

Much of Ireland's skill and labour requirements can be met from within the EEA, but continued third country migration will also be needed

**Expert Group on Future Skills Needs / Forfás launch Report
"Skills Needs in the Irish Economy: The Role of Migration"**

Economic immigration is not a substitute for the up-skilling and training of the resident population. 215 million workers from EEA countries now have direct access to our relatively small labour market of 2 million. There is a case, however, for limited immigration from outside the EEA, particularly for those that possess high and company specific skills according to the Expert Group on Future Skills Needs / Forfás report launched today (27th October 2005) by Minister for Enterprise, Trade and Employment, Mr Michéal Martin.

Commenting Minister Martin said, "To meet our skills needs in the future, we require a modern, sophisticated economic migration system. A system, which both ensures that the economy has the skills it needs to develop and that those who come to work here enjoy the same rights as Irish workers and are integrated into our community. Our labour market has changed very significantly during the past decade. Our country has been transformed from being primarily a country of emigration to a country of immigration. The economic arguments around immigration made in the report are convincing: the conclusion is that migration can contribute positively to the economy, but only when it is managed correctly".

"The up-skilling and training of the resident population must be seen as the primary response to skill shortages. Developing the work force at all levels is crucial to Ireland's sustained economic development," commented Ms Anne Heraty, Chairperson, Expert Group on Future Skills Needs.

The report, undertaken by Expert Group on Future Skills Needs and Forfás at the request of the Department of Enterprise, Trade and Employment, identifies where skills gaps occur across the economy. Demand for skills, which exceeds current local supply, and where third country migration will be required to bridge these gaps, was identified among occupations in sectors including: construction, finance, engineering, information technology, pharmaceuticals, healthcare and sales.

Examples of occupations experiencing skills shortages include electrical, electronic, design and production engineers, computer analysts and programmers, and a wide range of healthcare professionals including medical practitioners, nurses and radiographers. Examples of occupations experiencing labour shortages include financial clerks and credit controllers as well as occupations in the horticulture sector.

The report examines in detail the potential of EEA¹ countries to meet skills demands in Ireland and concludes that much of Ireland's skills demands can be met from within the EEA region, particularly the demand for unskilled labour and those skills at the lower end of the continuum. The report identifies the recent EU² accession countries as offering the best potential for labour supply, given the mobility, availability and skill levels of labour in those countries.

At graduate level, labour availability from within the EEA tightens significantly. This fact, coupled with economic arguments as to the relative benefit of high-skilled immigration, has led Forfás and the Expert Group to conclude that Ireland will require a certain amount of high skilled migration from outside the EEA. The report says that this requirement should be facilitated by a third country migration policy which is transparent; reactive to the labour market; flexible, user friendly; cognisant of all interests and enforced. The report also points to the importance of a system, which facilitates integration.

"Ireland's economic migration policy has to be addressed in the context, not only of our relatively small population size, but also our access to a labour market of 215 million people in the EEA region," said Martin Cronin, Chief Executive, Forfás. "The third country migration policy options set out in the report favour a dual system of regulating migration. A permanent *Green Card* system aimed at facilitating the attraction of high-skilled third-country migrants and a *Work Permits* system which offers the flexibility to deal with temporary skill and labour shortages."

Minister Martin who received an early draft of the report in September indicated during the second stage reading of the *Employment Permits Bill 2005* in the Dáil last week that the "Report had influenced his thinking in the area and that the new Green Card scheme and the changes to the work permits scheme which he announced a fortnight ago took into account the conclusions of the report".

Summary of Key Findings

- Skills shortages currently exist in sectors of the economy including: construction, finance, engineering, information technology, pharmaceuticals, healthcare, sales and marketing sectors
- Managed economic migration is of benefit to the Irish economy if it focuses on high skilled migrants
- In general, a sufficient pool of migrant labour exists within the EEA to meet Ireland's skill requirements at the lower end of the skills continuum

¹ The European Economic Area (EEA) region is composed of the 25 European Union member states, together with Norway, Liechtenstein and Iceland. Citizens of Switzerland enjoy the same rights as EEA members in relation to 'free movement' to live and work in Ireland.

² Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia and Slovakia

- The ten EU accession countries offer the best potential for attracting labour in terms of labour availability, mobility and skill level.
- The pool of labour available from within the EEA tightens significantly at the higher end of the skills continuum
- Within the EEA, Poland, Lithuania, Latvia, Slovakia, Czech Republic and the UK offer the best opportunity for attracting graduate labour.
- The report sets out policy options and systems to regulate third country migration and favours a dual system consisting of a permanent *Green Card* aimed at attracting high-skilled migrants and a *Work-Permit* system aimed at dealing with temporary skill and labour requirements.

In arriving at its conclusions, the Expert Group conducted an analysis of skills and labour shortages across 125 occupations in Ireland.