



WDC Insights

*providing insights on key issues for  
the Western Region of Ireland*

# The Construction Sector in the Western Region

## Regional Sectoral Profile

August 2019

## Contents

<b>1.0</b>	<b>Introduction</b> .....	<b>3</b>
1.1	Construction.....	3
1.2	Data used .....	3
<b>2.0</b>	<b>Employment in Construction</b> .....	<b>5</b>
2.1	Employment in the Western Region and its counties .....	5
2.2	Employment in Construction sub-sectors.....	9
2.3	Employment in western towns.....	12
2.4	Employment by gender.....	14
2.5	Self-employment in Construction .....	17
<b>3.0</b>	<b>Construction Enterprises &amp; Persons Engaged</b> .....	<b>21</b>
3.1	Construction enterprises.....	21
3.2	Persons engaged in Construction enterprises .....	25
<b>4.0</b>	<b>Key Policy Issues for the Western Region’s Construction Sector</b> .....	<b>29</b>
	Responds strongly to economic cycles and changing domestic demand.....	29
	Construction plays a larger role in the Western Region’s economy.....	29
	Important role in rural counties and towns and also need for greater diversity .....	29
	Smaller scale operations and high self-employment.....	30
	Central role in male employment .....	31
	Important sector for young and lower skilled workers .....	31
	Addressing skill shortages.....	32
	Opportunities provided by retrofitting and improving energy efficiency .....	32
<b>5.0</b>	<b>Conclusion</b> .....	<b>33</b>
	Appendix 1: Population aged 15 years and over by employed in Construction by detailed industrial group NACE Rev 2 in western counties 2011 and 2016.....	34
	Appendix 2: Population aged 15 years and over employed in Construction in western towns 2011 and 2016 .....	36

## 1.0 Introduction

The [Western Development Commission](#) (WDC) is a state agency charged with promoting the economic and social development of the Western Region of Ireland.<sup>1</sup> To effectively deliver this remit the WDC carries out detailed analysis of a range of socio-economic issues of relevance to the region to inform policy debate and formulation.

This report forms part of a series of ‘Regional Sectoral Profiles’ analysing the most recent employment and enterprise data for the Western Region on specific economic sectors and identifying key policy issues.<sup>2</sup>

The two-page **WDC Insights: The Construction Sector in the Western Region** summarises the main points from this report. It is available [here](#).

### 1.1 Construction

This report examines the Construction sector. This includes activities such as the construction of houses (developments, single houses, apartments), office and commercial buildings, electrical and plumbing installation, carpentry, painting, roofing, civil engineering projects (roads, railways, energy generation), demolition and more. It includes professional, skilled trades and elementary (unskilled) occupations and counts all those who work for businesses within the Construction sector including in administration and management roles. The Construction sector does not include professional services provided to the sector (e.g. architecture practices, real estate agents, property management).<sup>3</sup>

Construction provides services to commercial and business clients, as well as private customers. It is highly responsive to changes within the wider economy and the level of economic activity. It is characterised by a high level of self-employment with many sole traders or small companies and is quite widely dispersed, playing an important role in the rural economy.

The past two decades have witnessed dramatic volatility in this sector, expanding massively between 1996 and 2006, followed by huge job losses and out-migration and the beginning of some recovery from 2014 onwards, though later in the Western Region than nationally. As the latest employment data at county level is from Census 2016, some caution is required, as this sector has expanded substantially since then.

Following a description of the data that will be used, Section 2 outlines the current employment situation and employment trends in Construction, followed in Section 3 by an outline of data on enterprise numbers in the sector and persons engaged in those enterprises, with key policy issues set out in Section 4.

### 1.2 Data used

A number of data sources are used to examine the Construction sector in the region.

---

<sup>1</sup> Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

<sup>2</sup> Previous Regional Sectoral Profiles are available here <https://www.wdc.ie/publications/reports-and-papers/>

<sup>3</sup> See WDC (2019), [Professional Services in the Western Region: Regional Sectoral Profile](#)

**Census of Population:** The Census provides comprehensive data on employment by sector at both county and town level. No other data source provides this level of geographic breakdown. However there are a number of issues to bear in mind:

1. Most recent Census data is 2016.
2. Census data refers to where a person lives which may not be the same as where they work.<sup>4</sup> Data presented here on the number of people working in a sector in a specific county/town refers to the number of residents of that county/town working in the sector, even if they work elsewhere.
3. Census data does not give an indication of whether employment is full or part-time. Each person who works in the sector, regardless of how many hours per week they work, is counted the same.

