



Keeping Ireland at the top of the Technology Value Chain

15th August 2007

Summary

There is currently a shortfall of 14,000 skilled IT workers in Ireland. For a country that is heralding itself as a knowledge economy this is a serious issue that needs to be properly addressed if Ireland is to continue its progress up the technology value-chain and garner more value-adding technology employment from overseas. However, the shortfall in skilled IT staff is also having a detrimental effect on indigenous Irish IT companies' growth. The recent 'Green Card' legislation enacted by the Irish Government was sent to address the issue by actively targeting on high-value jobs and skills shortages. However experts within Irish industry believe that the new legislation is making it harder for Irish organizations to source qualified non-EU candidates. The reason for this is due to the fact that candidates need to go to the EU first. Delays in lead times have also been cited as inhibitors to the success of the Green Card legislation. With recent reports citing that there is a decline in the number of Irish students taking Maths and Science at higher level, accessing skilled and qualified workers from non-EU states could prove to be crucial in keeping Ireland inc competitive.

iReach Analysis

The Irish problem is a wider EU problem:

The Irish problem of a shortage of skilled workers is symptomatic of a wider EU one. With an aging population and falling birth rates, the EU has proposed a 'Blue Card' for highly-skilled workers to be formally tabled in September. The EU Home Affairs Commission has hinted that intra-EU movement has and will be considered although this will be allowed only under certain conditions. This Blue Card will also allow for enable a specialist to return home and re-enter EU territory after four/five years without having to re-start the whole administrative process again. In Ireland the Green Card Permit scheme is set for an initial 2 year period normally to be renewed indefinitely. It has been claimed that the Irish Government is tighter on numbers than perhaps it should be and the Tech industry is calling for a review of the legislation. Would an EU 'Blue Card' make it easier to access non-EU talent? Possibly, although even the adoption of a Blue Card may not in itself garner spectacular results as it will be left up to the Member State to decide the number of non-European experts it needs.

Why look to non-EU states.

Simply put it is because they have a surplus of tech graduates that Ireland and the EU cannot guarantee. In India alone there are nearly 2 million technical graduates exiting universities capable of earning between €4,275 and €10,260. Their earning capacity in Ireland would be much greater and so it would be easier to attract them here. More importantly the skills that Indians possess would be extremely beneficial to the Irish economy. The issue here is that under the current Green Card scheme in place there are two thresholds limits that need to be addressed by applicants namely for those earning over €60,000 and those earning between €30,000 and €59,999. This may not cover recent graduates of Indian universities unless but may well cover those who have a few years work experience. iReach believes that a work/study scheme could be introduced that would allow highly proficient non-EU graduates access to automatic employment rights in Ireland should they complete further studies in the country. An idea such as this would need to forgo the Green Card financial stipulations as they stand. As part of the current set-up, a non-EU graduate on a one-year part time course is allowed 20 hours 'casual' work per week plus full time work over holidays periods. Once they have finished their course of studies they are not entitled to continue to work. iReach believes that allowing tech graduates to work in relevant jobs throughout their course of studies and then allow them an automatic green card for two years would attract high calibre graduates to Ireland. To ensure that high-calibre graduates are sourced, scholarships could be granted to the most capable students overseas. This would be one way to access highly skilled graduates and cut through any legal or procedural bottlenecks that may exist.

Key Takeaways

- **There is a shortfall of 14,000 IT workers in Ireland**
- **Maths and Science deficits in Irish schools could impact negatively on the economy.**
- **The EU is proposing a 'Blue Card' for highly skilled, non-EU workers.**
- **2 million Indian IT Graduates a year.**

Summary

The creation of a Knowledge Economy in Ireland is dependant on the continued advancement of technology and science in the country. However there is a dearth of science and technology graduates in the country and this is having a detrimental effect on the progress of indigenous Irish industry. Accessing skilled graduates from abroad would be an excellent solution to the current skills shortage. Until we address the shortage of higher level maths and science candidates in secondary schools and colleges, it may be the only solution.

Author: Neil Brennan , iReach,

01 210 6004

neil.brennan@ireach.ie

iReach is an Irish Research and Market Intelligence company specialising in Telecommunications, Media and Technology. Making research relevant and specific to companies based in Ireland, we are unique in our approach and focus. We provide knowledge to our clients through our wide range of cost-effective primary and secondary research offerings. For decision makers, we research information from a wide range of sources; we filter this information, add intelligence and deliver a specific and tailored package to our clients to give them the Answers to their questions. See www.ireach.ie