

02 September 2020

Sandra O'Reilly
Department of Business, Enterprise and Innovation
Earlsfort Centre
Lower Hatch Street
Dublin 2 D02 PW01

Cc Department of Justice and Equality

Dear Sandra O'Reilly,

Feedback on direct labour market access of dependants of Intra Company Transfer Employment Permit Holders

Permits Foundation would like to thank the Department of Business, Enterprise and Innovation (DBEI) for the opportunity to provide evidence in support of labour market access for dependants of Intra Company Transfer Employment Permit holders in Ireland, as is currently the case for spouses and de facto partners of Critical Skills Employment Permit and Hosting Agreement holders. In this submission, we set out the rationale for policy change in relation to the Irish economy, labour market challenges and referencing the global context and strong evidence base. We also provide feedback from companies operating in Ireland and how this issue affects their business on the ground.

To underpin the broad base of consensus behind for our request to extend direct employment access to dependants of intra company transferees (ICTs), in attachment to this document, we provide letters of support from Deloitte, Newland Chase and Fragomen.

Summary

Permits Foundation is an independent not for profit initiative [supported by 44 major international companies and other organisations](#). We work with governments world-wide to help enable employment access for dependants of highly skilled mobile employees. Evidence from our [international surveys](#) shows that this results in a triple-win for the host country, employers and employee families. [Thirty five countries worldwide](#) have adopted the best practice of allowing *direct* work access for spouses or partners of highly-skilled mobile employees. In most of these countries, intra company transferees are included in the category of highly skilled mobile employees where dependants are granted work authorisation.

We welcome the recent change in government policy which now enables spouses and partners of Critical Skills Employment Permit (CSEP) holders or of Researchers in the State on a Hosting Agreement, to access the Irish labour market via Stamp 1G, without the need to obtain an employment permit. In announcing this initiative, Minister Humphries said *"we need to offer an attractive range of benefits to both the highly-skilled job applicants and their families. We are talking about a small group of people here but this small change will make a big difference in terms of Ireland's offering to both investors, and international talent."* The Foundation wholeheartedly agrees with this rationale for change. We propose

that the same logic can be applied to extending work access to spouses and de facto partners of ICTs.¹ The extremely small numbers involved would not negatively impact the Irish labour market and the injection of skills and expertise would help reinforce the guiding principles cited in the Government Review of Economic Migration Policy.

The Irish Government already recognises the importance of immediate family reunification for intra company transferees. In contrast to General Employment permit holders, both ICTs and CSEP holders are “eligible to sponsor applications for immediate family reunification – including being accompanied by family members on arrival.”² We propose that greater policy consistency would be achieved where both (ICT and CSEP) categories of dependants would also be entitled to automatic work access.

The global context: countries that have adopted best practice of direct work access

[Thirty five globally competitive countries](#) adopt policy that enables dependants of highly-skilled mobile employees to access employment. Of these countries Australia, Canada, Brazil, Peru, Argentina, the USA Denmark and the UK all enable dependants of ICTs to access work directly. In addition all 25 participating EU Member States have officially implemented the intra-corporate transferee directive³ which in article 19.6 states: *the family members of the intra-corporate transferee who have been granted family reunification shall be entitled to have access to employment and self-employed activity in the territory of the Member State which issued the family member residence permit.*

If we take a regional perspective, all of Ireland’s closest neighbours allow dependants (including working age children) of ICT permit holders to have direct access to the employment market. For businesses looking to operate in the EMEA region, facilitating ICT dependant work access would fortify Ireland’s image as a place to move talent and invest.

