

17 February 2025

FAO: Minister of Foreign Trade of Costa Rica (COMEX), Manuel Tovar Rivera

Direct work access for spouses/partners of highly-skilled foreign employees in Costa Rica

Dear Minister Tovar,

Permits Foundation congratulates the Government of Costa Rica for the progressive goals and objectives laid out in the Comprehensive Migration Policy 2024-2034. We commend the participatory approach, promoting collaboration among multiple stakeholders.

Costa Rica is viewed as an important country by the Permits Foundation network of global mobility professionals working with and for multinational companies from a wide range of sectors. Permits Foundation's research shows that where partners are authorised to work, countries and employers alike find it much easier to move, attract and retain skills and talent.

Accordingly, in this letter, inclusive of supporting evidence, Permits Foundation would like to bring to your attention a simple and effective measure to facilitate the movement of talent and needed skills into Costa Rica. Our recommendation is fully aligned with the aims of the Comprehensive Migration Policy as well as the government target of securing US\$12.95 billion in foreign direct investment between 2023-2026¹, positioning Costa Rica as a premier business destination.

At present in Costa Rica, recognised dependants of foreign workers including managers, executives, specialised technicians, intra-corporate transferees, and other highly-skilled employees cannot access employment, including self-employment, via the Temporary Residence for Dependants visa. To that end we would like to propose the following:

Permits Foundation recommends government authorisation of direct work access, including selfemployment, incident to dependant status, for accompanying spouses/partners of Temporary Residence for Employees of Accredited Companies permit holders.²

In the evidence attached, we detail how our policy recommendation is compatible with ongoing reforms to boost the Costa Rican economy, enhance global competitiveness and strengthen economic participation. Moreover, this is a measure that would streamline processing, align with SDGs, facilitate foreign investment, transfer of knowledge and technologies, thereby attracting exceptionally qualified workers to Costa Rica to meet skills needs, as they arise.

The Foundation would welcome the opportunity to discuss this further.

Yours sincerely,

Helen Frew Executive Director, Permits Foundation

Cc: President of Costa Rica, Rodrigo Chaves

Cc: General Directorate of Migration and Immigration

Supporting Evidence

Permits Foundation – the voice of employers

<u>Permits Foundation</u> is an independent, not-for-profit corporate initiative supported by over 40 major global companies and organisations (<u>listed here</u>). The Foundation engages with governments worldwide to recommend direct and open employment access for spouses/partners and where possible, other dependants of highly-skilled international employees. <u>Over 40 countries</u> have legislated in this way. Research data reveals that this policy can benefit the host country economy, assist attraction and retention of skills and talent and also aid integration. We advocate the best practice of direct work authorisation. This means that once recognised as a family member, the accompanying spouse or partner has permission to work commensurate with their dependant status. There are no added hurdles such as having to apply for a separate permission or work for a specified employer.

The economic significance of spouse and partner work access

Research data from Permits Foundation and others shows a clear link between partner employment access, talent acquisition, investment, inclusion and country reputation. Permits Foundation's international survey of employers found that for 91% of respondents, where a host country allows partners to work, their organisation's ability to attract people with desired qualifications and skills increases.³ 80% said that the reputation of the host country as being open for business improves. Respondents highlighted a negative impact where a country does not authorise spouse/partner direct work access. More than half of respondents reported that employees in their organisation had turned down international assignments in the past three years due to partner employment concerns. Increasingly, families report that it is critical or significant for them to have two incomes in the host location.⁴

Costa Rica in the global and regional context

Permits Foundation's world map shows where <u>over 40</u> globally competitive countries have implemented legislation that enables the partner or spouse of highly-skilled mobile employees to access employment. This includes 29 of the 38 OECD countries. Most administer this directly, incident to dependent status, without requiring a separate application process. Eligible family members of permitted categories of skilled mobile employees can look for work for any employer as soon as they have completed their arrival or residence formalities. This can be issued with a card or passport stamp which shows e.g. their visa status, employment permission and end date. This process not only streamlines procedures for the employer and employee, it also reduces administrative burden for the host country, thereby meeting the government' strategic objective to provide simplified and digitalised procedures and processes.⁵

This policy is a win-win-win, benefitting not only employers, employees and families but also the host country. When implementing policy, governments often explicitly reference the link between partner work access and meeting national objectives⁶. Just last year, Ireland extended direct work access for spouses and partners to Intra-Corporate Transferees as well as General Employment Permit holders. Announcing the change, Irish Minister for Justice Helen McEntee TD said: "Fundamentally, I saw this as a missed opportunity, which risked making Ireland less attractive for workers while limiting a person's ability to contribute to the economy and provide for their family." ⁷

In the Americas region, a quarter of countries have already implemented measures to enable direct work authorisation for spouses and/or partners of highly-skilled international employees.

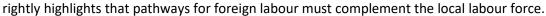
Yet **in Costa Rica**, accompanying dependants are not at present granted this right. Temporary Residents who are dependants of a Temporary Residence for Employees of Accredited Companies permit holders and wish to perform paid work in Costa Rica must have a sponsoring company and request a change of status.