**Business Demography:** Business Demography data gives the number of enterprises in each sector in each county and the total number of 'persons engaged' (employees and owners) in these enterprises. An enterprise and its staff are assigned to the county where it is registered with the Revenue Commissioners. Therefore a business with multiple locations e.g. a large construction firm, is only counted once where it is headquartered (often Dublin) with all staff allocated to that county, individual branches are not counted. As this data measures enterprises registered in a county, they may have stronger ties to the area.

---

<sup>4</sup> See WDC (2018), [Travel to Work and Labour Catchments in the Western Region: A Profile of Seven Town Labour Catchments 2018](#), for an analysis of travel to work patterns in the region.

## 2.0 Employment in Construction

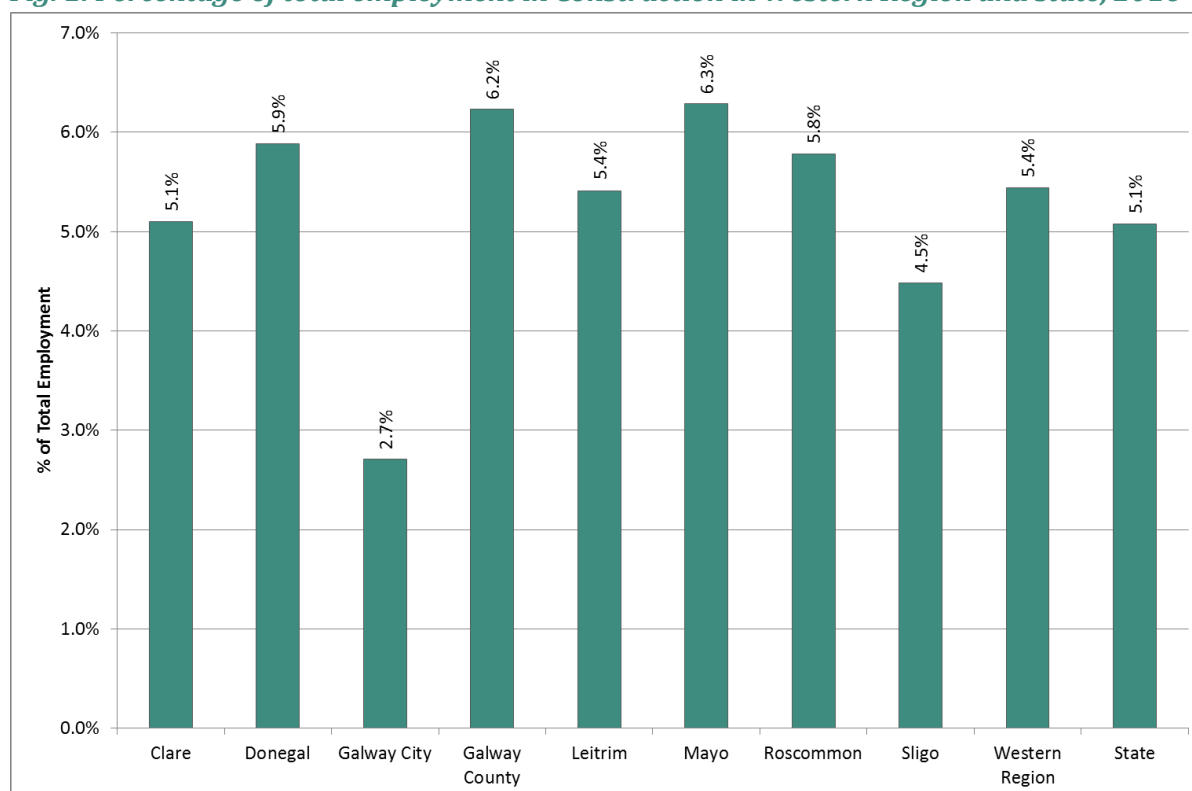
In this section we examine employment over time and by gender, as well as self-employment, in the Construction sector in the Western Region, western counties and towns. Employment in specific sub-sectors is also set out.

