Skills Insights Note 2026-3

The Irish Labour Market and AI in 2026

Expert Group on
Future Skills Needs

Background

The Skills Insights Notes are a series of new shorter pieces of work on topical matters affecting the labour market by the Expert Group on Future Skills Needs (EGFSN) launched in 2025. They are available here: EGFSN Publications.

This Note is the third in the series in 2026 and examines how Artificial Intelligence (AI) is affecting the Irish labour market, building on a related paper from 2025. This paper looks at the demand and supply of AI-related labour and the speed of AI diffusion across the economy over the past year drawing on a range of sources before teasing out some implications.

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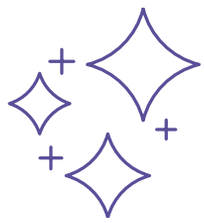
The author would like to thank the Members of the EGFSN for their comments and valuable feedback in the preparation of this work.

Key Takeaways

- Ireland's labour market is a global front runner in respect of AI
- Demand for, and supply of AI-related talent, shows no signs of abating
- Risks centre on the uneven pace of AI diffusion across enterprises and individuals

1. Introduction



In 2025, the Expert Group on Future Skills Needs (EGFSN) published an Insights Note looking at early impacts of AI on the Irish labour market titled 'How AI is transforming the Irish Labour Market.[1] The paper noted a high take-up of AI across the Irish labour market with heightened demand for, and supply of, people with AI-related skills and capabilities. At the same time, the research noted that AI usage within Ireland had doubled since 2023 in part due to a strong base of digital skills and the makeup of the enterprise sector.

This Insights Note updates this work while incorporating broader and newer sources of data to examine AI developments over the past year, in what is a rapidly evolving area. The goal is to assess how AI is shaping the demand for, and supply of labour and also the pace of AI diffusion across the enterprise sector.

The paper shows, based on a diverse range of data sources, that the Irish labour market is undergoing a rapid and broad-based AI-driven transformational change. On several grounds, Ireland seems to be distinguishing itself as a hub for AI talent. This points to the need for a continuous and heavy investment in human as well as physical capital to fully benefit from AI-related impacts. More broadly, it also shows the need for continual monitoring of AI impacts and the importance of regulation and coordination across the EU.

There are a couple of important distinctions that need to be made upfront in this Note. First, AI will replace certain tasks and occupations – this is inevitable and is already happening with lots of media attention on this specific angle of late. Second, and of likely much greater importance, is the wider impact of AI across the economy and what this means for roles, tasks, jobs, productivity and growth. Our response to AI needs to broader than just being limited to the impacts on a specific sector or group.

1 See: egfsn-skills-insight-note-2025-2-_how-ai-is-transforming-the-irish-labour-market-final-for-website.pdf

2. Demand for AI Skills: A Rapid Acceleration

Economic activity within Ireland is highly concentrated with much resting on the performance of the ICT, pharmaceutical and financial services sectors –sectors that are more susceptible to the impacts of AI - a point made by the Department of Finance.[2,3] It is worth emphasising upfront that the discussion on AI is broader than just impacts on specific sectors and roles (e.g. technical specialists in ICT), as opposed to the wider deployment of AI across the economy. The latter will have much greater implications in time.

The Insights Note from 2025, highlighted strong demand for AI skills in part based on Indeed's job postings 'AI tracker'. Over the past year, there has been a lot of attention paid to the impact of AI on the economy and potential job losses, particularly for the ICT sector and for younger workers. There is some justification for this and Department of Finance research points to weaker employment growth in some sectors (such as ICT and financial services) that are deemed to be high risk in relation to AI. However, there are other arguments and data sources that show a rapid acceleration in AI-related activity across the labour force.

First, the demand for AI-related skills shows no sign of abating, and in fact, the pace of growth in Ireland has decoupled from peer countries based on data from Indeed as displayed in Figure 1. This chart points to a sharp and sustained increase in the share of job postings referencing AI in Ireland.[4] While the share fluctuated between 4 and 6 per cent (of postings) from 2019 to 2023, it has since doubled, with a marked increase over the past year. In simple terms, this graph shows that Ireland is generating AI-related jobs at 2 to 3 times the pace of neighbouring countries. Other data sources, namely, OECD/LinkedIn data on AI-related job postings and also the PwC Global Jobs Barometer paint a similar picture with strong AI demand in Ireland.[5,6]

2 For example, see Annual Progress Report, April 2026, Box 4: AI and the Irish labour market – assessing emerging impacts.

3 For example, in 2025 Ireland had the fifth highest share of ICT specialists in the EU with over 170,000 persons employed – a figure that has grown by more than 50% since 2019.

4 Indeed, report on the share of job postings referencing AI terms for a selection of countries including Ireland. For more, see: Hiring Lab | Data Portal | Indeed.com

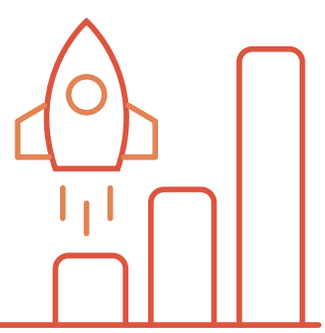
5 See: Live data from OECD.AI - OECD.AI

6 See: https://www.pwc.com/gx/en/issues/artificial-intelligence/job-barometer/aijb-2026-ireland.pdf. The PwC AI Barometer notes that AI hiring in Ireland almost doubled over the past year.