The Temporary Residence for Employees of Accredited Companies category is particularly important to organisations within the Permits Foundation network as a valuable means to facilitate personnel transfers. As the associated regulations recognise, this benefits the country by collaborating in the transmission of knowledge and technologies to Costa Rican personnel.⁸

With the rise in dual careers, families are less and less likely to move to countries where access to employment for both members of the couple is not assured. This presents a risk for businesses and slows the talent pipeline. That is why, in Costa Rica, companies have indicated their support for more direct employment authorisation incident to dependant status. This simple policy change would highlight Costa Rica as a leader in Central America, securing an economic advantage enjoyed by competitive countries in the wider region and globally.

Complementarity with the local labour market

Governments worldwide are balancing policies to ensure protection of the local labour market while continuing to be seen as an attractive business destination and addressing future skills needs. Though the unemployment rate in Costa Rica is low, the 2024-34 Migration Policy





The global picture shows that where accompanying spouses of international employees in the highly-skilled categories have been afforded work access, they have not negatively affected the local labour market. This is because this cohort is typically small in numbers and highly-qualified. ⁹ Over 80% of accompanying partners hold either a bachelor's, master's degree or PhD. ¹⁰ This is not a carte blanche. Authorising direct employment access simply allows dependents to have the opportunity to look for work. There is no job guarantee. Yet if employed, they can make a fiscal and skills contribution to the economy. Family integration and well-being is then improved. ¹¹ This has been shown to be the case in Costa Rica as highlighted in the Comprehensive Migration Policy. ¹²

Overarching rights

Permits Foundation works to support aims to achieve a rights based, gender sensitive approach to labour migration policy development. We congratulate the Costa Rican government for the substantial work carried out at UN level and the progress achieved, including launching the Gender Parity Initiative to increase women's participation in the labour market. When contributing to the Global Forum on Migration and Development, Permits Foundation promoted the inclusion of reference to facilitating work authorisation for family members as seen in 21(i) of Objective 5 in the UN's Global Compact for Safe, Orderly and Regular Migration GCM to "Enhance availability and flexibility of pathways for regular migration".¹³

Policies enabling partner work access also help to support <u>Sustainable Development Goals</u> 5 and 8.8 by improving diversity, equity and inclusion in the global workplace. Over 75% of accompanying partners are women. Increasingly, relocating couples depend on the income of both partners with 77% of partners now working before assignment. ¹⁴ Permits Foundation's research shows that families with dual career earners report more positive family relationships, well-being and adjustment into the host country.

CONCLUSION

Permits Foundation on behalf of our network of international employers, makes a request to the Costa Rican Government to authorise direct and open employment access for accompanying dependants of Temporary Residence for Employees of Accredited Companies permit holders. This is a triple win policy that would help to meet FDI, sustainable development goals and migration policy objectives, with a simple solution that would support business expansion and investment.

- 5 See Objective 1 of Axis no.2 (Migration Regularisation and Effective Access to International Protection) of the Comprehensive Migration Policy 2024-2034 "Provide simplified and digitalized procedures and processes, allowing for expeditious and agile regularization for migrants..." (available here, in Spanish).
- ⁶ In the revised EU Blue Card Directive adopted by Council in 2021, recital 50 states that: "Favourable conditions for family reunification and access to work for spouses should be a fundamental element of this Directive in order to better attract highly qualified workers from third-countries." Directive (EU) 2021/1883 of the European Parliament and of the Council of 20 October 2021 on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment, and repealing Council Directive 2009/50/EC (available here).
- ⁷ Press Release (15 May 2024), Ministers McEntee and Burke welcome agreement on actions to increase the competitiveness of Ireland in attracting key skills (available here).
- ⁸Regulations for the Registration of Companies with the Directorate General of Migration and Foreigners and the Migration Regulation of its Personnel (No. 36576-G-COMEX), recital VII (available here, in Spanish)
- ⁹ An academic study looking at the impact of enabling H-4 spouses in the United States to access employment concluded that it had "provided a positive and significant economic and fiscal boost to the U.S. economy" and "the data suggest that this cohort does little to displace domestic workers in the occupations and industries where they predominate." Repealing H-4 Visa Work Authorization: A Cost-Benefit Analysis, Jack Kemp Foundation and UW Oshkosh, (2019) (available here).
- ¹⁰ Permits Foundation International Dual Careers Survey Report Part 2 and NetExpat and EY 2018 Relocating Partner Survey Report (both available here)
- ¹¹ Partners of international employees who were not working were more likely to report a negative impact on their adjustment to the host country (44%), family relationships (36%), general health or well-being (47%). Permits Foundation International Dual Careers Survey Report Part 2 (2022).
- ¹² Those who participate in the labour market significantly increase Costa Rica's GDP, and their fiscal contributions exceed the direct fiscal costs associated with their integration simplifies the administrative process and provides added certainty for accompanying family members. Comprehensive Migration Policy 2024-2034, pg. 30.
- ¹³ Global Compact for Migration 2018 (available here). Permits Foundation is also a contributor to the GFMD Business Advisory Group on Migration.
- ¹⁴ NetExpat and EY Relocating Partner Survey Report (2018) (available here).

¹ National Development and Public Investment Plan 2023-2026, pg. 194 (2022) (available here, in Spanish).

² One possible way to implement this change is by amending the Regulations for the Registration of Companies with the Directorate General of Migration and Foreigners and the Migration Regulation of its Personnel (No. 36576-G-COMEX).

³ Permits Foundation International Dual Careers Survey 2021 and Report Part 1 (2022) (available <u>here</u>).

⁴ The 2023 NetExpat EY Relocating Partner Survey Report found that the importance of a second income to families increased from 69% to 74% since 2018 (available here).