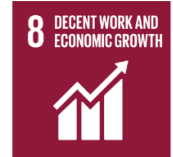




**Chambers
Ireland**
Advancing business together



Public consultation on the successor to Pathways to Work 2021-2025

Submission by Chambers Ireland

September 2025

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Key Points

- Introduce a tapered Working Age Payment to ease financial transitions for long-term unemployed entering part-time work.
- Flexible work arrangements should be included in the strategy to improve employment outcomes for people with disabilities.
- Employer incentives modelled on best international practices should be adopted to facilitate inclusive employment.
- Reform Active Labour Market Policies (ALMPs) to prioritise skills development and employer responsiveness over public sector job creation.
- Increase employer involvement in designing ALMP placements and training pathways.
- Tailor ALMPs to local labour market conditions to address regional disparities.
- Support community-led migrant employment initiatives like MEAS and DORAS to promote integration and upskilling.
- Invest in intensive language training and personalised integration plans for migrants to improve labour market access.
- Expand childcare and eldercare infrastructure to reduce barriers to female workforce participation.
- Promote entrepreneurship supports for women through tailored training and funding initiatives.
- Accelerate the rollout of a single permit system to streamline recruitment of non-EEA workers.
- Launch a National Renewable Energy Skills Mapping Initiative to identify and address green sector skill gaps.
- Increase funding and staffing for Regional Skills Fora to support balanced regional workforce development.
- Reform disability employment supports to ensure adequate training, financial and operational assistance for employers and employees.
- Develop an integrated apprenticeship system to meet 21st-century industry needs and support national strategies.

- Expand apprenticeships in STEM and construction to address vocational skill shortages.
- Provide tailored case management and career guidance for underrepresented groups including lone parents, migrants, and ethnic minorities.
- Provide subsidised professional training for parents who are caring for their children with a disability or additional needs in disciplines such as Occupational Therapy, Speech & Language Therapy, Psychology, and Special Needs care.
- Subsidise accredited training in digital, green, and care skills for disadvantaged groups.
- Introduce short-duration jobseeker payments to smooth employment transitions and reduce poverty traps.
- Facilitate employers in adopting skills-based hiring, blind recruitment, and structured interviews to reduce bias.

General

The need for a skilled, inclusive, and adaptable workforce is central to the long-term economic resilience of the State. A challenge for Irish businesses at the moment is the ability to attract and retain employees, which disproportionately affect SMEs and the local economies within which they operate¹. Our recommendations in our submission are finalised in line with the needs of businesses as they increasingly adapt to the evolving needs of the markets in which they operate.

Underrepresented groups and workforce participation

The previous Pathways to Work consultation was developed during the Covid-19 pandemic and the strategy was primarily concerned with providing a framework for supporting businesses and facilitating employment recovery, which would benefit both individuals and businesses by maintaining jobs and business operations. It occurred in a time of extreme economic fluctuation and uncertainty and was focused on ensuring that the large drops in employment could be arrested and reversed. In a time of almost full employment, the context of this consultation is very different.

The focus looking forward has to be on ensuring that people at the margins can gain employment. Ireland is in a negative position regarding employment of underrepresented groups in several categories. Some vulnerable groups, especially lone parent households and persons with

¹ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf

disabilities, are at a higher risk of poverty and social exclusion, often exacerbated by difficulties to participate in the labour market and finding employment.

Currently, some groups are underrepresented in the labour market and this is often not down to a lack of willingness to participate in it; rather it is because of matters outside of their control. As an example, the employment rate of lone parents is the lowest in the EU² and this represents a very large demographic whose participation is being constrained. Lone parents could benefit from embedding flexible working rights into national employment strategies. For example, implementing a Working Age Payment that provides welfare-equivalent subsidies for long-term unemployed individuals engaging in part-time work would better enable them to participate in the labour market if they wish. Traditional welfare systems³ currently do not cater to their needs and this payment would taper welfare supports gradually which would facilitate a smoother financial transition back into employment⁴.

It is particularly important to quickly integrate groups with lower employment rates into the workforce, especially female colleagues, low-skilled workers, lone parents and people with disabilities. For example, Ireland currently has the highest rate of joblessness among people with disabilities in the European Union and flexible working arrangements are critical for this cohort to address this disparity. This measure would empower individuals with disabilities to access meaningful employment opportunities and improve household income levels. Despite Ireland's

² <https://www.oireachtas.ie/en/debates/debate/dail/2025-03-06/34/>

³ <https://www.esri.ie/system/files/publications/RS193.pdf>

⁴ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf p.14

obligations under Article 27 of the UN Convention on the Rights of Persons with Disabilities (UNCRPD) to promote inclusive employment, the 2022 Census revealed that only 49% of people with disabilities of working age were employed, compared to 71% of their peers who do not have a disability. The employment gap is most pronounced among those with severe disabilities, where the gap reaches 42%, versus 12% for those with milder impairments⁵⁶.