Second, context is important particularly in relation to AI jobs and specifically the ICT sector. Over the past 5-years (post-pandemic) in Ireland and elsewhere, there were extraordinarily robust employment gains within ICT. Over the past year, however, activity levels have softened. The degree to which this is due to AI or a broader rebalancing within the sector is still unclear. One useful indicator is Eurofound's Restructuring Monitor. This is a real time database tracking major job announcements by sector.[7] For Ireland, this data in Figure 2, shows 3 phases of hiring within ICT, with a surge post pandemic, followed by a slowdown, and more recently a period of stabilisation. At the same time, and as flagged above, the biggest impacts from AI will be felt across the entire economy as opposed to just ICT.

So, on the demand side, the evidence suggests that Ireland is continuing to fare well in respect of the demand for AI-related skills. This reflects partly the base of multinational activity here (in a later section, the contribution to AI from larger enterprises is highlighted), a shift towards more AI-intensive roles and an economy that is embracing AI at a rapid pace (which is outlined in later sections). The pace of expansion also raises important considerations regarding skills supply and absorptive capacity.

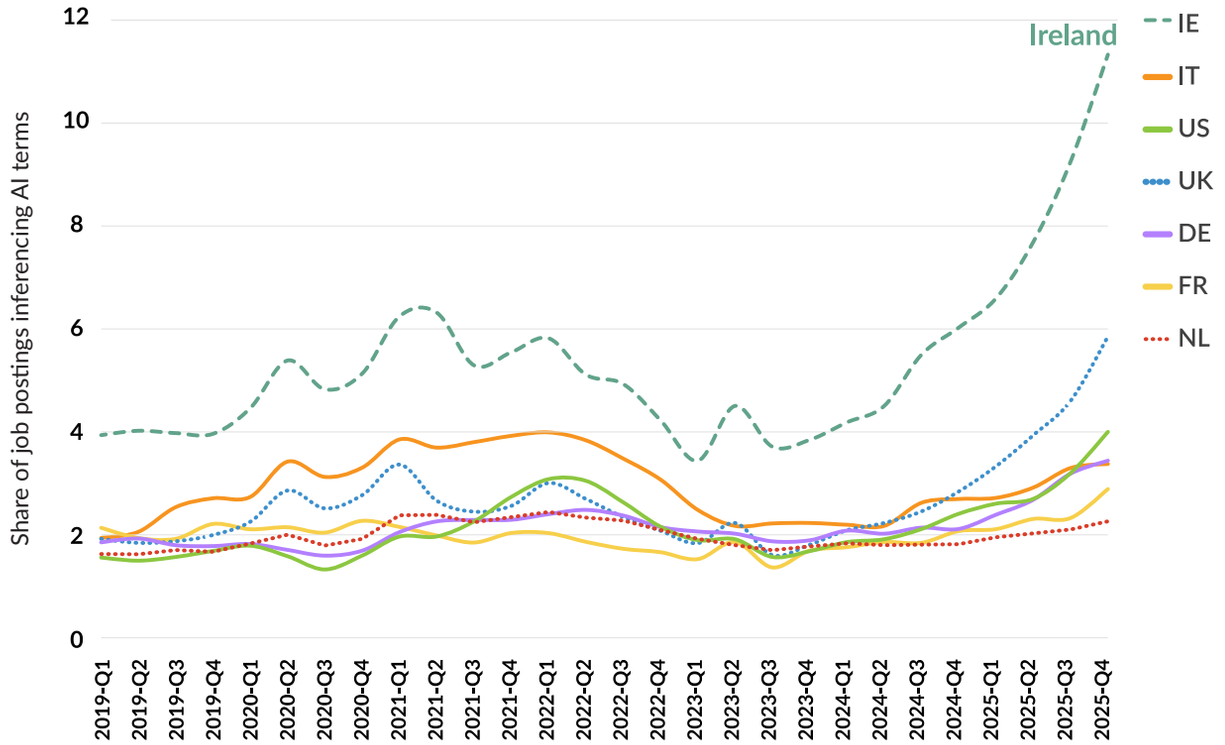
One area that has got attention of late, has been the impact of AI on younger persons. The latest CSO labour force survey shows that annual employment growth for younger workers (i.e. those aged 15-24 years) has been flat over the past 2 years and has contracted over the past year. In contrast, economy wide employment growth has averaged 2.2% over the same horizon. Some of this could and is likely to be due to the impact of AI. A recent study from Anthropic is informative in this regard, with early career workers reporting that AI can do the highest percentage of their tasks whilst the same cohort is also the most concerned about job losses.[8] The same study noted that over a third of people expect that AI could do "most or nearly all of their work tasks next year". All of this emphasises the need to closely monitor labour market developments but also the value in being adaptable in relation to skills, training and lifelong learning.



7 Job announcements can also reflect medium-to longer term intentions as opposed to immediate effects. See European Restructuring Monitor | Eurofound