### 2.1 Employment in the Western Region and its counties

According to Census 2016, 18,166 people worked in the Construction sector in the Western Region. Of everyone working in this sector in Ireland, 17.8% of them lived in the Western Region. This is higher than the Western Region's share of total national employment which is 16.6%. This means the region accounts for a greater share of Construction jobs than jobs generally.

Construction plays a more important role in the region's labour market than nationally (Fig. 1). In 2016 Construction accounted for 5.4% of total employment in the Western Region compared with 5.1% in the state.

**Fig. 1: Percentage of total employment in Construction in Western Region and state, 2016**



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

At 6.3% and 6.2% respectively Mayo and Galway County have the highest shares of their employment engaged in Construction. Nationally they have the fifth and sixth highest shares working in the sector in Ireland. They are both large and quite rural counties and the region's other quite rural counties of Donegal, Roscommon and Leitrim also have above average shares working in Construction.

In contrast, with just 2.7% of residents working in Construction, Galway City has the lowest share in Ireland. Clearly people living in Galway County and commuting to work in Construction in the city

would be a factor in this pattern. Sligo is also well below the national average.

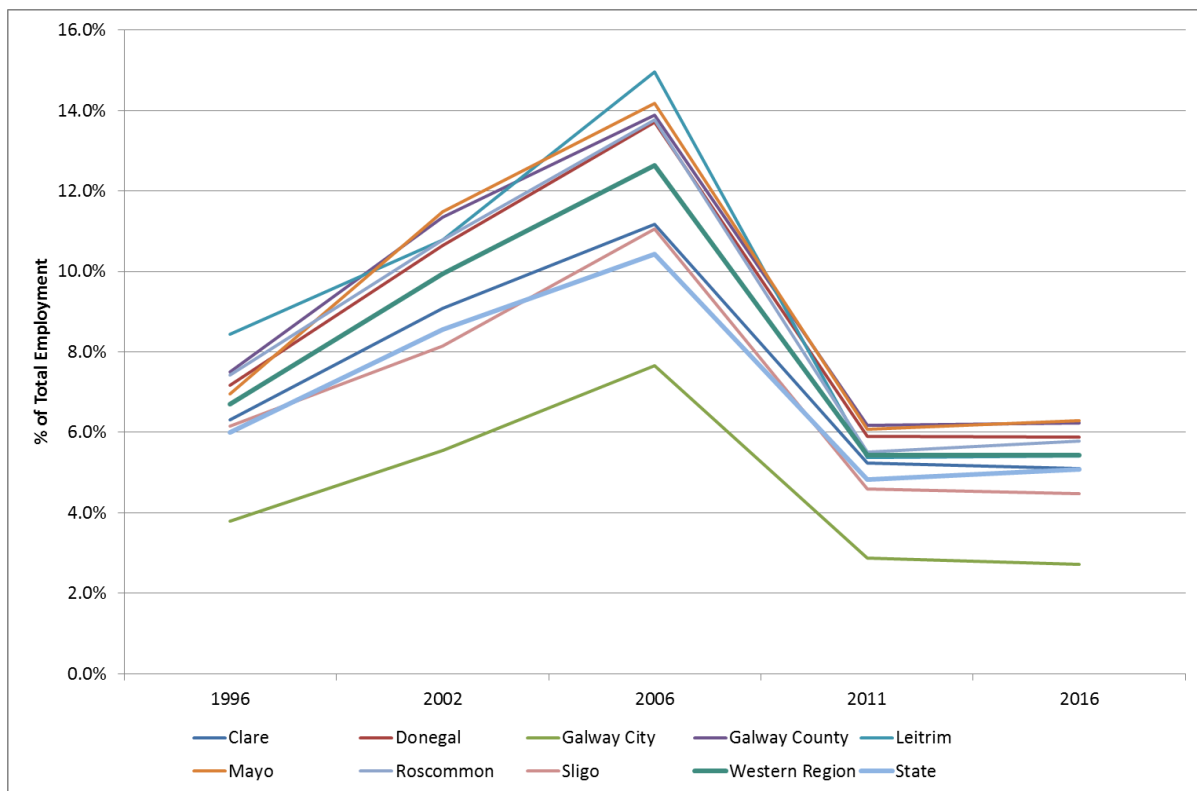
### ***2.1.1 Trends in Construction employment 1996-2016***

As noted above, the Western Region was home to 17.8% of total Construction employment in Ireland in 2016. This was a lower share than at any other Census in the past twenty years. The region has consistently accounted for over 19% of total Construction employment in Ireland and in 2006 was home to 20.4% of everyone working in Construction in the state.

