

# INOUE Submission: DSP Statement of Strategy 2025-2028



March 2025

## Introduction

The Irish National Organisation of the Unemployed (INOUE) welcomes the invitation to make a submission to the Department of Social Protection on their Statement of Strategy 2025-2028.

The INOUE is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOUE represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all. We also campaign for an acceptable standard of living for unemployed people and their dependents. The organisation has over 190 affiliated organisations and 800 individual members. We provide a range of training for people who are unemployed and organisations working with people distanced from the labour market; we provide a welfare rights information service, primarily by telephone, by participating at in-person events; we analyse and discuss with our membership relevant Government policies; undertake advocacy work; and work with a wide range of other organisations on issues of common concern.

Our submission highlights the context in which unemployed people find themselves in currently, and how the Department of Social Protection plays a vital role in communities and the prevention of long-term unemployment and distancing from the labour market. This Department's role is of growing importance as global uncertainties and transitions take place that have the potential to erode the principles of social protection in Irish society.

Key to the success of the Department's Strategy is alignment with existing national and EU-level policy. These include:

- *The National Strategic Framework for Lifelong Guidance (2024-2030)*  
Aims to promote lifelong career-management skills and career mobility.
- *Roadmap for Social Inclusion (2020-2025)*  
Aiming to improve employment services, and support for marginalised groups and the long-term unemployed.
- *Pathways to Work (2021-2025)*  
A renewed focus on reduction of long-term unemployment and targeted supports for those distanced from the labour market.

The EU Social Pillar of Rights has Ireland committed to poverty reduction, improved uptake of quality employment and engagement in lifelong learning and skills development.

The newly published Programme for Government "Securing Ireland's Future" sets out many commitments relating to the Department. These actions should be fully informed by structured engagement with civil society underpinned by existing principles of social dialogue.

Ultimately, the Department of Social Protection should be the essential driver of reduction of social inequalities and strengthening Irish society in times of economic and societal shocks. Systems in the Department should be robust, responsive and agile to the demands of Irish society, seen most recently in the DSP response to Storm Éowyn via its Humanitarian Assistance Scheme. Working collaboratively with Departments and with civil society and community organisations, the Department must continue to meet increasingly complex demands of a society with growing inequalities. We welcome Minister Dara Calleary's recent

comments at the OECD meeting of the Employment, Labour and Social Affairs Committee (ELSAC) in February, saying that social protection expenditure “is an investment in improved outcomes for our citizens, our communities, our families and in future generations”<sup>1</sup>. This investment is critical at this juncture of increasing global uncertainty, and heightened risks of social inequalities in Ireland as a result.

This submission is informed by both existing commitments and the Programme for Government and aims to highlight the appropriate priority actions the INOU believes are required to further develop the DSP’s proactive position to support people who find themselves unemployed and wish to access gainful employment. The submission is structured in three areas; “Clients at the Centre”, “Integrated Income Support”, and “Activation Focussed Service”, followed by our key recommendations for the Department’s Statement of Strategy.

## **Clients at the centre**

The INOU continues to support the long-term unemployed who find themselves in challenging conditions to seeking work. It is critical that supports are built around the unemployed person and others seeking supports from the Department of Social Protection, that the person really does feel that they and their concerns are at the heart of this work, and that they will be supported to make informed choices. At a time of “full” employment, tens of thousands of people remain excluded from the labour market and require supportive and responsive supports in the Public Employment Service that will meet their needs. This support should include ensuring that people are on the right payment, that the system takes pro-active and supportive steps to ensure that people are availing of their entitlements, and that the person feels and knows they can drop into their local Social Welfare / Intreo office to discuss any matter of concern. This is currently not the case for many service users, who find themselves in an activation focussed service that is rigid and focussed purely on finding employment as soon as possible, without the additional training and guidance that would be essential to access meaningful employment that lifts people and their families from poverty.