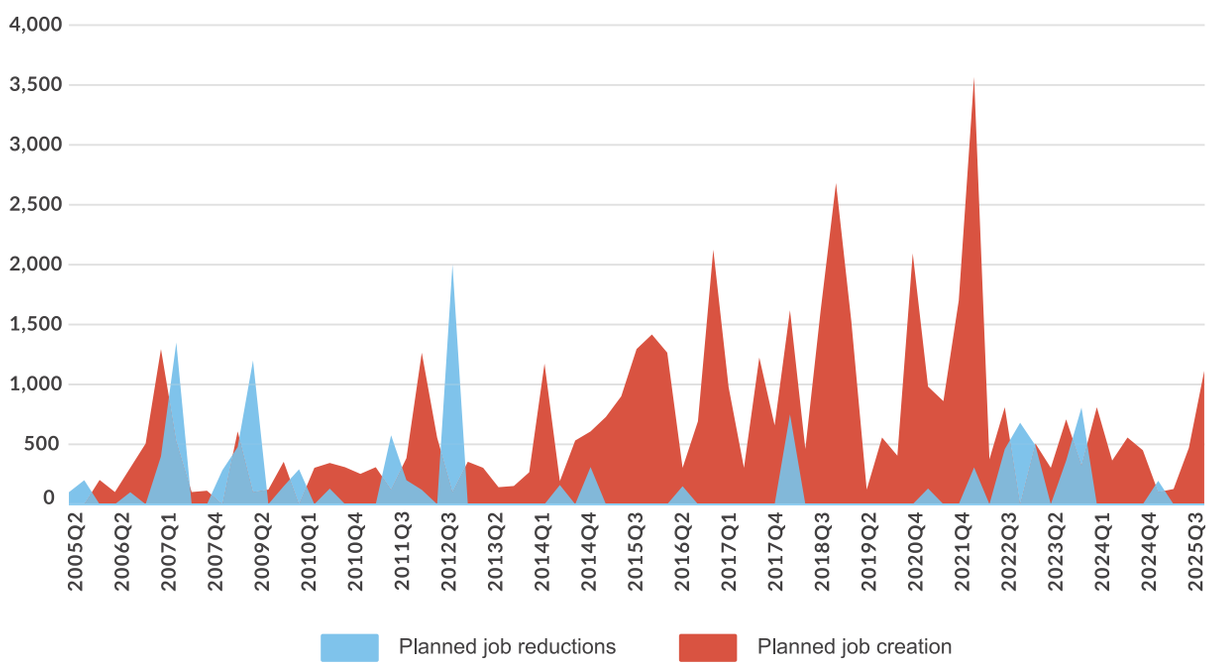
8 See: https://www.anthropic.com/economic-index#global-usage

Figure 1: AI Job Postings – a cross-country comparison



Source: Indeed

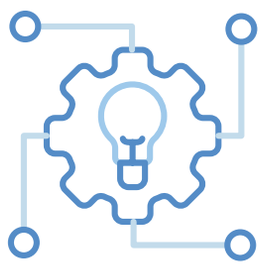
Figure 2: ICT within Ireland – job gains and losses in real time [9]



Source: Eurofound

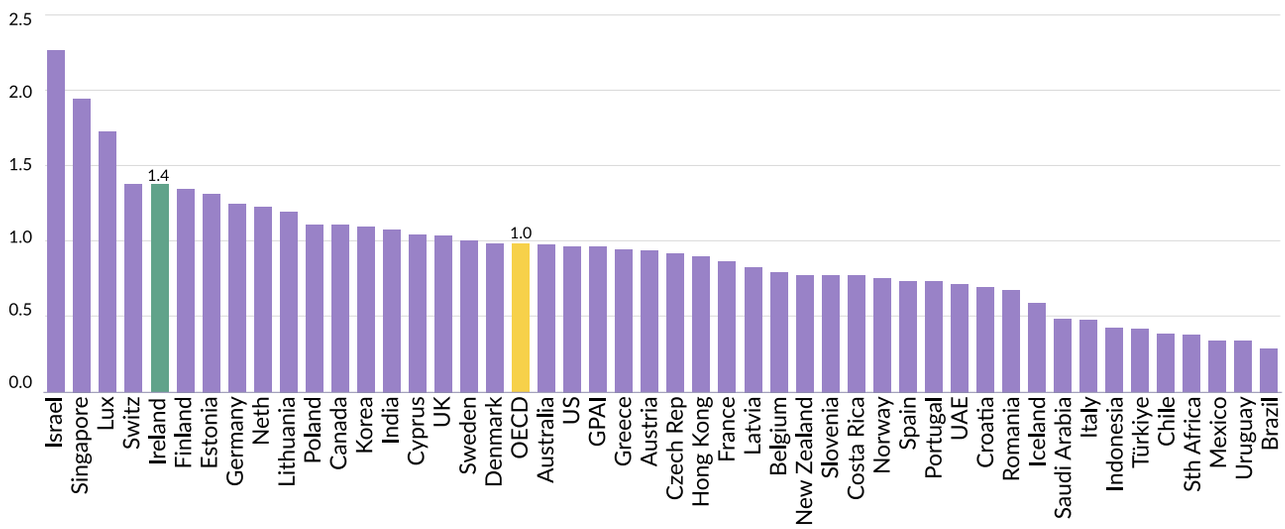
9 This data is sourced from the European Restructuring Monitor which monitors employment impacts from large scale restructuring events across Europe. See: European Restructuring Monitor | Eurofound

3. Supply of AI Talent: Concentration and Migration



Turning to the supply side, Ireland continues to rank strongly in relation to AI skills. There are several relevant sources, but just to flag two. First, data from LinkedIn measures the concentration of AI skills across countries which is used here as a proxy for AI talent.[10] As of 2025, Ireland ranked joint 4th globally on this measure (Figure 3), with the index showing AI skills 1.4 times the global average. Over the past decade, Ireland has performed particularly well on this metric with Ireland improving its global rank from 10th in 2016, to 9th in 2020, to 4th place last year. This highlights that AI capabilities continue to grow and become more embedded across the labour force.

Figure 3: AI Talent Concentration per country in 2025



Source: OECD.AI (2026), data from LinkedIn Economic Graph, https://oecd.ai/

Second, Ireland has a strong base of highly qualified workers – both in terms of graduates but also more broadly in respect of high-level digital skills, a point stressed in last year's Insights Note on AI. This undoubtedly places Ireland in a strong position in relation for foreign direct investment and specifically in terms of AI-related investments.