By facilitating flexible work in this context we can remove structural barriers, develop inclusive workplaces and ensure that people with disabilities are supported in pursuing fulfilling careers. Employment should be a key pillar of the forthcoming national disability strategy, and this initiative represents an ambitious step toward equity, empowerment, and economic participation.

Efforts should be made to emulate the successes in other Member States to ensure that such groups are not left behind or excluded from the labour market. For example, in the Netherlands companies with more than 25 employees must meet specific hiring targets for people with disabilities and exceeding these quotas earns employers additional financial incentives⁷. Similarly, in the Netherlands support is provided for businesses in finding workers who have disabilities⁸.

⁵ <https://nda.ie/uploads/publications/NDA-Employment-and-Disability-Factsheet-Accessible-Design-November-2024.pdf>

⁶ <https://www.oireachtas.ie/en/debates/debate/dail/2025-02-25/13/>

⁷ <https://business.gov.nl/amendment/hiring-people-with-occupational-disability-easier/>

⁸ <https://business.gov.nl/regulation/participation-act/>

Skills Mismatches

The OECD has stated that that rates of skills mismatches in Ireland are high, with 31% of workers underqualified for their roles. This is more than the figure for any other country with available data⁹. This issue is compounded by Ireland's ageing population, which, while ageing more slowly than other OECD nations, still poses long-term risks to labour market stability.

Ireland also has one of the widest employment gaps between those with high levels and those with low levels of education. The employment gap between these two categories is 48%¹⁰, as many people with low levels of education are inactive and long-term unemployment is concentrated among those who are not as formally educated. Such individuals are either inactive or face long-term unemployment, which exacerbates this mismatch.

In addition, the Irish economy is heavily structured around white-collar work, with a less developed trades-based sector. This imbalance limits opportunities for those with vocational or non-academic skills and contributes to underqualification in roles that demand more formal training. The role of Active Labour Market Policies (ALMPs) will be important to support skills reorientation. In this context, it will be important to continue ensuring that public work schemes do not displace jobs and absorb labour that could have been otherwise used in the open labour market.

⁹ https://knowledge4policy.ec.europa.eu/publication/impact-evaluation-irelands-active-labour-market-policies_en

¹⁰ https://knowledge4policy.ec.europa.eu/publication/impact-evaluation-irelands-active-labour-market-policies_en

Active Labour Market policies focus too much on the Public Sector

Ireland's approach to ALMPs has long prioritised direct job creation schemes, particularly for the long-term unemployed. In 2021, nearly half (48%) of Ireland's ALMP expenditure was allocated to public works programmes, more than any other OECD country. Despite total ALMP spending being relatively low at 0.21% of GDP (compared to the OECD average of 0.43%), Ireland ranks seventh in direct job creation spending, dedicating 0.10% of GDP versus the OECD average of 0.04%¹¹.

Two flagship schemes, Community Employment (CE) and Tús anchor this strategy¹². Since Tús was introduced in 2011, annual participation has hovered around 30,000 with approximately 7,000 in Tús and 23,000 in CE, making CE one of the most widely accessed ALMPs in Ireland.

This heavy reliance on direct job creation schemes, while valuable for social inclusion, must evolve to meet the demands of a rapidly changing labour market. There is a need for a more skills-oriented and employer-responsive ALMP framework. The emphasis should be on developing a skilled workforce that can respond to the changing needs of the market¹³. Therefore, there is a need for ALMPs that support upskilling, reskilling, and lifelong learning, particularly in sectors

¹¹ oecd.org/content/dam/oecd/en/publications/reports/2024/03/impact-evaluation-of-ireland-s-active-labour-market-policies_9548c157/ec67dff2-en.pdf

¹² Both programmes target long-term unemployed individuals, offering one-year placements of 19.5 hours per week in roles across the voluntary sector, such as caretaking and cleaning. CE schemes are managed directly by approved voluntary organisations, while Tús placements are coordinated by implementing bodies with DSP approval. CE also includes a designated training budget and allows for multi-year participation, unlike Tús which is limited to a single year.

¹³ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf

facing acute shortages. As Ireland's population grows and infrastructure demands intensify, ALMPs should facilitate transitions into sectors like construction, green energy, and digital services, areas where labour shortages are most pronounced.

