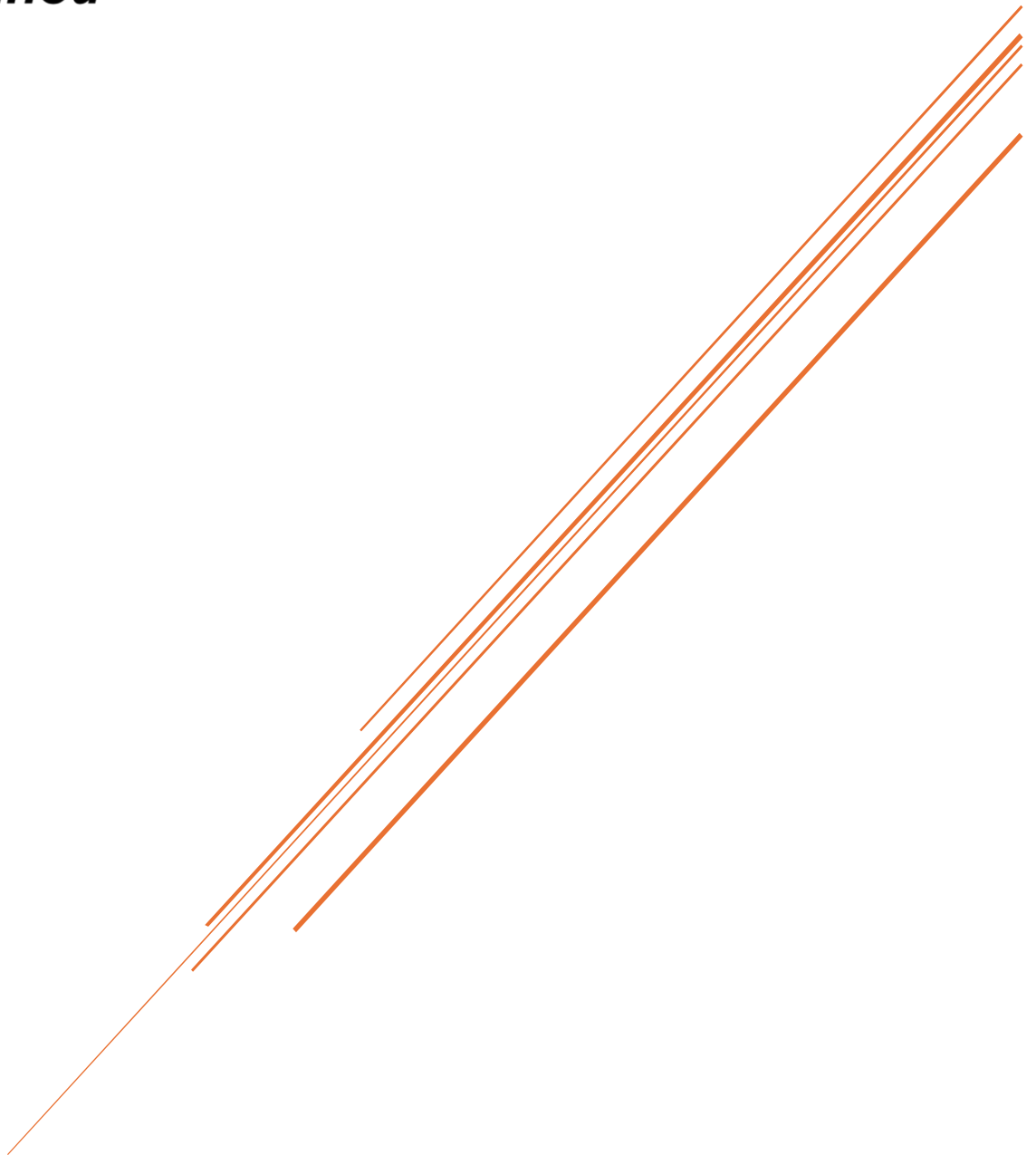


Pathways To Work 2026-2030

Submission by the INOU, September 2025



The Irish National Organisation of the Unemployed (INOUE) welcomes the invitation to make a submission to the Department of Social Protection's consultation process for the Pathways to Work Strategy 2026-2030.