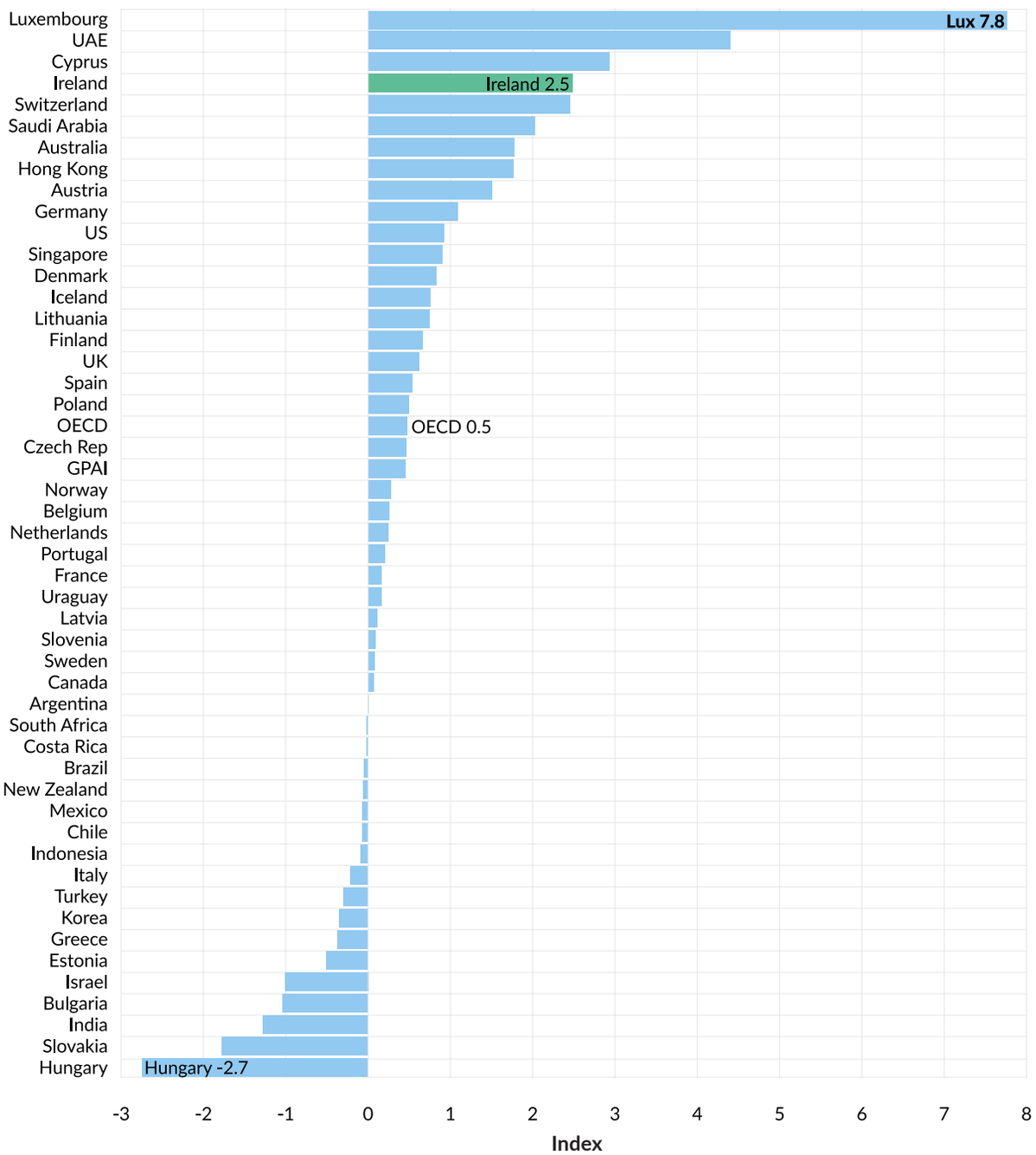
Third, Ireland's labour market is highly open and dependent upon inward migration, a proportion of which is in AI-related fields. Data from LinkedIn show that Ireland ranked 4th globally in terms of net inflows of AI-skilled workers (Figure 4).[11]

10 The index calculates talent concentration based on the counts of AI talent relative to LinkedIn members in that country.

11 The migration rates are derived from locations of LinkedIn members profiles. For more see: LinkedIn data - OECD.AI

These are not just intra EU flows as international permits data from the Department of Enterprise, Tourism and Employment confirm a large share of permits went to persons in ICT – a sector that is more at risk than most to AI. Last year, this sector received over 3,600 permits (following 6,800 in 2024 and 5,000 in 2023) accounting for 12% of all permits.[12]