There should be greater employer involvement in shaping ALMPs, including the design of placements and training pathways. This would ensure that programmes like CE and Tús are not only socially beneficial but also economically strategic. With regional disparities in employment and skills access, ALMPs should be tailored to local labour market conditions, ensuring that rural and urban communities benefit equally from public investment.

Labour Market participation for third country nationals

The Migrant Employment Advice and Support (MEAS) project exemplifies the kind of community-led, inclusive employment initiative that should be supported¹⁴. This is positive with regard to workplace and skills development, as it provides tailored mentoring and training for migrants. In addition, it is focused on regional equity, which helps support local labour market needs across the state. At a high level, it also promotes integration, social cohesion and active participation in Irish society.

¹⁴ <https://www.gov.ie/en/department-of-justice-home-affairs-and-migration/press-releases/minister-of-state-for-migration-colum-brophy-announces-fund-to-support-the-integration-and-employment-of-people-who-have-moved-here-as-migrants/#:~:text=In%20Donegal%2C%20People%201sts%20%E2%80%9CMEAS%20-%20Migrant%20Employment%2C,their%20potential%20through%20various%20skills%20assessment%20and%20training.>

In addition, the “Gateway to Employment for Third Country Nationals” project by DORAS is a positive initiative to support migrants in overcoming key barriers to employment in Ireland. DORAS’ tailored support for migrants directly contributes to upskilling and employability, especially for those facing structural disadvantages. This is an important inclusive employment strategy that can help address the high rate of skills mismatches present in the State today. In addition, the project promotes equal opportunities, non-discrimination, and active participation, aligning with SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities). DORAS works directly with employers to create pathways for migrant employment, which aligns with employer-led ALMPs and ringfenced roles for underrepresented groups.

International best practices show that intensive language training and personalised integration plans significantly improve employment outcomes for migrants who are more removed from the labour market by virtue of language barriers. In the past we advocated for similar investments and noted that at least 24,000 people seeking international protection are disadvantaged due to language barriers and as a consequence find it more difficult to integrate into the labour market¹⁵.

¹⁵ https://chambersireland.sharepoint.com/:p:/r/sites/ChambersIreland-SharedData/_layouts/15/doc2.aspx?sourcedoc=%7BD6EFBB86-57EE-45B2-9E8F-5AE6FF21B33A%7D&file=Chambers%20Ireland%20Skills%20Report_08.07.24_WITH%20NOTES.pptx&action=edit&mobiledirect=true&DefaultItemOpen=1

Female Labour Market participation

According to the Labour Force Survey Q1 2025 by the CSO, the female labour market participation rate rose from 60.1% to 61.3% since Q1 2024, the figure for Q1 2024 is 56.4%, reflecting a broad upward trend¹⁶. Women often experience reduced workforce participation due to disproportionate family caring responsibilities, including for children, parents, or relatives with additional needs. More has to be done to facilitate them in the workforce and to ensure they have access to affordable care options.

Accelerating the Roll-Out of the Single Permit System

Ireland's current employment permit framework is overly complex, requiring separate applications for residence and work. This dual process system imposes significant administrative and financial burdens on employers, particularly SMEs, who are already grappling with acute skills shortages across sectors. The proposed single permit system, which consolidates residence and work permissions into a unified application, offers a practical and timely solution¹⁷. Early implementation would streamline recruitment from outside the EEA which would reduce delays and costs. In addition, it would enhance our competitiveness in attracting global talent and support regional and sectoral labour market needs, especially in areas with persistent vacancies.

¹⁶ <https://www.cso.ie/en/releasesandpublications/ep/p-lfs/labourforcesurveyquarter12025/labourforce/>

¹⁷ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf p.27

The roll-out of the single permit system also directly supports the objectives of Ireland's Pathways to Work strategy in a number of ways. It expands the labour force, thereby enabling employers to access a broader, more diverse talent pool. It also simplifies legal pathways for non-EU nationals and promotes integration and workforce diversity. In this way it should work to reduce long-term unemployment by filling critical vacancies, which supports business continuity and job creation.