Introduction

The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU 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 over 850 individual members. We work at a local and national level on issues affecting unemployed people and others reliant on a social welfare payment. 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 will be shaped by the five questions highlighted in the consultation process, while also highlighting the context in which unemployed people find themselves in, and how the successor Pathways to Work strategy should play a strong role in supporting inclusive employment across the labour market. As part of the development of our submission, we engaged with over 40 of our member organisations to share their views on progress to date on the Strategy, and what they would like to see in the successor strategy.

Key to the success of the future Strategy is alignment with existing national 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) and upcoming successor strategy*
Aiming to improve employment services, specific provisions to support socially excluded groups access employment, training and education support and reduce poverty in households.
- *The Traveller and Roma Inclusion Strategy (2024-2030)*
Aims to increase the numbers of Travellers and Roma participating in the labour force.
- *The National Human Rights Strategy for Disabled People (2025-2030)*
Access to employment is identified as one of the 5 key pillars of this Strategy.

The 2025-2030 Programme for Government “Securing Ireland’s Future” has a particular focus on job creation, future planning, and ensuring Ireland has the capacity to face emerging challenges.

The resilience of the Irish people has come to the fore over the lifetime of the 2021-2025 Pathways to Work Strategy; in the face of the COVID-19 pandemic, the workforce, communities and their support structures adapted quickly, and recovered rapidly following the lifting of COVID-19 restrictions. Supports put into place, including the Pandemic Unemployment Payment, with inter-agency collaboration and protective policy measures, proved that systems can be developed that provide adequate incomes and targeted supports where needed and required.

Existing and approaching challenges can be faced with a similar approach, where this Strategy should focus on delivering responsive services and supports in the event of an economic downturn and to promote resilience in our labour market and our communities. Despite the rapid return to low levels of unemployment, significant challenges remain for people facing discrimination and social exclusion within the labour market. Advances need to be made to address these inequalities, with targeted measures and policy commitments that will work in the best interests of people facing the highest barriers to participation in employment and accessing decent work.

Data from the Labour Force Survey and the Live Register shows that the labour force has recovered well following the COVID-19 pandemic. The overall unemployment rate is at 4.8%, with some increase (1.9%) over the year to the numbers of long-term unemployed to 31,800 people. The Potential Additional Labour Force has remained relatively stable and stands at 118,000 people. A key issue is the increasing rates of youth unemployment, which is currently 13.2%; young people now account for 1 in 3 of the number of people currently unemployed. The workforce participation rate continues to be higher for men than women, at 71% and 61% respectively. Women accounted for 68.5% of people in part-time employment, and 61.2% of people who were underemployed¹.

Participation in DSP employment programmes continues to be stable²; over 26,000 people are currently participating in programmes, with Community Employment being the largest provider of these programmes in the country. Education and training participation, however, is continuing to decrease. Less than 10,500 people are currently enrolled in these programmes, which a decrease of 28% over the year.

¹ CSO, Labour Force Survey Q2 2025

² Live Register, September 2025 (Data for August 2025)

Progress Made from Pathways to Work 2021-2025

The Labour Market Advisory Council, of which the INOU is a member, noted in their third annual progress report³ on the Pathways to Work Strategy 2021 – 2025 that “It is positive to see that good progress has been made to date in implementing the ambitious commitments and targets.” (p106) Later on “The Council recognises that some of the revised or new commitments and key performance indicators are very ambitious – for example the targets set for raising the employment rates for Travellers, lone parents, and people with disabilities. Nonetheless, the Council is of the view that these are realistic targets if the Intreo Employment Services is provided with sufficient resources to achieve them, and the labour market remains relatively buoyant for the remaining lifetime of the strategy (end-2025).” (p107)