Figure 4: Net inward migration flows of LinkedIn members with AI Skills, 2019-24



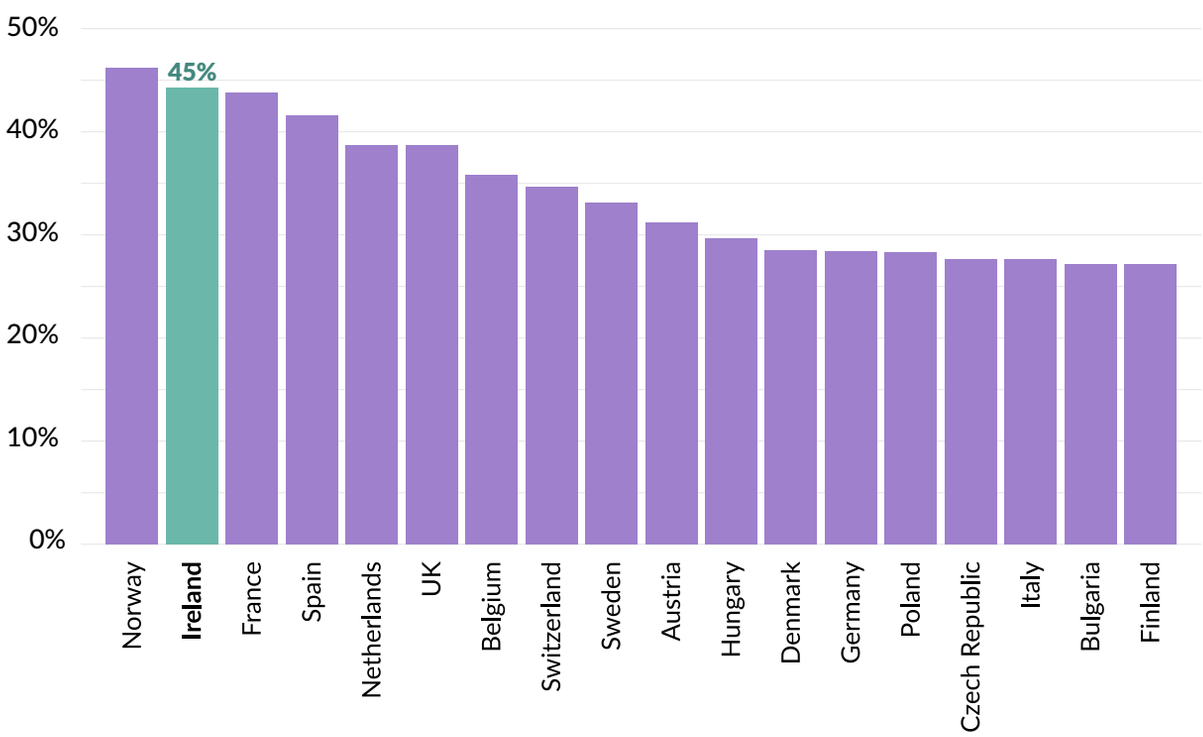
Source: OECD.AI (2026), data from LinkedIn Economic Graph

12 See: Statistics - DETE. In the year to May 2026, the ICT sector received 1,613 permits – up 2.6% on the same period in 2025.

4. AI Diffusion and Usage across Ireland

AI adoption has gathered pace across the economy and wider society over the past couple of years. Researchers in Stanford University have developed an index which measures AI diffusion across the world's leading economies – Figure 5.[13] The index quantifies diffusion based on signals of AI usage and it notes that AI adoption is increasing across the majority of the top 30 economies covered. The index puts Ireland 1st in the EU and 2nd in Europe in relation to AI diffusion.

Figure 5: AI diffusion in Europe in 2025– the leading economies

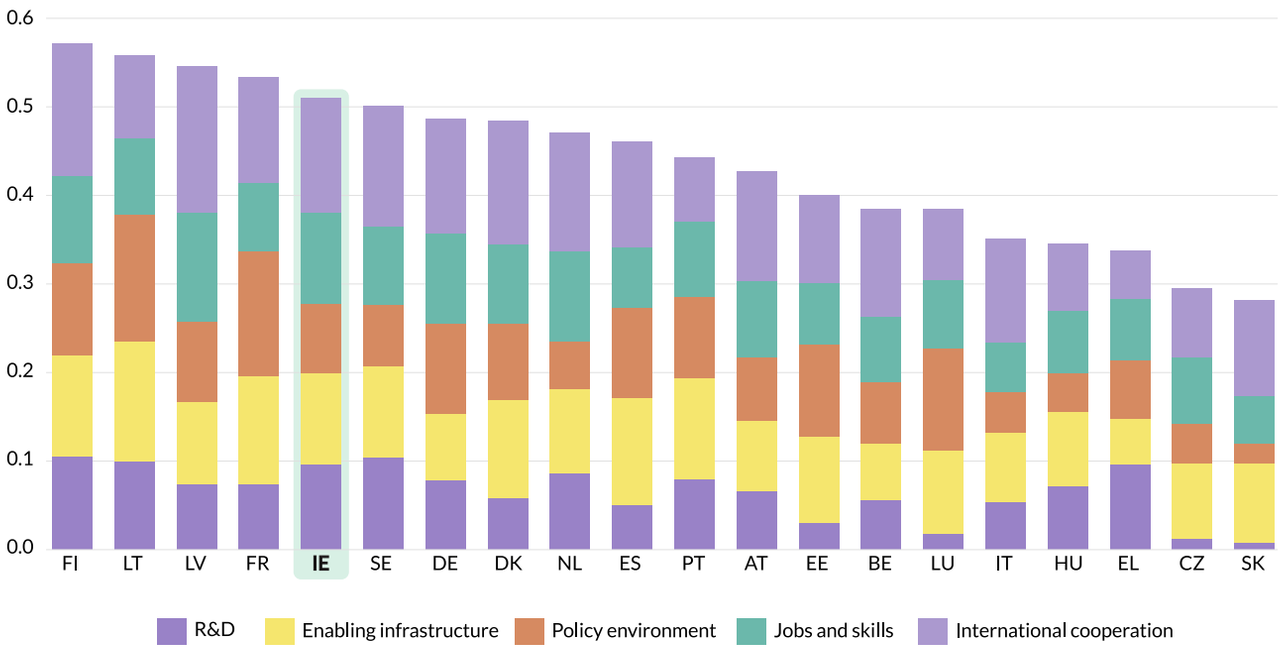


Source: Stanford University

The OECD also produces a useful metric on diffusion that ranks countries based on 5 criteria deemed essential to support AI development, namely: R&D spending; infrastructure; policy environment; jobs and skills and international cooperation. The results are shown in Figure 6, with Ireland performing strongly across all 5 categories. This reflects strong policy alignment, advanced digital infrastructure and the significant role of multinational firms that are driving that adoption (see below). Ireland is both attracting AI capability and deploying it across the economy.