Countries that implement policy enabling spouse and partner access do so because it helps boost talent and investment and without harm to the local labour market. For example, in the UK in 2015, the UK Migration Advisory Committee review of measures to help bring down immigration levels while still attracting the brightest and best foreign talent to the UK resulted in the recommendation to retain automatic work rights for Tier 2 dependants, (including ICT dependants) concluding that “the total number of dependant workers is too small to significantly impact the UK labour market”.⁴

ICT employment permit holders’ dependants and their impact on the Irish labour market

Should the government extend direct employment access to partners and spouses of ICT permit holders, the evidence suggests that it would not negatively impact Irish/EEA employment opportunities (principle 1 of the Review of Economic Migration Policy). The numbers involved are extremely low. From the figures cited in the Review, in 2017, Ireland issued 881 ICT permits. From our experience around 65% of

¹ <https://dbe.gov.ie/en/Publications/Publication-files/Review-of-Economic-Migration-Policy.pdf>

² As referenced in the 2016 Policy Document on Non-EEA Family Reunification <http://www.inis.gov.ie/en/INIS/Family%20Reunification%20Policy%20Document.pdf/Files/Family%20Reunification%20Policy%20Document.pdf>

³ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32014L0066> Directive 2014/66/EU of the European Parliament and of the Council of 15 May 2014 on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer. See article 19.6

⁴

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/493038/Executive_Summary-Tier_2_FINAL.pdf

transferees bring family members of whom around 55% might be looking for employment. We can estimate, therefore that around 315 dependants of ICTs would potentially seek work in Ireland.

Moreover, we do not foresee a disproportionate increase in the take up of ICT employment permits as a result of policy change. Looking at the 2019 figures from EU Member States post implementation of the Intra-corporate transferee Directive (which included clause 19.6 enabling family work access), of the 12 Member States who submitted data, the average number of ICTs issued per country was only 676.⁵

Accompanying spouses and partners have often had to leave their previous job at a time they themselves had not chosen. Authorising direct employment access simply allows dependants to have the opportunity to look for work. It does not guarantee a job and they face multiple challenges relating to language, culture and recognition of qualifications. If employed, they can make a fiscal contribution to the economy and our survey research shows that integration and well-being is improved.

A short term assignment with a long term benefit to Ireland's economy

As highlighted in the Economic Review, Ireland aims to address skills needs so that economic migration policy can keep pace with rapid labour market changes, *"identifying and addressing shortages as they arise"* and recognising that *"standing still is costly as both foreign multi-nationals and indigenous enterprises experience skills and labour constraints."*

Although duration of the ICT assignment is temporary (up to five years), the positive impact on the economy is long lasting. This has also been recognised by the Department:

*"Intra-Company Transfer Employment Permits can be invaluable in the initial establishment of a foreign direct investment company. Therefore, they have a role in contributing to Ireland's achievement of its job growth ambitions."*⁶

The Department also cites why opting for a "local hire" type of Permit may not be an option for ICTs, as this might negatively impact the benefits they have accrued over the years.⁷

Where the ICT spouse or partner can be assured of employment authorisation, companies find it easier to bring their top talent to that country. HR managers place great value on the transfer of knowledge, skills and technology from ICT permit holders which provides regular refreshment and upgrading of human capital in the host country employment market, boosting the economy and providing additional tax revenues. This also has a long-term value, even if individuals change and would be welcomed in Ireland, as highlighted in the messages below:

"The ability to move talent around the world is vitally important for us – both to ensure we can resource our business operations, as well as to build leadership capability with a global exposure and mindset. As we have more and more employees who are in a dual career family, employment access for spouses and partners is often a critical component in the success of these

⁵ <https://ec.europa.eu/eurostat/data/database>. Intra-corporate transferee permits issued, renewed and withdrawn by type of permit, length of validity and citizenship. Bulgaria, Spain, France, Italy, Cyprus, Latvia, Lithuania, Netherlands, Australia, Portugal, Slovenia, Slovakia submitted data. The population average of all of these countries is 19 million.

⁶ <https://dbei.gov.ie/en/What-We-Do/Workplace-and-Skills/Employment-Permits/Permit-Types/Intra-Company-Transfer-Employment-Permit/>

⁷ The Department notes that the ICT route *"can be desirable for the employee as it can ensure they retain certain benefits (e.g. foreign pension contributions)."* <https://dbei.gov.ie/en/What-We-Do/Workplace-and-Skills/Employment-Permits/Permit-Types/Intra-Company-Transfer-Employment-Permit/>

talent moves. We would therefore welcome policy that would extend employment authorisation to ICT spouses and partners in Ireland.” Helen Odell, Head of Global Mobility, Novartis Pharma AG

“AstraZeneca offers international assignments as a differentiated development opportunity to talented employees and intra-company transferees are an important part of our workforce. For an assignment to be successful the needs of the whole family must be met. Key to this is the opportunity for partners to continue to follow their chosen career or find other meaningful employment.” Michael Ephgrave, Global Mobility Director, AstraZeneca

Research data from Permits Foundation’s surveys and those of our network also demonstrates the clear link between partner employment access and talent acquisition, growth and investment.