Progress made for disabled workers has included the national development of the Employability service, alongside streamlining supports available in the Work and Access programme. The introduction of the Jobseekers Pay-Related Benefit is welcome and will protect a cohort of newly unemployed people from sudden income shocks. Public engagement has strengthened, and the INOU has been participating and promoting the various Work and Skills events nationally. The analysis of Labour Market Activation Programmes could provide a strong footing on which to develop the supports available to Jobseekers. The Local Area Employment Service (LAES) continues to develop and operate nationally, with differing responses across the country. The INOU is aware of the projects in train that will further support these developments, and we look forward to engaging to progress these initiatives.

Alongside the progress made, the focus must shift onto future-proofing the systems and supports available to promote resilience in the labour market and protect people from income shocks in the event of an economic downturn, as well as accelerating efforts to increasing access to the labour market for marginalised groups. It is timely now to evaluate the approaches taken to supporting the labour market and to achieve high levels of employment, in times where the triple transitions of demography, climate change and digitalisation will affect the wider world of work and our public services into the future.

³ [third-annual-progress-report-july-2023-june-2024.pdf](#)

Key Challenges

Several existing and emerging challenges should be addressed in the 2026-2030 Strategy.

Labour Market Exclusion

“Some groups remain significantly under-represented in the labour market and continue to face difficulties or disadvantage when competing for jobs. Their challenges are often complex, including but not limited to, low levels of education, a lack of work experience, caring demands, health issues, addiction, as well as other social barriers that have not allowed them to participate in the work force to date. A whole of-Government approach is warranted to address these challenges, and the Council believes that the Intreo Employment Service must continue to build on and enhance its outreach and partnerships with civil society to respond appropriately to the needs of marginalised cohorts.”

- Labour Market Advisory Council, Third Annual Progress Report on Pathways to Work 2021-2025

Systemic barriers to inclusive employment remain a significant issue for several groups who would like to engage in meaningful work. Persistent low levels of employment continue for lone parents, disabled people, people experiencing socio-economic exclusion, Travellers and Roma.

An issue recently highlighted by the CSO's report *Equality and Discrimination 2024*⁴, is the discrimination people face in society, including when accessing employment and while in employment. Several groups face persistent discrimination when looking to access employment, most felt by Irish Travellers and Roma, where 16% of respondents of these minority ethnic groups experienced discrimination. Other groups with high rates of discrimination include Black Irish/Black African/other Black background (12%), and gay/lesbian people (12%).

Of the people who reported experiencing discrimination when trying to access work, 27% perceived their socio-economic status as the ground for discrimination. Race/Skin colour/Ethnic group/Nationality was the perceived for 34% of respondents, and Age for 20%. Over 3 in 4 people said this had at least some effect on them. Employers can and should focus on addressing discrimination both in their hiring practices and in the workplace. Several measures can be used to address these issues and should be prioritised not just to advance equality and inclusion in the labour market, but to address the skill deficits and labour market tightness that continues with levels of high employment.

⁴ [Equality and Discrimination 2024 - Central Statistics Office](#)

Skills Development and Meeting the Demands of the Labour Market

The national outlook for skills matching in the labour market remains poor in Ireland; adaptation and building skills should be a priority for the incoming Pathways to Work Strategy. The Solas Labour Market Research Unit's report on skills mismatch in the labour market⁵ shows a high prevalence of skills mismatch in Ireland which is far higher than the OECD average.

Several underlying issues converge with an outcome of labour skills mismatch; barriers to participation in training are high, and there is a need to provide the education and training that will meet the needs of workers to achieve their potential. Highly educated workers now appear to have obtained a qualification that may not align with the skills that are in high demand in the labour market.