The recent increase of the Jobseekers payment penalty rate<sup>2</sup> is a case in point of the punitive aspects of the activation-focused service; a 100% increase in the penalty, without an evidence base to its intended effect is against the Department’s own aim of placing clients at the centre of their work. We would recommend that this decision is reversed, or at the very least the percentage decrease introduced is no greater than that originally used: 23%, the current proposal equates to 37% of a recipient on a maximum personal rate. We would also urge that changes to payments, payment disregards are benchmarked, evaluated, and based on the principle of a person-centred service.

To progress the changes needed, the Department should progress its own commitments made in the “National Strategic Framework for Lifelong Guidance”<sup>3</sup>. The Public Employment Service should be underpinned by a lifelong guidance approach, to provide a holistic approach to a service user’s own development in order to secure good employment and be

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<sup>1</sup> [DSP, 2025. Minister Calleary attends OECD meeting of the Employment, Labour and Social Affairs Committee \(ELSAC\)](#)

<sup>2</sup> [Doubling of Penalty Rate for People on a Jobseeker’s payment | INOU](#)

<sup>3</sup> [gov.ie - Key publications in guidance](#)

equipped with career management skills. Guidance has a key role to play in the inclusion of marginalised groups in the labour market and should be a major part of the PES approach to improve Ireland's overall labour market performance and the participation rates of these groups. Alongside this, adopting innovative tools already utilised in the community sector, which have been developed with people distanced from the labour market to find tangible outcomes on the journey from "welfare to work". For example, the validated distance travelled tool "My Journey"<sup>4</sup> is an excellent opportunity for professionals in the PES to empower service users and transition away from an activation-centric service model.

The Department has had limited use of generative AI in the Public Employment Service; AI poses significant risks for service users, particularly for those distanced from the labour market, as it can perpetuate and exacerbate existing biases in society. The INOU would advocate for responsible and ethical use of AI, with consistent involvement in decision-making, evaluation and feedback from stakeholders (especially service users) maintained in any introduction of these technologies.

Finally, climate resilience should be at the core of the Department's Statement of Strategy going forward; its policy instruments can be extremely useful in climate policy mitigation for disadvantaged groups and can promote a just transition in the labour market with the potential for communities to adapt to climate adaptation measures<sup>5</sup>.

## **Integrated Income Support**

The social welfare entitlements system remains as one of the most complex systems people in Ireland will need to navigate at some point in their lives. Issues raised from our members on the current system include:

- The diversity of rules, the inconsistency of access and application across the system, a system that is often re-active rather than positively pro-active.
- The issue of inadequate, inconsistent information arises for both people accessing information and support and people working in local organisations.
- This issue arises with regard to the social welfare supports people may or may not be entitled to; what is or is not taxable; what supports are available for people who make the welfare to work journey; and what will be the difference in the income they obtain should they make this journey.

The Programme for Government's commitment to address the "cliff edges" found in the system is welcome; we would also emphasise the importance of implementing the recommendations of the Joint Oireachtas Committee Report on Means Testing in the Social Welfare System in Ireland<sup>6</sup> published in October 2024. It gives a comprehensive overview of the reform required in the means testing operations in the social welfare system; a cohesive, person-centred streamlined system is now required to create efficiencies and improve the service user experience in interacting with these systems.

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<sup>4</sup> [My Journey: Distance Travelled Tool - Pobal](#)

<sup>5</sup> [ILO, World Social Protection Report 2024–26 Universal social protection for climate action and a just transition](#)

<sup>6</sup> [Joint Oireachtas Committee Report on Means Testing in the Social Welfare System in Ireland](#)

In relation to social welfare entitlements, the issue of income adequacy is a key one for the INOU and along with other community and voluntary sector organisations has called on the Government to increase core social welfare rates so that they (i) lift people above the poverty line and (ii) support them to meet a minimum essential standard of living. To this end, the INOU looks forward to in-depth engagement with the Department on the reform of working age payments as referenced in the Programme for Government; given the complexity of the system, changes made must be fully thought out and developed to ensure seamless implementation can follow.