13 See: Artificial Intelligence Index Report 2026, Stanford University.

Figure 6: AI Index across the OECD in 2025



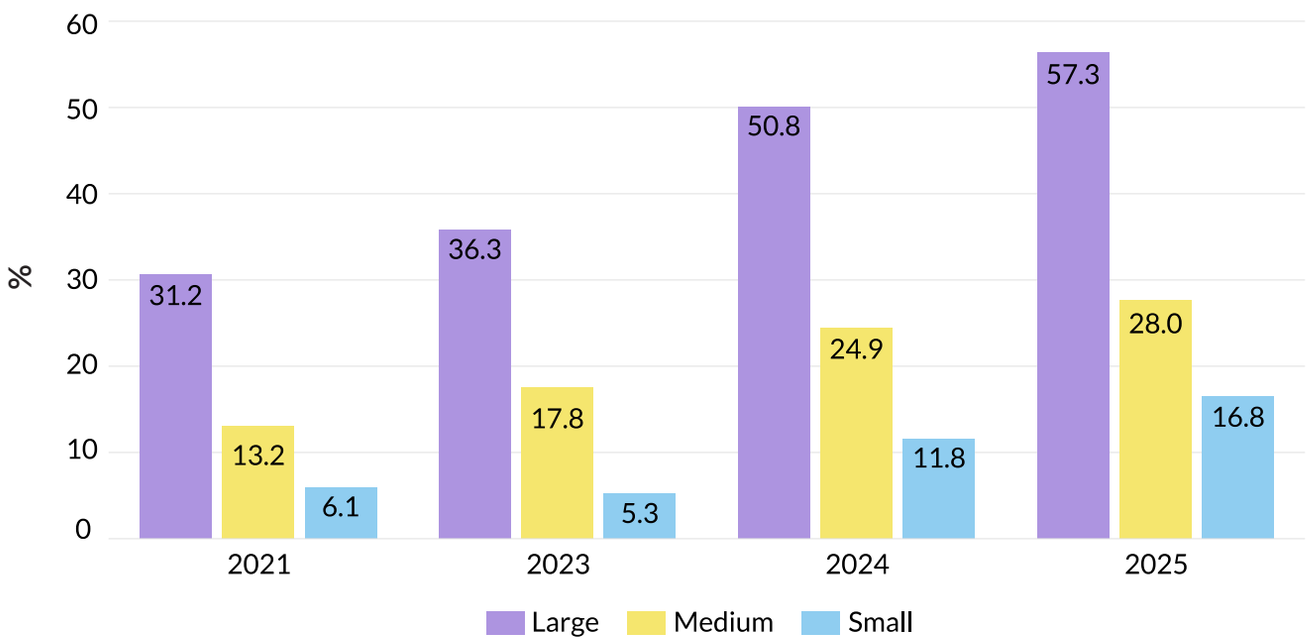
Source: OECD

5. AI Usage at the Enterprise Level

AI adoption among Irish enterprises is increasing steadily – a point that was highlighted in the previous Insights Note. However, the pace of adoption remains uneven (Figure 7). Adoption is much higher in larger enterprises, where foreign-owned multinationals are dominant. Furthermore, the gap between large and small enterprises has widened over time, pointing to an emerging divergence in productivity potential across the enterprise sector.

These patterns point to the risk of a two-speed economy, in which larger firms capture a disproportionate share of AI-related productivity gains. Smaller and medium-sized enterprises are mostly likely facing barriers related to cost, access to skills, and implementation capacity, although usage has picked up noticeably in recent years.[14] This underscores the need for targeted policy interventions to support wider diffusion.

Figure 7: Usage of AI in Ireland by enterprise size (2021 -2025)