Clearly Construction's share of total employment in the region and counties has changed dramatically over the past two decades (Fig. 2). The sector's role in total employment expanded hugely over the decade from 1996 and 2006. In the Western Region, Construction accounted for 6.7% of total jobs in 1996 and by 2006 its share had almost doubled to 12.6%. The sector was consistently more important to the region's employment profile than nationally where it accounted for 6% of jobs in 1996 rising to 10.4% by 2006. At the peak of the building boom, the Western Region's economy was more reliant on Construction than elsewhere.

The crash in the Construction sector led to a very sharp drop in the share of all jobs accounted for by the sector. In the Western Region, the share more than halved from 12.6% in 2006 to only 5.4% by 2011, remaining unchanged in 2016. Nationally, the share also declined sharply from 10.4% to 4.8% in 2011. However its role grew somewhat in 2016 (5.1%) indicating that recovery in Construction employment in the region lagged that occurring elsewhere.

**Fig. 2: Percentage of total employment in Construction in Western Region and state, 1996-2016**



Source: CSO, *Census 2016: Summary Results Part 2, Table EZ011*; CSO, *Census of Population 2006, Volume 7 - Principal Economic Status and Industries, Table C0713*; CSO, *Census of Population 2002, Volume 5 - Principal Economic Status and Industries, Table B0513*; CSO, *Census of Population 1996, Volume 5 - Principal Economic Status and Industries, Table A0513*

In 2006, the height of the building boom, Construction accounted for 15% of total employment for residents of county Leitrim, the highest share in the region. Mayo (14.2%), Galway County (13.9%), Roscommon (13.8%) and Donegal (13.7%), all large rural counties, also had extremely high reliance on Construction employment at this time.

This pattern was influenced by the Upper Shannon Rural Renewal Scheme, a generally growing economy, as well as more limited alternative job opportunities in rural areas. The extremely strong growth in this sector during the boom highlighted the capacity of more rural areas to respond when an economic opportunity emerges. This same capacity exists to tap into new and more sustainable economic opportunities in rural areas.

By 2011, Construction's share of total employment had fallen substantially in all counties. In Leitrim it had fallen from 15% to just 5.4% and the county had dropped from having the highest share working in Construction in the region to fourth highest behind Galway County (6.2%), Donegal (5.9%) and Roscommon (5.5%). Despite the declines, all western counties except Galway City and Sligo were still above the national average in 2011.

Galway City, Sligo and Clare, where the sector is least important to their overall jobs profile, experienced a small decline in the sector's relative importance between 2011 and 2016. Roscommon and Mayo saw the sector's role expand somewhat.

A sector's share of total employment is determined both by the number of people actually working in that sector and total employment levels in the economy. If the number working in the sector did not change but total employment grew or fell dramatically e.g. during the recession, then its share of total employment would still change. Section 2.1.2 looks at changes in the actual number working in Construction.

### 2.1.2 Change in employment in the Western Region and its counties

The number of people working in Construction in the Western Region grew by 163.6% between 1996 and 2006, from 16,674 to 43,956 (Table 1). Growth in the region exceeded the national growth (146.1%) which explains why Construction as a share of total employment increased to a greater degree in the region than state (see Fig. 2).

In 2016, Construction employment in the region was 58.7% lower than a decade earlier, experiencing a greater decline than nationally (52.7%) during 2006-2016. Within the 2006-2016 decade however, the most recent period (2011-2016) saw an increase in the number working in the sector as the recovery began. The fact the increase in the region (7.8%) during 2011-2016 was less than half that occurring nationally (16.6%) clearly points to a much stronger recovery in the building sector elsewhere, and particularly around Dublin. It must be recalled that this data refers to 2016 (the latest available at a county level) and recovery in Construction activity in the region is likely to have increased since 2016 (see Section 3.2).