Establishing a National Renewable Energy Skills Mapping Initiative

Ireland's transition to a low-carbon economy is accelerating, yet the workforce planning needed to support this shift remains fragmented and the renewable energy sector faces significant skills shortages, particularly in regional areas. Current data on workforce capabilities is siloed across agencies and lacks the granularity needed to inform targeted training and investment¹⁸. A national skills mapping initiative would help identify current and future skills needs across all National Qualifications Framework (NQF) levels. It would enable targeted upskilling, reskilling, and newskilling programmes aligned with industry demand. This would support regional development by highlighting local labour market gaps and opportunities and inform education and training providers to adapt curricula and delivery models. It could also facilitate cross-sectoral planning, especially where skills are transferable (e.g. from construction or manufacturing). This initiative would mirror successful models used in other sectors and could be extended to

¹⁸ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf p.28

emerging fields such as Artificial Intelligence, where similar talent gaps are anticipated. The proposed skills mapping initiative directly supports these objectives by creating clear pathways into green jobs by identifying the skills needed in renewable energy. In this way jobseekers can be guided into training programmes that lead to sustainable employment.

Questions

Q1: What progress do you feel has been made in achieving the aims and commitments set out in Pathways to Work 2021-2025?

The Third Annual Progress Report (July 2023–June 2024) confirms that of the 65 commitments in the strategy, 28 have been fully achieved or are being delivered on an ongoing basis and 37 are in progress or in progress with ongoing delivery. This reflects mixed advancement across all strands of the strategy, especially considering the evolving labour market conditions since its launch in 2021. The unemployment rate has remained below 5% since January 2022, and the gender gap in participation is at 9.5%.

The Mid-Term Review, conducted by the Labour Market Advisory Council, led to a recalibration of Key Performance Indicators (KPIs) to better reflect current challenges: 28 KPIs now guide the strategy, with 19 rated “green” (on track) and 9 “amber” (at risk of delay). These updates reflect a shift from pandemic recovery to addressing skills shortages, green and digital transitions, and inclusive employment.

The strategy committed to supporting 50,000 long-term unemployed into Further Education and Training (FET) by 2025 and as of June 2022, 16,650 commencements had been recorded. While this is a solid start, more targeted outreach and employer engagement are required to improve uptake.

While the Labour Force Survey Q1 2025 shows that female participation rose to 61.3%, the employment rate for women aged 15–64 reached 71.2%, while over 62.6% of employed

women hold third-level degrees. However, as referenced elsewhere in our submission childcare and eldercare shortages remain major barriers and these figures should be improved.

Q2: What are the key challenges facing the Irish labour market that Pathways to Work 2026 – 2030 will need to address over the lifetime of the strategy?

Ireland faces the highest rate of skills mismatches in the OECD, with 31% of workers underqualified for their roles¹⁹. This is compounded by a wide employment gap between those with high and low levels of education (48%)²⁰, and a labour market heavily weighted toward white-collar work, limiting opportunities for those with vocational or non-academic skills. The next strategy must prioritise upskilling, reskilling, and lifelong learning, especially for those in sectors facing acute shortages (as referenced earlier) and ensure ALMPs are more skills-oriented and employer-responsive, moving beyond a heavy reliance on public sector job creation schemes like CE and Tús.

Ireland's population is ageing, albeit more slowly than other OECD countries, which will slow labour force growth and increase dependency ratios. At the same time, inward migration has been a key driver of recent employment growth. Accordingly the strategy should support tailored, community-led initiatives for migrants and third-country nationals, including intensive

¹⁹ https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/03/impact-evaluation-of-ireland-s-active-labour-market-policies_9548c157/ec67dff2-en.pdf p.15

²⁰ https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/03/impact-evaluation-of-ireland-s-active-labour-market-policies_9548c157/ec67dff2-en.pdf p.36

language training and personalised integration plans, to maximise their participation and address skills shortages.

As highlighted elsewhere in our submission, despite record-high female labour force participation (61.3% in Q1 2025), persistent barriers, especially around childcare and eldercare, which disproportionately affect women require strategic investment in care infrastructure, flexible work, and entrepreneurship to unlock the full potential of Ireland's highly educated female workforce.

Ireland has the lowest employment rate for lone parents in Europe (64%) and the highest rate of joblessness among people with disabilities in the EU (49% employment rate for people with disabilities of a working-age). The employment gap is even wider for those with severe disabilities and the strategy should facilitate flexible working arrangements, support subsidised professional training for carers, and ensure ALMPs are tailored to the needs of lone parents, people with disabilities, and other underrepresented groups. International best practice (e.g., Dutch employer incentives as detailed elsewhere) should also inform policy design.

Technological disruption, digitalisation, and the green transition are reshaping the world of work. By 2030, two out of five Irish workers will need to transform their skill sets or risk obsolescence²¹. The demand for digital, AI, and green skills is accelerating and the strategy must support digital literacy, AI readiness, and green skills development across all sectors. SMEs and regional

²¹ <https://www.pwc.ie/services/workforce/insights/future-of-jobs-and-skills.html>

economies will require targeted supports to adapt to these transitions and seize new opportunities.

