

Employment laws must be enforced

Despite recent welfare restrictions on accession-state nationals, Ireland's policy on migrant workers remains very liberal, but it needs to be actively managed to protect such workers, writes **Martin Ruhs**.

Since turning into a country of net immigration in the late 1990s, Ireland's labour immigration policies have been among the most liberal in the European Union.

Less than 4 per cent of work permit applications for employing non-EU nationals have been refused over the past three years. There has been no quota on the annual number of work permits issued, which increased dramatically from less than 6,000 in 1999 to almost 48,000 in 2003.

Moreover, the great majority of non-EU nationals employed on work permits in Ireland are employed in low-skilled jobs. This is in contrast to most other EU countries' labour-immigration policies, which are regulated by quotas and often exclude low-skilled occupations.

In light of the very limited government interference in labour immigration over the past few years, it is perhaps not surprising that Ireland will, on May 1st, become the only one among the current EU member-states to immediately and fully open up its labour markets to workers from the 10 accession countries.

This means that accession-state nationals will no longer require work permits (or special registration cards as currently planned in the UK) to legally take up employment in Ireland. This applies to both newcomers, i.e. new arrivals after May 1st, and to those accession-state nationals who are already working in Ireland, either with permits - currently about 17,500 - or without permits. For the latter group, May 1st will effectively be an amnesty.

The unrestricted employment of new Europeans after May 1st has the potential to generate significant benefits for Ireland, migrant workers and their countries of origin. Ireland could, for example, benefit from the employment of new EU workers who fill jobs that Irish people cannot or do not want to do. Workers from accession countries could benefit from employment in Ireland at wages that are significantly higher than those prevailing in their home countries.

Those workers already here will become more free to choose and change employers, which will enable them to more easily escape unsatisfactory working conditions and respond more quickly to wage differentials in the labour market. This will make the Irish labour market more efficient.

Finally, accession countries could benefit from an increase in remittances and from the return of workers with more work experience and higher skills.

The unrestricted employment of accession-state nationals also brings potential costs and dangers that need to be addressed by a more active involvement of the Government in protecting the rights of the new-EU nationals and other migrant workers employed in Ireland, and in managing the future immigration of workers from outside the enlarged EU.

First, it will be critical to strictly enforce existing employment laws and regulations, especially those pertaining to minimum wage and working conditions. In the absence of these measures, there is a great danger that the inflow of migrant workers from accession countries will trigger a race to the bottom in the wages and employment conditions offered in certain jobs.

This would not only be undesirable for migrant workers but also adversely affect Irish workers who could find themselves out-competed by migrant workers who take up employment at below minimum wages and sub-standard working conditions.

It would also significantly reduce the incentives for local employers to modernise production processes and lead to a situation where inefficient companies and industries remain viable only because they are "subsidised" by an underpaid and overworked immigrant workforce.

Second, certain policies of Ireland's current work-permit system need to be readjusted and strengthened to complement the unrestricted employment of accession state nationals after May 1st. Most importantly, post-enlargement policies need to ensure that local employers are given the right incentives to make serious efforts to fill existing vacancies with Irish or other EU workers before considering migrant workers from outside the enlarged EU.

One option would be to issue work permits only after the employer has reasonably demonstrated that EU workers are not available to fill the advertised vacancy at a wage set by the government. This wage could, for example, be determined by the average wage level currently prevailing in the relevant occupation and sector.

An important complementary policy would be to enhance and more effectively protect the rights of migrant workers employed on work permits. This could include more explicit legal possibilities for changing employers - at least within a certain sector or occupation - in order to escape unsatisfactory working conditions. Such a policy would discourage employers from retaining or developing a preference for employing migrant workers on work permits because they can be more readily exploited than EU nationals.

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If these measures can be implemented effectively, there will be no need to exclude low-skilled occupations from Ireland's work permit system based on the questionable assumption - which the Government currently makes - that most of the demand for low-skilled labour will be met by workers from within the enlarged EU.

It is in fact entirely possible that accession-state nationals will choose to leave or shy away from certain low-skilled work that does not correspond to their skills or aspirations.

Where genuine labour shortages persist after May 1st, Ireland's work permit policies should remain open to facilitating the employment of workers from outside the enlarged EU in all types of occupations - including those requiring unskilled labour.

Arguably, this would offer Ireland the best of both worlds: a sustainable and beneficial policy of open labour markets for accession state nationals, and a more managed but liberal work permit system for employing workers from outside the enlarged EU.

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