

REVIEW OF MINIMUM ANNUAL REMUNERATION (MAR) THRESHOLDS FOR THE IRISH EMPLOYMENT PERMIT SYSTEM

Setting the minimum remuneration level for an employment permit is a delicate balancing act. The goal is that, so far as possible, economic migration serves the skills need of the economy without disruptively depressing or inflating wage levels in the wider labour market.

The Minimum Annual Remuneration (MAR) thresholds were introduced in 2006 and were set and remain in line with the average industrial wage of that year €29,910 and multiples thereof. In the ancillary or non-economic employment permit types, the National Minimum Wage applies. In comparison to the existing MAR thresholds and the system by which they were previously applied, please note the Irish average annual earnings in 2015 were €36,519.

The Department of Jobs, Enterprise & Innovation is currently conducting a review of the Employment Permit MAR thresholds focusing primarily on the:

- Critical Skills Employment Permit, (€30,000 - for occupations included on a Highly Skilled Eligible Occupations List (HSEOL); €60,000 for all other eligible occupations);
- General Employment Permit (€30,000- for any occupation except those included on an Ineligible Categories of Employment List; €27,000 in respect of a non-EEA student who has graduated in the last 12 months, from an Irish third level institution, and has been offered a graduate position/ICT professional from the HSEOL)
- Intra Company Transfer Employment Permit (€40,000, or €30,000 for a trainee) and
- Contract for Services Employment Permit (€40,000)

As stakeholders in this system we would be very grateful if you could take the time to complete the following questionnaire.

The information you provide below is important to the review process. You are encouraged to be as specific and detailed as possible when providing information.

Please note the closing date is Friday January 27th 2017 and email all complete questionnaires and any queries to remuneration@djei.ie .

1. Who is this submission on behalf of?

a. Provide name of individual, firm or organisation

Migrant Rights Centre Ireland

b. Provide contact details

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c. Briefly describe the main activity and characteristics of the organisation making the submission e.g. company size (Micro-company (1-9 employees), Small-Medium enterprise (10-249 employees), or Large company (over 250 employees). [Not required for Government Department/State Bodies]

The Migrant Rights Centre Ireland (MRCI) is a national organisation working to promote the rights of migrant workers and their families living in situations of vulnerability throughout Ireland. We employ 11 staff and have 3 volunteers. The MRCI works to build the participation of migrant workers in decision-making processes and in policies that affect their lives. We seek to influence policy, build public awareness on migration issues, undertake research and document the experiences of migrant households. The MRCI supports initiatives and networks at a local, national, European and international level. MRCI provides information and support to over 2,000 people per year.

d. What is your use of the Employment Permit System? e.g. Never to date, Seldom, Occasional, Frequent.

Since its inception, the MRCI has consistently assisted people on work permits. As an organisation we work at the intersection of immigration and labour migration policy. Though our work over the past 15 years, we have developed significant expertise in the field of labour migration policy, employment permits, immigration policy, labour standards in low-paid sectors of employment and economic integration. The MRCI documents the impact of state policies on the lives of migrant households through the trends and patterns observed in its Drop-In Centre.

Through our drop-in centre, we continue to provide services to those in the employment permit system as well as those seeking to enter it. We regularly liaise with the Work Permits section to highlight concern and problem solve on issues of mutual concern. MRCI has been instrumental in the development and introduction of the Reactivation Employment Permit and in changes to the work permit systems.

Since the publication of [“WORK PERMITS IN IRELAND A Recommendation for Change”](#) in 2004, the MRCI has been a key actor advocating for the reform of our employment permits system to meet the demands of our labour market while offering decent work standards to those working in Ireland. Most recently, we have published [Workers on the Move: Past Lessons and Future Perspectives on Ireland’s Labour Migration](#) a comprehensive overview of Ireland’s labour migration policy and reforms necessary.

e. If you have used the employment permit system, please explain why you had to recruit from outside the State/EEA ?

As part of our work we provide assistance to migrant workers in the application and renewal of work permits, including those in low-paid sectors such as restaurants, hospitality, home care, agriculture, cleaning, security etc.

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2. As an employer, do the existing MAR thresholds support your attempts at recruiting the skills needed for your business without disruptively:
- (A) depressing wage levels of comparable occupations in the sector, or
 - (a) inflating wage levels of comparable occupations in the sector?