The increase in the region in Construction employment 2011-2016 (7.8%) was slightly higher than overall jobs growth over the period (7.5%). Nationally, growth in Construction (16.6%) exceeded overall jobs growth (11%) to a far greater degree, indicating it was a key driver of overall jobs recovery.

**Table 1: Number employed in Construction in Western Region and state, and percentage change**

County	Construction						Total Employment
	1996	2006	2016	% Change 1996-2006	% Change 2006-2016	% Change 2011-2016	% Change 2011-2016
Clare	2,440	6,071	2,525	148.8%	-58.4%	5.7%	8.6%
Donegal	3,112	8,124	3,432	161.1%	-57.8%	9.3%	9.5%
Galway City	966	2,775	947	187.3%	-65.9%	4.6%	10.8%
Galway County	3,789	10,383	4,681	174.0%	-54.9%	9.5%	8.5%
Leitrim	770	1,971	689	156.0%	-65.0%	7.2%	6.3%
Mayo	2,755	7,787	3,235	182.6%	-58.5%	8.4%	4.8%
Roscommon	1,480	3,690	1,492	149.3%	-59.6%	11.1%	5.9%
Sligo	1,362	3,155	1,165	131.6%	-63.1%	-0.3%	2.2%
<b>Western Region</b>	<b>16,674</b>	<b>43,956</b>	<b>18,166</b>	<b>163.6%</b>	<b>-58.7%</b>	<b>7.8%</b>	<b>7.5%</b>
<b>State</b>	<b>87,452</b>	<b>215,184</b>	<b>101,849</b>	<b>146.1%</b>	<b>-52.7%</b>	<b>16.6%</b>	<b>11.0%</b>

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

Galway City (187.3%), Mayo (182.6%) and Galway County (174%) saw the largest increases in Construction employment in the decade 1996-2006. Sligo was the only western county with growth



below the national average.

Over the next decade Galway City also saw the largest decline (65.9%) followed by Leitrim (65%) and Sligo (63.1%). This helps explain the current lower share of employment in Construction in Galway City and Sligo (see Fig. 1) and also the drop in Leitrim's position from being the western county with the highest share working in Construction in 2006 to only fifth highest by 2016 (see Fig. 2).

In the most recent 2011-2016 period, Roscommon (11.1%), Galway County (9.5%) and Donegal (9.3%) have seen the strongest growth, though all still well below the national average. Unusually, Sligo actually saw a decline in the number of residents working in Construction between 2011 and 2016 which implies that recovery in the sector had not reached the county by 2016.

Growth in Construction employment out-performed overall jobs growth in some of the more rural counties – Roscommon, Mayo, Leitrim and Galway County. In two of these (Roscommon and Mayo) this led to the sector's share of total employment increasing over the period.

## 2.2 Employment in Construction sub-sectors

Census employment data for the Construction sector is available for eight individual construction activities.<sup>5</sup> For ease of interpretation these eight activities have been grouped into five sub-sectors.

Fig. 3 shows how total Construction employment is distributed across these five sub-sectors. At 39.6% the 'Construction of Buildings' (development of building projects and construction of residential and non-residential buildings) is the largest Construction sub-sector in the region. It is also the largest nationally where it accounts for a somewhat higher share (41.5%). As this sub-sector includes new building projects e.g. housing developments, the lower share in the region may reflect lower activity in new construction projects.

