



**Submission to the Department of
Enterprise, Trade and Employment on
the Consultation to review the Minimum
Annual Remuneration Thresholds for
Employment Permits**

January 2025

About the Irish Council for International Students (ICOS)

This submission is made on behalf of the Irish Council for International Students (ICOS). ICOS is an independent advocacy organisation whose mission is to protect and enhance the rights of international students in Ireland while championing their contribution in the places they study and the communities in which they live.

ICOS has 27 institutional members, including all of the universities and technological universities in the Republic of Ireland, and many independent third level colleges. Our membership also includes the Union of Students in Ireland (USI), and we have a Student Advisory Group to help support and inform our work.

ICOS' values include: consultation, collaboration, learning, and accountability, and our goals are to influence policy and standards in international education; build the capacity of our members; empower international students to pursue their rights; and support and showcase the important contribution of international education to international development.

Introduction

ICOS welcomes the opportunity to take part in the Department of Enterprise, Trade and Employment's consultation on the minimum annual remuneration (MAR) thresholds for Employment Permits. As part of our submission, we consulted with our Student Advisory Group, which is made up of current non-EEA international students and graduates.

Many non-EEA workers in Ireland are graduates of Irish higher education institutions (HEIs) and are making a value contribution to the Irish economy and society. It is important that Ireland's Employment Permit System is fair and balances the needs of economic interests with also ensuring that non-EEA workers are paid fairly.

1. Please provide a brief overview of your sector. Including: importance to the economy; recent and projected growth of the sector; national or sectoral strategies/actions; types of occupations in the sector.

ICOS works in the international education sector promoting the rights and welfare of international students who choose Ireland as a study destination. A review of the International Education Strategy 2016-2020 estimated that the impact of international education on the Irish economy was worth over €2 billion.¹ Furthermore, international students enrich Ireland's higher education system, play a vital role in research and innovation, and make a significant contribution to the labour market, both during and upon completion of their studies.

¹Indecon (2020) https://www.indecon.ie/assets/files/pdf/international_education_strategy_review.pdf

2. Please provide details of the types of roles for which you or your members access the Employment Permit System.

ICOS does not have a direct role in the Employment Permit System; however, our members are almost exclusively made up of HEIs and are central to attracting and developing international talent for the Irish labour market. Many non-EEA workers currently employed on Employment Permits start their journey in Ireland as international students, and later progress on to the labour market upon completion of their studies, normally through the Third Level Graduate Programme, and later via the Employment Permit System.

3. Please provide an overview of the impact of the Roadmap on your sector/members to date.

Research from the Economic and Social Research Institute (ERSI) found that migrant workers earn on average 22% less per hour than Irish citizens.² The increase in the MAR thresholds in 2023 was a welcome development to go towards bridging this gap and mitigating against the rising cost of living in Ireland.

4. What are the specific challenges your business/members/sector has faced as a consequence the January 2024 MAR increase?

N/A

5. Please describe any benefits of the Roadmap on your sector to date. For example, on recruitment and retention of non-EEA workers, improved quality of life in Ireland?

N/A

6. What challenges do you anticipate you/your business/members/sector will have with future MAR threshold increases as set out in the Roadmap?

ICOS firmly believes that all workers should be paid fairly for the work that they do. However, the decision to further increase the MAR thresholds could have positive and negative consequences. For example, non-EEA graduates often invest significant resources in their education in Ireland expecting to recoup these costs through employment at the end of their studies, increasing the MAR thresholds could help attract and retain talent in critical skills areas, while also benefiting existing workers. Better pay could also result in more international students choosing Ireland and enhance the value proposition of studying in Irish

² ERSI (2023) <https://www.esri.ie/system/files/publications/JR2.pdf>

HEIs. Additionally, the cost of living in Ireland has increased significantly over the last number of years putting pressure on everyone, including non-EEA workers. A recent survey of cities in the European Union (EU) placed Dublin as the second most expensive city in the EU.³ Increasing the MAR thresholds in line with the Department's proposal could ease financial pressures on Employment Permit holders.

Notwithstanding, ICOS is aware that non-EEA graduates already face barriers to accessing employment in Ireland. Many entry and graduate level positions would not offer salaries that would meet the new minimum MAR thresholds. Therefore, increasing these thresholds may only create further challenges for non-EEA graduates to access employment as it would inevitably bring additional costs for employers, particularly small and medium sized enterprises (SMEs), and could lead to less non-EEA graduates obtaining sponsorship.

Moreover, increasing the MAR thresholds could have adverse consequences for Irish HEIs by undermining Ireland's competitiveness as an attractive destination for international students, which could in turn lead to a shortage of workers for many sectors.

7. If you have an alternative proposal for the continued implementation of sustainable fair MAR increases for Employment Permit holders, please provide details.

Non-EEA graduates often invest significant resources in their education in Ireland expecting to recoup these costs through employment at the end of their studies. The Department should recognise this fact, and consider having a flexible approach to the MAR thresholds. For example, exploring the possibility of maintaining the current MAR for entry and graduate level positions. In this way, non-EEA graduates and workers would have a better chance of securing employment, while employers in Ireland, most notably SMEs, would be better placed to hire skilled workers, particularly in areas where there is high demand for qualified personnel.

It may also be worth considering increasing the MAR thresholds by a smaller percentage, for example, to be in line with inflation, rather than proceeding with the proposed increases. Finally, ICOS believes that there needs to be better promotion of the Third Level Graduate Programme, and that the Department of Enterprise, Trade and Employment could be well positioned to undertake more awareness raising among employers in Ireland.

8. Are the Roadmap's forthcoming MAR thresholds in line with average wages for Irish or EEA nationals in your sector? If not, please provide further details of average wages for Irish or EEA nationals in your sector.

N/A

³ Working Abroad Index (2024) <https://www.bunq.com/en-ie/blog/bunq-working-abroad-index-2024-what-you-need-to-know-about-rising-costs-in-europe>

9. Are there any wider economic factors that may have an influence on your ability to meet the future requirements of the Roadmap?

N/A

For Further Information Contact:

Brian Hearne

Policy and Communications Manager

bhearne@icosirl.ie