In the community employments supports area, we welcome the Programme for Government's commitments regarding increasing top-up payments and a more person-centred approach to the scheme; we welcome further engagement in this area as more reforms are required in order to future-proof the scheme. This progress should be completed in the early stages of the Government's programme.

In the Roadmap for Social Inclusion, Commitment twenty-five under Goal Three, seeks to "Consider and prepare a report for Government on the potential application of the benchmarking approach to other welfare payments." It would be vital that this work is undertaken as soon as possible in a constructive manner; that the poverty facing unemployed people and other social welfare recipients is properly addressed; and the age segregation still visible in Jobseekers Allowance payments is finally ended.

## **Activation Focused Service**

In the Department's current Statement of Strategy, the Department's overall objective is to "continue putting the people we serve at the centre of all we do". This comes into direct conflict with the activation focussed mission of the Public Employment Service as it is currently configured. The limitation of the service to people on a particular social welfare payment, rather than widening its purview to "promote active participation and inclusion in society" limits its impact and its ability to respond to an increasingly complex labour market.

Risks continue to increase for the labour force in Ireland; labour market tightness and demand for digital and green skills, alongside a high risk of job losses with the incoming transition of generative AI and automation, with 31% of jobs in Ireland currently exposed to generative AI<sup>7</sup>, and job destruction of up to 5.5% is estimated in the EU<sup>27</sup><sup>8</sup>. The risks of associated changes will not be distributed equally, with regional and industry-specific disparities evident. The Public Employment Service has a vital role to play in this regard and should have the capacity to welcome service users who find themselves dealing with the need to adapt, from switching sectors, upskilling, retraining, and seeking support in accessing social welfare entitlements to keep them in the workplace. The INOU's own report, "Building a Quality Public Employment Service"<sup>9</sup> sets out in further detail the needs of service users that should be fulfilled by a modernised PES in Ireland.

In reforming the PES in this manner, the DSP can take on a more proactive approach to emerging economic shocks; this responsiveness of the DSP has already been observed in

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<sup>7</sup> OECD (2024), Job Creation and Local Economic Development 2024: The Geography of Generative AI <https://doi.org/10.1787/83325127-en>

<sup>8</sup> CEDFOP (2024) [Digital skills ambitions in action - Publications Office of the EU](#)

<sup>9</sup> INOU, [Building a Quality Public Employment Service](#)

its rapid response to the COVID-19 pandemic; this work can and should be replicated to meet the needs of a diverse range of service users, and meet its own mission of reducing social inequalities.

## **Key Recommendations**

1. Reform of the Social Welfare procedures to a service that is holistic and responsive to the needs of its users, which should include proactive information provision and guidance.
2. Reversal of the increase in the Jobseekers Payment penalty rate or at the very least the percentage decrease introduced is no greater than that originally used: 23%.
3. Underpinning the Public Employment Service with a guidance approach, and fulfilling the actions associated with the National Framework for Lifelong Guidance, and the introduction of the “distance travelled” tool among the long-term unemployed and in marginalised groups.
4. An ethical approach to any use of generative AI in the PES and retaining the commitment of “digital by desire” in social welfare services.
5. Implementation of the recommendations of the Joint Oireachtas Committee Report on Means Testing in the Social Welfare System in Ireland.
6. The benchmarking of social welfare payments to ensure everyone can meet the minimum essential standard of living and are lifted out of poverty.
7. Expansion of the PES to all people of working age who seek support in managing their careers, with the aim of increasing labour market inclusion, reducing long-term unemployment and social inequalities in Ireland.

Thank you for your consideration, and we look forward to working in partnership with the Department in the years ahead.

Contact:

Rebecca Gorman

Head of Policy and Media, INOU

Email: [Policy@inou.ie](mailto:Policy@inou.ie)