Further work is required to examine and reduce the barriers to participation in education and training for people in unemployment. Commitment 58 in the current Strategy aimed to: "Establish an interdepartmental working group to examine barriers to participation in education, training and employment for priority cohorts, including those with lower levels of education (less than QQI Level 4)." This group has been established, their final report due in Q2 2025. Work must be accelerated to create systemic approaches to reducing barriers to participation. INOU members have highlighted several issues for jobseekers who wish to develop their skills but are unable to do so, from a lack of availability of suitable classes, to their social welfare payment being not compatible with education opportunities the State itself provides. Inter-agency approaches should ensure that participation in lifelong learning is promoted, and people are enabled to take up opportunities that suit their needs.

There is a risk that skills development will only be a policy priority for people already in employment, for example via focussed provision of the National Training Fund. It is essential, therefore, to develop targets and invest in adult and community education that will drive skills development for people currently excluded from the labour market. Provision should also be focussed on the needs of people who need to update their skills to keep pace with advancements in the workplace; alongside foundational classes aiming to improve the national literacy proficiency rates; and ESOL classes that support people to secure employment that is commensurate with the educational attainment and work experience they brought with them into Ireland.

⁵ [Summer Skills Bulletin](#), SLMRU September 2025

Data and Service Gaps

Policy instruments are now needed to drive the alignment of skills development and labour market requirements. Labour market intelligence⁶, utilised in other jurisdictions by the Public Employment Service, may be the key to identifying the significant gaps in the labour market today.

The effective use of labour market skills intelligence (LMSI) by the Public Employment Service should be driven by the next Strategy. At the individual level, PES frontline workers should be equipped to utilise intelligence for skill development of their clients and provide guidance in education and training opportunities that align with the person's desires as well as the opportunities within the labour market at that time. The National Skills Council has called for the establishment of a National Skills Observatory that would drive forward the coordination of this work⁷; the INOU would advise that this work should be centred on ensuring the Public Employment Service uses this data to drive stronger supports for clients to avail of education and training and work place opportunities that will assist them in their long-term career development. To assist in this, continuous professional development should also be prioritised with ringfenced budgets for the workforce throughout the PES.

Use of Generative AI in the PES and Labour Force Displacement

Generative AI has the potential for major labour force displacement, as routine, repetitive tasks and other more sophisticated tasks may be done by machines rather than workers. Estimates of displacement do vary, however, the OECD estimates that almost 1 in 3 workers in Ireland is exposed to Generative AI⁸, where at least 20% of their tasks can be done by AI, which is above the OECD average. There are already some concerning trends within workforce recruitment, where rates of entry-level and graduate positions are decreasing, with their work replaced in favour of technological tools⁹.

At the same time, the use of generative AI in public services including in the PES and Social Protection, leaves groups vulnerable to risks such as further profiling¹⁰ and limited opportunities to have flexibility and holistic, person-centred supports available to them. Human rights and equality must underpin the developments of the use of AI in public services, particularly for service users who may be at risk of discrimination.

⁶ <https://ec.europa.eu/social/BlobServlet?docId=27936&langId=en>

⁷ [National Skills Council Strategic Advice 2025](#)

⁸ OECD 2024 The Geography of Generative AI

⁹ [Irish Employment Monitor Q1 2025 Report from Morgan McKinley](#)

¹⁰ [Research Matters | How AI can impact human rights and equality – Houses of the Oireachtas](#)

To this end, the 2026-2030 Strategy must consider actions that will plan and develop public policy approaches in the use of AI across the labour market and in public services. In the event of major labour displacement and decreased opportunities to participate in the labour market, the Strategy should plan towards ensuring people's incomes are protected and explore the options available to affected groups.

Rates of Youth Unemployment Continue to Increase

The unemployment rate of younger people in the worker force has increased throughout the duration of the 2021-2025 Strategy. According to the latest Labour Force Survey¹¹, the youth unemployment rate stands at 13.2%, in comparison to rate of 3.6% for 25-74yrs, giving a ratio of **3.67:1**, far above the average target ratio of 2.5:1 given in the Strategy.