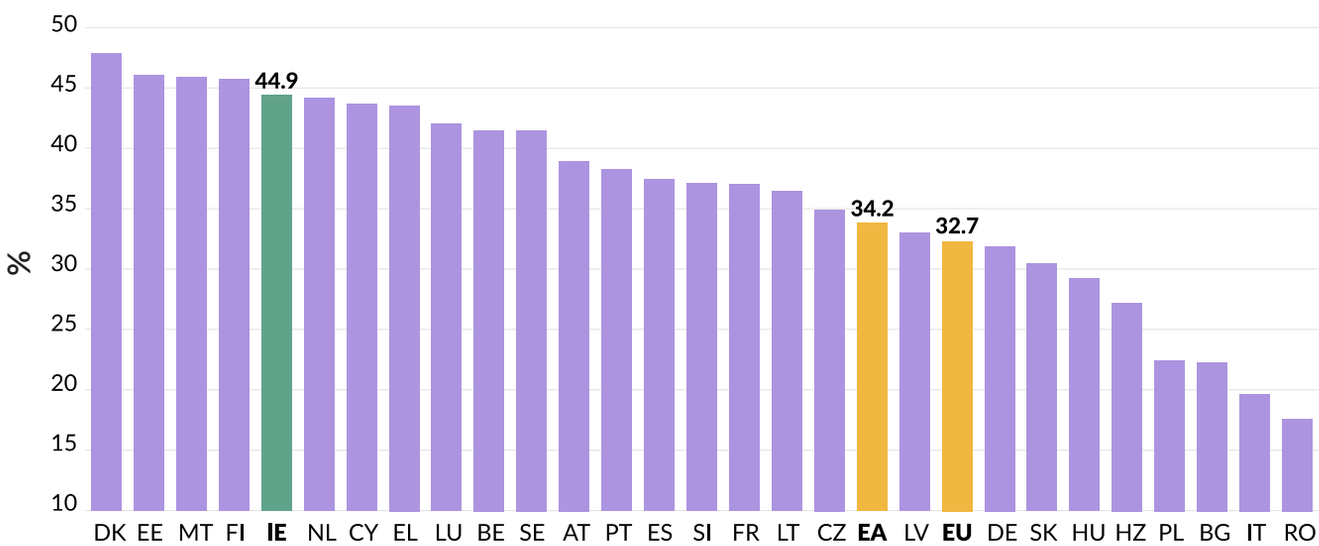
Source: Eurostat

14 For more on this topic, see: (ESRI 2026): Drivers of AI adoption and investment intentions: Insights from Irish SMEs.

6. AI Usage at the Individual Level

While the pace of AI diffusion is moving quickly at the enterprise level, it is useful to get a sense of the extent to which individuals in Ireland are using AI. Eurostat placed Ireland 5th in the EU in relation to generative AI usage (45%) and significantly above the EU average (34%) – Figure 8. Usage of AI has been increasing at a rapid rate but so far, individuals are most likely to use AI in a private context, as distinct from work or educational purposes.

Figure 8: Usage of AI by individuals across the EU in 2025



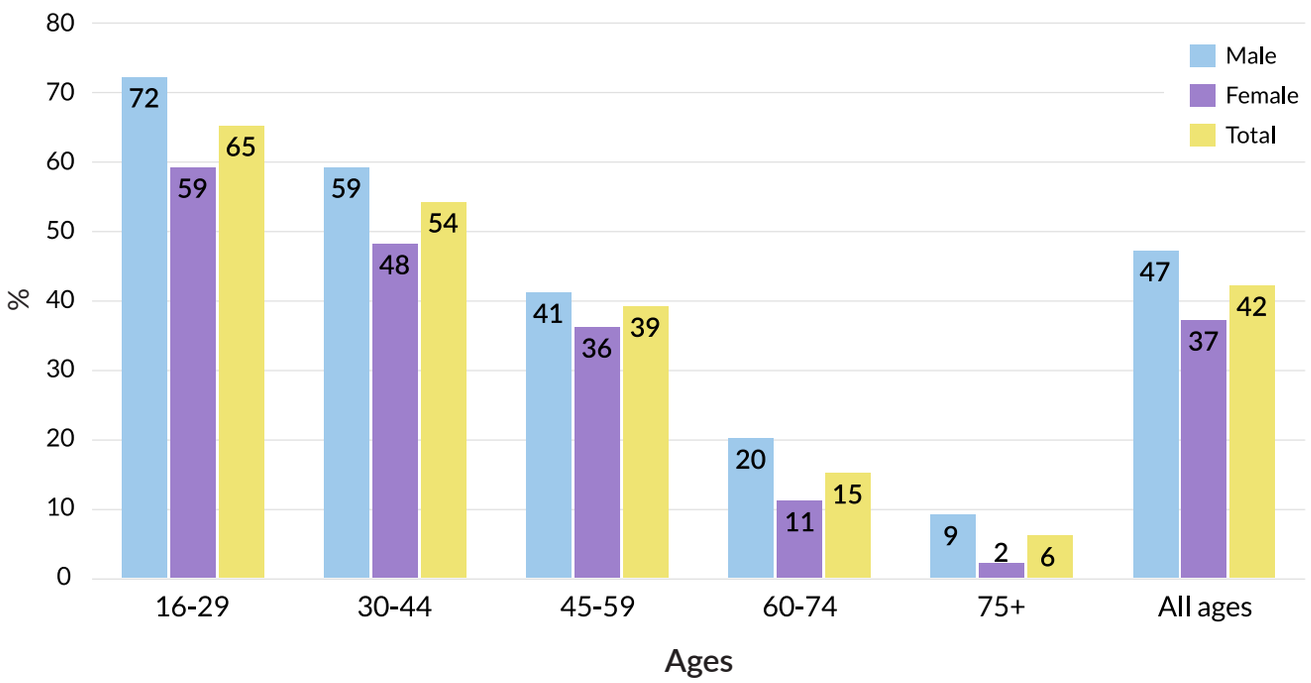
Source: Eurostat

Ireland's high ranking is not surprising given what we know is happening across the labour market and the highly educated and young workforce. More information can also be garnered from CSO data tracking AI usage by gender, age and purpose. AI usage varies significantly across demographic groups within Ireland (Figure 9) with younger cohorts more inclined to use AI.[15] Males are also more likely to use AI than females.

15 The data relates to a CSO household survey of internet users availing of Generative AI (Gen AI) in some form. For more see: Generative AI Household Digital Consumer Behaviour 2025 - Central Statistics Office

These patterns suggest a rapid normalisation of AI tools across the country, with implications for skills formation, workplace practices, and broader human capital development. However, differences in usage across groups indicate potential inequalities in access to, and familiarity with AI.

Figure 9: Usage of Generative AI tools by age and gender in Ireland in 2025

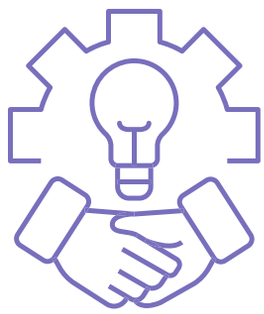


Source: CSO

We can also learn a lot on AI usage from the 2025 Working in Ireland Survey. This extensive survey which was first conducted in 2021 and was carried out again last year, north and south of the border with a nationally representative sample of 4,300 workers in paid employment. The results and research from the survey will be published in the coming weeks and one paper relates specifically to 'AI adoption in the workplace' (Geary, J., Belizon, M. and Smart, C. (forthcoming)).[16] This research notes extensive use of AI in workplaces across Ireland, well ahead of EU averages. At the same time however, the pace of adoption is uneven and unequal with men more likely to use Generative AI in their work. In terms of usage, respondents were increasingly using Generative AI for writing and communication tasks. In terms of a public-private sector split, AI adoption is higher in the private sector. The survey also highlighted clear time savings being generated through AI but the productivity gains to date, were mainly being captured by employers. The need for training and upskilling in AI was also flagged repeatedly in the research.