N/A

3. What would be the impact of increasing the Critical Skills Employment Permit MAR thresholds by:

+ 10%:	N/A to our work
+15%:	N/A to our work
+20%:	N/A to our work

4. At what level in your view would the Critical Skills Employment Permit MAR thresholds start to restrict the use of the employment permit regime to fill skills shortages?

+ 10%:	
+15%:	
+20%:	

5. Changes in the labour market may require adjustments to skilled trade occupations currently on the Ineligible Categories of Employment List (ICEL).

What impact would an increase in the General Employment Permit MAR threshold by the rates below have on your hiring of:

- (a) new entrant workers and/or
- (b) experienced workers?

MRCI's expertise relates to the General Employment Permit, particularly those working in low-paid occupations such as:

- Food Preparation and Hospitality sector
- Agricultural sector
- Construction-related trades
- Childcare and Caring Related Personal Services
- Drivers and Transport Operatives
- Sales related occupations
- Security Occupations
- Meat Industry

The MRCI has documented the detrimental impact of the introduction of a MAR threshold for the employment permit across sectors without taking into consideration their specific realities, in particular wage levels, retention issues and difficulties in recruitment.

In particular the MRCI has documented how the inability to secure new employment permits in the child care industry which has resulted in the growth of "au-pair" arrangements and high incidences of exploitation (see [Childcare in the Domestic Work Sector: Who's Minding the Children?](#)).

The introduction of a MAR which is not reflective of earnings in the sectors specified above have resulted in the inability of employer's to secure employment permits, the growth of informal employment often with negative consequences for the worker, and the over-reliance on irregular migrants (see [Ireland is Home](#)) and international students in the labour market (see [International Student Migration to Ireland](#))

MRCI recommends the reduction of the MAR by 10% to €27,000 in sectors where there are labour shortages and where the average remuneration is lower than the national average. This is the case for the hospitality sector and for the caring industry; similar measures have been introduced in the past in the meat industry. We believe this to be a solution to meet demands of labour and to improve standards.

Furthermore, the MRCI recommends that the graduate scheme MAR threshold of €27,000 be extended to international students graduating from non-degree courses with a demonstrated employment relationship in the State. This measure will help reduce exploitation and raise employment standards across sectors while recognising the important contribution that international students bring to our labour market without access to any entitlements. Currently there are no transitional measures available for students in these categories; this often represents a loss of qualified employees while resulting in wage depression in industries which are highly-dependant on international students.

In your experience do the existing MAR thresholds have any negative effect on the employment opportunity prospects for Irish/EEA graduates?

Please make reference to the specific Employment Permit type; employment sector; occupation in your response.

In the experience of the MRCI, there is no evidence to ascertain that the low-paid occupations mentioned above attract Irish/EEA graduates.

6. The current MAR thresholds remain in line with the 2006 average industrial wage and multiples thereof (along with the National Minimum Wage for certain other permit types). They were set to assist simple application, ease of use for stakeholders and cater for different circumstances of the Employment Permits System.

a. Do you think this system for determining the thresholds is suitable and appropriate? Please provide reasons for your answer.

See below.

b. What other appropriate measures would you like to see for determining the MAR thresholds? E.g. specific sector thresholds, specific occupation thresholds, geographical thresholds, alignment to cost of living?

See below.

c. Would a change in the system of determining the MAR thresholds impact your use of the Employment Permit System? If so, in what way?

See below.

MRCI believes that the MAR threshold should be reflective of the industry standards; we would welcome the introduction of specific sector thresholds. We understand the importance of using MAR thresholds to ensure that wages are not depressed but we believe that currently, as it stands, one single MAR threshold is resulting in difficulties in recruitment in certain sectors where there are documented shortages of labour.

7. What data sources should be considered in this review? Where can they be sourced?

MRCI believes that there is an over-reliance on quantitative data, we would recommend that qualitative data capture and analysis is used to determine the needs of different sectors. Qualitative data will help to understand processes of labour and skills shortages, including in low-paid occupations; and put in place measures to respond to them without having a detrimental effect on the labour market.

THANK YOU FOR PARTICIPATING IN THE REVIEW.

PLEASE NOTE THAT THE INFORMATION PROVIDED ON THIS FORM WILL BE SHARED WITH RELEVANT GOVERNMENT DEPARTMENTS AND STATE ORGANISATIONS. THIS IS TO PROMOTE AN INTEGRATED APPROACH TO ADDRESSING SKILLS SHORTAGES IN THE STATE.