There are significant regional disparities in employment and skills access, with rural areas often lagging urban centres. The strategy should tailor ALMPs and supports to local labour market conditions, ensuring rural and urban communities benefit equally from public investment. It should also foster regional equity through community-led projects and employer engagement.

Finally, the world of work is changing rapidly, with new forms of employment (platform work, gig economy), evolving employment relationships, and the need for updated legal and policy frameworks. Pathways to Work 2026–2030 must remain agile, evidence-based, and responsive to emerging trends, with continuous evaluation supported by inputs from businesses.

Q3: Are there any changes that you would suggest for Pathways to Work 2026 – 2030, considering the potentially changed economic circumstances? This can include suggestions on the high-level ambitions, strands of action, specific commitments and targets or overall strategy design.

We propose actions focussing on:

1. Intensive language learning initiatives for migrants, to enable them to integrate in to the workforce, lead fulfilling careers and contribute to the skills shortage across sectors.
2. Greater emphasis on digitalisation and artificial intelligence.
3. Greater facilitation of affordable care options for those who wish to work.

4. Facilitation of skills mapping initiatives in certain sectors (e.g green skills) to identify gaps.
5. Greater engagement with employer-led initiatives to fill skills gaps.
6. Increased use of apprenticeships, including STEM and construction.

4: Do you have any suggested actions to help improve the employment prospects and outcomes of people under-represented in the labour market (such as people with disabilities, migrants, lone parents, members of the Traveller and Roma communities, among others)? This can include, for example, actions in relation to the Public Employment Services, training and employment supports and programmes, the social welfare system, and/or engagement with employers.

Access to employment stands as a key indicator of successful integration. English language at a standard of proficiency required for employment is a major barrier to employment. In Ireland, all third-country nationals and EU citizens have the right to access ESOL (English for Speakers of Other Languages) classes provided by the Education and Training Boards (ETBs). According to Solas²² €3.1 million was spent by the ETBs on the provision of ESOL courses in 2022. These courses were offered to 29,354 learners in 2022²³.

In 2024, DFHERIS budgeted €15m for the provision of English language training to Ukrainian people in Ireland. While positive it is far below the levels that are necessary to provide effective

²² https://www.solas.ie/f/70398/x/0ba8eca526/solas_annual_report.pdf

²³ https://www.solas.ie/f/70398/x/a570e2890f/solas_facts_report_2022.pdf

training, with the suitable intensity, to those seeking international protection in Ireland. Integration programmes such as those that have been introduced in peer nations not only enhance migrants' language proficiency but also improve their ability to communicate effectively, navigate job interviews, and comprehend various communication styles and cultural norms. These integration programmes should include intensive English courses, coupled with dedicated career support to empower individuals to overcome language barriers more swiftly, enabling them to participate more actively in the labour market.

An effective programme should include a tailored plan that helps the individual maximise the benefit of their existing skillset. Ideally the language course should take into consideration the sector-specific terms that the individual will need to use within the workplace.

Additionally, language courses which are intensive and sustained are more effective. Delivering language courses like this can increase the share of migrants that are in the workforce and also increase the income of those that are currently working.

As highlighted elsewhere in our submission, Ireland's ALMPs are overly reliant on public works with limited employer involvement, and should shift toward skills-focused, employer-responsive models that prioritise upskilling, reskilling, and lifelong learning, especially in shortage sectors, while ensuring inclusive access for underrepresented groups.

There is a need to provide tailored, intensive guidance and case management for people with disabilities, lone parents, migrants, and ethnic minorities. This may require the assignment of dedicated case officers with specialist training in inclusive employment. This can expand access to lifelong guidance and career management skills, with a focus on transitions between education,

unemployment, and work. It can also embed accessible, up-to-date labour market information and signposting to training and apprenticeship options.

In terms of parents of children with a disability or additional needs, subsidised professional training should be provided for parents who are caring for their children with a disability or additional needs in disciplines such as Occupational Therapy, Speech & Language Therapy, Psychology, Special Needs Assistant and so on. This would not only take the pressure off the HSE and lengthy waiting lists for additional supports but would provide a cohort of trained individuals who could not only help their own children, but also others.

Another policy which can be effective is to subsidise and expand access to accredited training and upskilling for underrepresented groups, including digital, green, and care skills. These programmes should include personalised integration plans for migrants and international protection applicants, learning from best practice in other EU countries.

Finally, basic income or pay-related short-duration jobseeker payments should be examined to smooth transitions and reduce poverty traps and employers should be encouraged to use skills-based hiring, blind recruitment, and structured interviews to reduce bias.