Survey data

Permits Foundation research⁸ shows that assured family access to employment is a key factor in attracting and retaining talent. For example, in our survey of over 3300 expatriate partners accompanying employees in 200 companies, almost 60% said they would be unlikely to relocate to a country where there would be difficulties getting a work permit and 96% of highly skilled families say that countries that enable partners to work are more attractive destinations. In our employer survey, 51% of employers reported that employees have turned down international assignments due to partner employment concerns and 21% of employers reported that assignees returned home early for the same reasons. We know that this is even more of an issue now than it was a decade ago, in the 2018 NetExpat and EY Relocating Partner Survey Report⁹, the number one reason for employees not accepting an international assignment was the potential disruption to the career of their relocating partner.

Modern expectations around global mobility mean that enforced career breaks are less and less acceptable to dual careers couples who look for assurance that they can move as a family unit and continue to work. The Net Expat and EY Survey Report highlighted that “an increasing number of dual career couples depend on the income of partners during international transfers; 77% of partners are now working before assignment.” In addition, split family assignments were viewed as a solution to partner support by only 6% of employers.

Partners of ICT permit holders are predominantly educated to degree stage or higher¹⁰. At present, they are not encouraged to work in Ireland¹¹ and they are also not permitted access to State resources. If they would be allowed to work, they would benefit the economy through their fiscal contribution and improved family spending pattern.

Economic Challenges - the impact of Covid -19.

In recent discussions with our sponsors, we have noted that as countries are beginning to come out of lockdown and travel restrictions are lifted, there is increased reluctance from mobile families to take up assignment where there is a perceived risk of family separation in the future or added uncertainty. As a

⁸ <https://www.permitsfoundation.com/resources/international-surveys/>

⁹ [https://www.ey.com/Publication/vwLUAssets/ey-2018-relocating-partner-survey-final-report/\\$File/ey-2018-relocating-partner-survey-final-report.pdf](https://www.ey.com/Publication/vwLUAssets/ey-2018-relocating-partner-survey-final-report/$File/ey-2018-relocating-partner-survey-final-report.pdf)

¹⁰ Both Permits Foundation and NetExpat/EY reports find that over 80% of accompanying spouses hold bachelor’s, master’s degree or PHD.

¹¹ Dependants have to obtain their own Employment Permit which can be extremely challenging as seen with spouses of CSEP holders prior to the 2019 policy change.

result of lock down, some families have been split for a long time, including where the principal employee has been on assignment in a country where their dependant could not work. In adding the assurance that both members of the dual careers couple can live together and continue to work, Ireland would become a more attractive destination for companies and their employees at a time when attracting and retaining business in Ireland is critical.

Conclusion

Permits Foundation welcomes the decision by the Irish government enabling spouses and partners of Critical Skills Employment Permit holders or of Researchers in the State on a Hosting Agreement to access the Irish labour market via Stamp 1G.

We recommend that direct work authorisation also be extended to the small number of spouses and partners of intra-company transferees (ICTs) and we encourage cross departmental attention to this issue.

We suggest that this could be achieved via either of the following:

- The extension of the Stamp 1G permission to spouses and de facto partner of ICT permit holders
- Automatic access to the labour market for spouses and de facto partner of ICT permit holders through another permission type as a trial sample group – e.g. separate dependant permission allowing access to labour market

This will help to make Ireland more attractive business destination, boosting agility, innovation and skills in country and without negatively impacting the local labour market.

Yours sincerely,



Helen Frew
Director, Permits Foundation

Letters of support from Deloitte, Newland Chase and Fragomen have been submitted along-side this document.