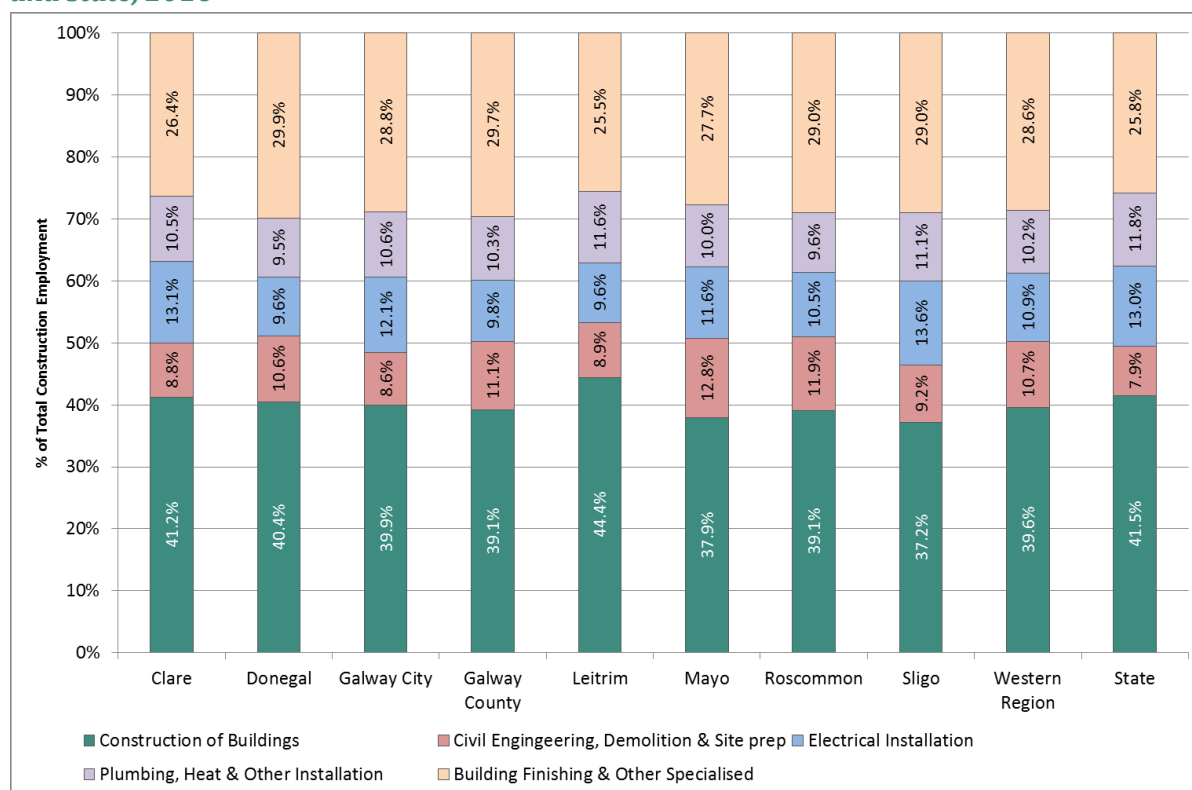
'Building Finishing & Other Specialised' (plastering, joinery, painting, roofing, stonemasonry, scaffolding etc.) is the next largest for both and in this case is somewhat more important in the region (28.6% v 25.8%). As this includes activities related to renovation or maintenance of existing buildings, its higher share in the region may mean there is more of this type of activity.

The other three sub-sectors each account for just over 10% of Construction employment in the region. Of these, 'Civil Engineering, Demolition & Site Preparation' is more important in the region (10.7% v 7.9%). As this includes large infrastructural projects its relative importance can depend on whether there is a specific project e.g. construction of a bypass or a wind farm, underway in an area at a particular time.

---

<sup>5</sup> Appendix 1 provides detailed data for all activities for all western counties.

**Fig. 3: Percentage of total Construction employment in each sub-sector in Western Region and state, 2016**



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

It should be noted that the relative importance of any particular sub-sector is not only due to the number working in that sub-sector but also the level of activity in others. A particular sub-sector may account for a higher share in one county than another, not because of a higher level of activity in that sub-sector itself, but because some other sub-sector is less developed increasing the relative importance of all others.

At a county level, the ‘Construction of Buildings’ is the most important sub-sector for all. It is most important in Leitrim (44.4%) which may indicate there are fewer specialised activities and more general activity. It may also reflect some new developments in the county. It is least important in Sligo (37.2%) which might indicate that the county’s lower rate of recovery in the sector (see Section 2.1.2) was due to fewer new building projects.

‘Building Finishing & Other Specialised’ is second largest in all counties, most important in Donegal (29.9%), Galway County (29.7%), Roscommon (29%) and Sligo (29%). This may reflect more renovation/maintenance type activities.

‘Civil Engineering, Demolition & Site Preparation’ is most important in Mayo (12.8%), Roscommon (11.9%) and Galway County (11.1%). As this includes projects such as road and bridge construction, electricity and gas plants, wind farms, it can be very dependent on a particular large project in an area at a particular point in time e.g. the Gort-Tuam M17/18 motorway, Corrib gas.