Several measures need to be implemented in the incoming Strategy with the specific aim of reducing the youth unemployment rate. These should include achieving parity of esteem for non-traditional education and career pathways and preparing young people for the world of work with accessible supports to them throughout their lives; effective guidance services should underpin these developments, so young people are informed of their options and can make decisions that will support their future prospects.

At present the options and tools available to the Public Employment Service are influenced by the type of social protection payment a person is on. Young people make up approximately 10-11% of the Live Register, but a higher percentage of those captured by the Monthly Unemployment figures: just under 33%. This raises an issue that the next Pathways to Work Strategy must address: how many young people who are unemployed can access proper supports and services to address their unemployment.

Alongside these measures, social protection payments must be updated to remove discriminatory reduced rates of payment to young people, many of whom come from families and communities experiencing socio-economic discrimination. These reduced rates enforce poverty rates and reliance on family members at a point where young people should be building their independence and supported to participate in the workforce.

¹¹ [Labour Force Survey Quarter 2 2025 - Central Statistics Office](#)

Marginalised Groups in the Labour Force

The PES, following the Department's own Statement of Strategy, should be adopting a person-centred approach to supporting people on their journey from welfare to work. As highlighted in the latest EU Semester report on Ireland, despite impressively low rates of unemployment, participation of marginalised groups within the labour market continues to be below our EU counterparts¹². Groups such as lone parents, disabled people, people experiencing socio-economic disadvantage, people who are long-term unemployed, Travellers and Roma continue to experience disproportionate barriers to participation. The PES must centre its delivery on developing a wraparound service that provides the holistic approach needed to address the systemic issues these groups face, and towards a truly inclusive service with sustained support towards decent employment.

Gaps within the Public Employment Service and Social Protection

The PES unfortunately only fully engages with people who are currently in receipt of a social welfare payment; this is despite the fact that the Public Employment Service is in a prime position to support more people going through transitions in their career or who need further supports in the career development. It also leaves behind people who are unable to receive a social welfare payment but may require PES supports to access inclusive employment opportunities. The PES should undergo a reform process in which it develops and expands its services to support all people of working age, as is the case in many EU countries.

Complexities within the social protection continues to obstruct individuals from availing of career development opportunities in fear of losing their social protection payment. Payments have not kept in line with living costs, with some aspects of payments, e.g. the income disregard on a Jobseeker's Allowance payment when the person takes up part-time employment remaining unchanged for over a decade.

The entire system should be optimised towards supporting individuals to seek and avail of these opportunities, with incentives in place and any "cliff edges" in the social protection system examined and removed. Transitions, for example, from Jobseekers payments towards activation programmes or education and training opportunities provided by the Department can be unnecessarily complicated, where these transitions should be seamless for participants. Punitive or a one-size-fits-all approach used in the employment services discourages pro-active participation and involvement in the welfare to work journey and should be replaced with a person-centred model. Consistency, with some

¹² https://economy-finance.ec.europa.eu/publications/2025-european-semester-country-reports_en

flexibility, should be built into the supports available, particularly during the first months and years of employment.

Other Challenges

Several issues were identified by our members in the current system to support people towards inclusive employment.

- Activation programmes can be restrictive and haven't adapted to changing contexts.
- Increasing levels of homeless and health inequalities without wraparound services available for vulnerable groups.
- Regional disparities in the types of employment opportunities and supports available.
- A high proportion of jobs are precarious and/or low pay, with little opportunity for progression.
- Literacy friendly approaches are not adopted in the social welfare system, and more services are provided online which excludes many different groups.
- An increasing number of people do not have English as their first language and there is a significant unmet demand for English classes.
- Barriers such as lack of access to childcare and public transport continues to limit people from accessing and remaining in employment.

Recommendations for the 2026-2030 Strategy

The following recommendations are based on the 5 pillars of the previous Strategy, in the actions recommended to drive inclusive employment in Ireland.