16 See: Geary, J. Belizon, M. and Smart, C. (2026) GenAI Use in Work: its reach, effects, risks and limits. Findings from the Working in Ireland Survey 2025. Available at: https://www.workinginirelandsurvey.com/outputs-from-wiis-2

7. Implications for the Irish Labour Market and Skills Policy



(A) Ireland is well positioned in respect of AI, but gains are not automatic

Across a range of sources, Ireland is well placed in AI labour demand, skills supply and diffusion. The demand for AI skills is expanding at a rapid pace and is well ahead of European peers. On the supply side, Ireland benefits from a highly educated workforce, strong digital skills, high AI usage and continued inflows of AI-related talent. However, Ireland's strong position does not guarantee broad-based productivity gains.

(B) Diffusion is uneven across firms and individuals

While AI adoption continues to progress at pace, this path has been uneven to date, both across firms and individuals. On the enterprise side, large companies including the multinationals have moved quickly in respect of AI, with medium and smaller enterprises lagging. Smaller employers and businesses will have to continue investing in AI and related training to keep pace. At the individual level, males are using AI more. Those with higher levels of education and qualifications are far more likely to use AI. This will need to be addressed within the broad educational and skills ecosystem. At the Government level, the Regulation of Artificial Intelligence Bill 2026, published in June, will give effect to the EU Artificial Intelligence Act and establish the AI Office of Ireland.[17]

(C) Focus on tasks, not only jobs

Over the past year, there have been concerns about job losses in sectors deemed to be 'at risk' from AI and especially across younger cohorts. At this stage, it is too early to be definitive, and context is needed. Many of the sectors that grew rapidly post-pandemic have recently slowed. The macroeconomic context both in Ireland, Europe and elsewhere is also different.

AI is already reshaping tasks and job titles which emphasises the need for lifelong learning and upskilling within the workforce. The PwC 2026 Global AI Jobs Barometer notes that the skills required for the most exposed AI roles are changing twice as fast as those for the least exposed roles. The same report also noted that AI related wage premiums were strong across all sectors and especially so for more exposed industries.

17 See: Publication of the Regulation of Artificial Intelligence Bill 2026 - DETE

Analysis needs to focus more on the impact of AI on tasks as opposed to jobs. Much of the current debate seems to be framed on the latter as AI is already impacting tasks within occupations. There are two strands to this. The first is task substitution, where AI can undertake a substantial proportion of activities currently performed by workers, potentially reducing demand for certain roles. The second is task augmentation, where AI enhances labour productivity, thereby supporting higher-value work, and enabling new products, services and business models. The latter has the potential to create new employment opportunities and generate significant economic benefits. In both cases, the implications for workforce skills and adaptability are considerable.

These distinctions are essential when considering sectoral exposure. For example, while Ireland's strong ICT sector may appear vulnerable to AI-driven disruption, the evidence suggests a more nuanced picture. AI is likely to transform all of ICT, which will likely see increasing demands in areas such as cybersecurity and digital infrastructure and perhaps less demand in more traditional software development and coding roles. Consequently, the overall employment impact is less clear-cut that is often portrayed. From the EGFSN's perspective, the requirement for targeted skills development will become increasingly important.

(D) AI skills are broader than AI specialists

A distinction should be drawn between AI specialist talent within Ireland and the application of AI across the wider economy. While the availability of highly specialised AI skills remains important, the most significant implications are likely to arise from the adoption of AI technologies across all sectors of our economy. This includes not only technical AI skills, but also managerial capability, sector-specific application skills, data literacy, governance and responsible use. The policy challenge therefore extends beyond the supply of AI specialists to a broader picture that encompasses the capacity of businesses, workers and government to adopt and utilise AI effectively. Transversal skills are, and will be, an essential part of the journey ahead with AI

(E) Productivity, career pathways and adoption costs need monitoring

The evidence to date suggests that AI is currently complementing labour supply rather than substituting for it. So far, the main impact appears to be through generating time savings and the reshaping and reorganising of job tasks and content rather than widespread displacement. Survey evidence points to clear productivity gains. Forthcoming EGFSN research points to continued demand for digital specialists in the years and a profound role for AI in reshaping work tasks.[18] This creates opportunities in terms of increasing productivity, but also risks as traditional entry routes and career pathways are reshaped.

18 'Skills for Digital Specialists to 2030,' Expert Group on Future Skill Needs (forthcoming).

As AI becomes more embedded, the critical question is how AI-related time savings are used. A second critical question relates to how career opportunities for younger persons and graduates are impacted by AI. A recent paper has also highlighted the role of hybrid working as a factor potentially responsible for slower rates of junior hiring. [19]

Another point relates to cost. Greater attention should be given to the economics of AI adoption. How the costs of using AI evolve will be central to the pace and scale of deployment. Central to this will of course be productivity gains and the return on investment.

(F) Conclusion – Ireland has moved fast in respect of AI with opportunities and risks

Overall, the evidence suggests that Ireland has moved quickly in adopting and embedding AI across the labour market. The immediate impact appears to be less about widespread job displacement and more about the reorganisation of tasks, time savings and changing skills requirements.

Ireland's AI advantage is real but staying ahead will necessitate turning early strong momentum into broad based, inclusive and skills-led productivity gains.

19 See: The Broken Ladder: AI, Remote Work and Early-Career Hiring, Lambert, P & Schlinder, Y., May 2026. Also: What if remote working, not AI, is to blame for weak junior hiring?