015 (January-March).

*Estimates for numbers of persons or averages where there are less than 30 persons in a cell are not produced as estimates as they are too small to be considered reliable.

Parenthesis [] indicate where there are 30-49 persons in a cell, estimates are considered to have a wide margin of error and should be treated with caution.

Data may be subject to future revision and may contain sampling or other survey errors.



European Migration Network

EMN Ireland | www.emn.ie



EMN Ireland
The Economic & Social Research Institute
Whitaker Square
Sir John Rogerson's Quay
Dublin 2, Ireland + 353 1 863 2000
ISBN 978-0-7070-0395-5



EMN Ireland is financially supported by the European Union and the Irish Department of Justice and Equality. The EMN was established via Council Decision 2008/381/E