1. Working for Jobseekers

- Support the training and development of case officers across the entire PES with ringfenced training budgets, and drive a consistent, person-centred approach to all clients engaged or seeking to engage with the public employment and related services.
- Resource the development of lifelong guidance supports within the PES, with trained staff who can further support the career development skills of participants.
- Expand the PES service to all people of working age, regardless of their employment or welfare status.
- Review criteria for supporting clients, including developing drop-in services for the LAES, and revisiting people's PEX scores when they have been unemployed for a time.

- Develop a strong response to rising rates of youth unemployment, with youth-focussed measures across the education and employment sectors, with social protection measures that will provide adequate incomes for young jobseekers.
- Support further regional approaches to supporting jobseekers with local services and education providers aware and responsive to the needs of jobseekers and the labour market.

2. Working for Employers

- Drive improvements within the DSP to provide rapid supports for employers who champion inclusive employment.
- Work with employers to ensure that they are encouraged and supported to employ people who are long-term unemployed, underrepresented in the labour market.
- Examine schemes such as JobsPlus, promoting them to employers to support and deliver on inclusive recruitment practices.

3. Working for Work

- Continue progress in developing proposals to guarantee an adequate income for all.
- Ensure incomes will increase when unemployed people and other social welfare recipients take up work, in particular part-time work.
- Change the approach to employment outcomes policy for jobseekers, where taking up part-time employment is a valid and acceptable way to participate in the workforce.
- Drive reforms within DSP employment programmes, to ensure they are future-proofed and continue to provide benefits for jobseekers and their communities. This should include further workforce planning and supports, ringfenced budgets for education and training for participants, and increasing the flexibility within the programmes in order to increase successful outcomes and rates of participation.

4. Working for All - Leaving No one Behind

- Review supports available for jobseekers to access education, training and employment programmes, ensuring the transition to these Government initiatives is seamless for the participants and their income is protected while they participate in activation measures.
- Address the high levels of discrimination faced by groups in the labour market, especially for Travellers, Roma, people of colour, people who are disabled, and people facing socio-economic disadvantage. This should align with the National Action Plan Against Racism, the National Human

Rights Strategy for Disabled People 2025-2030, the Roadmap for Social Inclusion, and the National Traveller and Roma Inclusion Strategy.

- Develop public sector recruitment and retainment initiatives for inclusive employment for more groups distanced from the labour market, including those affected by socio-economic disadvantage and minority ethnic groups.
- Ensure recruitment of people distanced from the labour market is incentivised for employers, particularly through the social considerations for the upcoming Public Procurement Strategy.
- Continue to reform and improve the Work and Access programme, including reform of the Wage Subsidy Scheme.
- Develop a civil society and social enterprise engagement plan to support inclusive employment in partnership with community organisations.
- Ensure developments within the use of AI among employers and in the DSP are underpinned by equality and human rights, particularly for people already affected by socio-economic exclusion.

5. Working with Evidence

- Support innovative approaches to integrating Labour Market Skills Intelligence (LMSI) into the work of the PES and support a more responsive and agile PES for participants and employers.
- Accelerate the development of the WWLS (Work and Welfare Longitudinal Database) and ensure this is available across the PES, development of policies and programmes, research undertaken.

A Note on Measuring the Success of the Strategy

The 2026-2030 objectives and actions must also focus on creating a positive impact for people who are not able to participate fully in the labour market. Completion of projects, tasks and creating new subgroups etc. are crucial, however, actions should be set and measured by their impact and not just their outputs. An example of this are the actions targeted at youth unemployment; the impact and progress made by the completion of these actions, such as the creation of the Employment and Youth Engagement Charter, are unlikely to be captured in the Strategy's outcomes. More frequent data collection is also required to evaluate the current barriers to employment for groups not captured within the labour force survey, which includes minority ethnic groups and lone parents.

Thank you for your time. For Further information, contact Rebecca Gorman, Head of Policy and Media
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