‘Electrical Installation’ is most important in Sligo (13.6%) and Clare (13.1%), it is possible this may be partly linked to the manufacturing sector with Clare having high activity in the manufacture of

electrical equipment. 'Plumbing, Heat & Other Installation' accounts for a very similar share across counties, highest in Leitrim (11.6%).

### 2.2.1 Change in employment in Construction sub-sectors

All but one ('Plumbing, Heat & Other Installation') of the sub-sectors increased employment in the Western Region between 2011 and 2016 (Table 2).

The strongest growth in the region was in 'Civil Engineering, Demolition & Site Preparation' which increased 13.2% (227 people) in the region while declining by 2.9% nationally; the only sub-sector where the region had a stronger performance than nationally. As noted above, this sector can depend on the location of specific large infrastructural projects.

The second highest growth was in 'Construction of Buildings' indicating some recovery in new building activity (housing, commercial), though growth in the region was less than half the 26.1% increase nationally. Growth in the region's second largest sub-sector of 'Building Finishing & Other Specialised' was also quite strong (9.5%). Again however this was only around half the national increase as recovery lagging that elsewhere, also evident from far lower growth in 'Electrical Installation' (1.9% v 8.9%) and decline in 'Plumbing, Heat & Other Installation' in contrast to growth nationally.

**Table 2: Percentage change in employment in Construction sub-sectors in Western Region and state, 2011-2016**

	% Change 2011-2016					
	Construction of Buildings	Civil Engineering, Demolition & Site prep	Electrical Installation	Plumbing, Heat & Other Installation	Building Finishing & Other Specialised	Total
Clare	18.6%	2.3%	10.3%	-16.9%	-1.2%	5.7%
Donegal	14.8%	12.0%	-1.2%	1.2%	7.9%	9.3%
Galway City	5.0%	-6.9%	-8.0%	-9.9%	23.0%	4.6%
Galway County	7.4%	11.9%	11.7%	-1.4%	15.3%	9.5%
Leitrim	4.8%	1.7%	-24.1%	14.3%	31.3%	7.2%
Mayo	10.6%	25.8%	3.3%	-2.7%	5.4%	8.4%
Roscommon	19.7%	17.2%	-8.2%	6.7%	8.0%	11.1%
Sligo	-5.9%	25.9%	-3.1%	-16.2%	10.1%	-0.3%
<b>Western Region</b>	<b>10.6%</b>	<b>13.2%</b>	<b>1.9%</b>	<b>-4.3%</b>	<b>9.5%</b>	<b>7.8%</b>
<b>State</b>	<b>26.1%</b>	<b>-2.9%</b>	<b>8.9%</b>	<b>6.8%</b>	<b>18.6%</b>	<b>16.6%</b>

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

When considering changes in sub-sectors in counties it is important to note that large percentage changes may represent relatively small numbers.

The two largest sub-sectors – 'Construction of Buildings' and 'Building Finishing & Other Specialised' – grew in almost every county with only Sligo and Clare seeing a decline in one of these two sub-sectors. Roscommon and Clare saw particularly strong growth in 'Construction of Buildings', though still below the national average. Leitrim and Galway City meanwhile had the strongest increase in

‘Building Finishing & Other Specialised’ with growth exceeding the national average. Mayo and Sligo both had over 25% growth in the number working in ‘Civil Engineering, Demolition & Site Preparation’, again this may be linked to specific projects.

Both ‘Electrical Installation’ and ‘Plumbing, Heat & Other Installation’ experienced declines in many counties, with Galway City and Sligo experiencing a decline in both and all other counties a decline in at least one.

### 2.3 Employment in western towns

In 2016 there were 40 urban centres with a population over 1,500 in the Western Region. When considering towns, commuting can be particularly important and it must be remembered that this data refers to residents of the towns, although some may travel to work elsewhere.

The relative importance of Construction varies across towns in the Western Region (Fig. 4).<sup>6</sup> Ballaghaderreen (9.8%, 57 people) in county Roscommon has the highest share of residents working in the sector in the region and is second highest among Ireland’s 200 towns and cities (1,500+ population). Within the region, Carndonagh (9%, 72 people), Ballinasloe (7.1%, 162 people), Lifford (6.9%, 32 people) and Gort (6.8%, 85 people) have the next highest shares working in Construction.

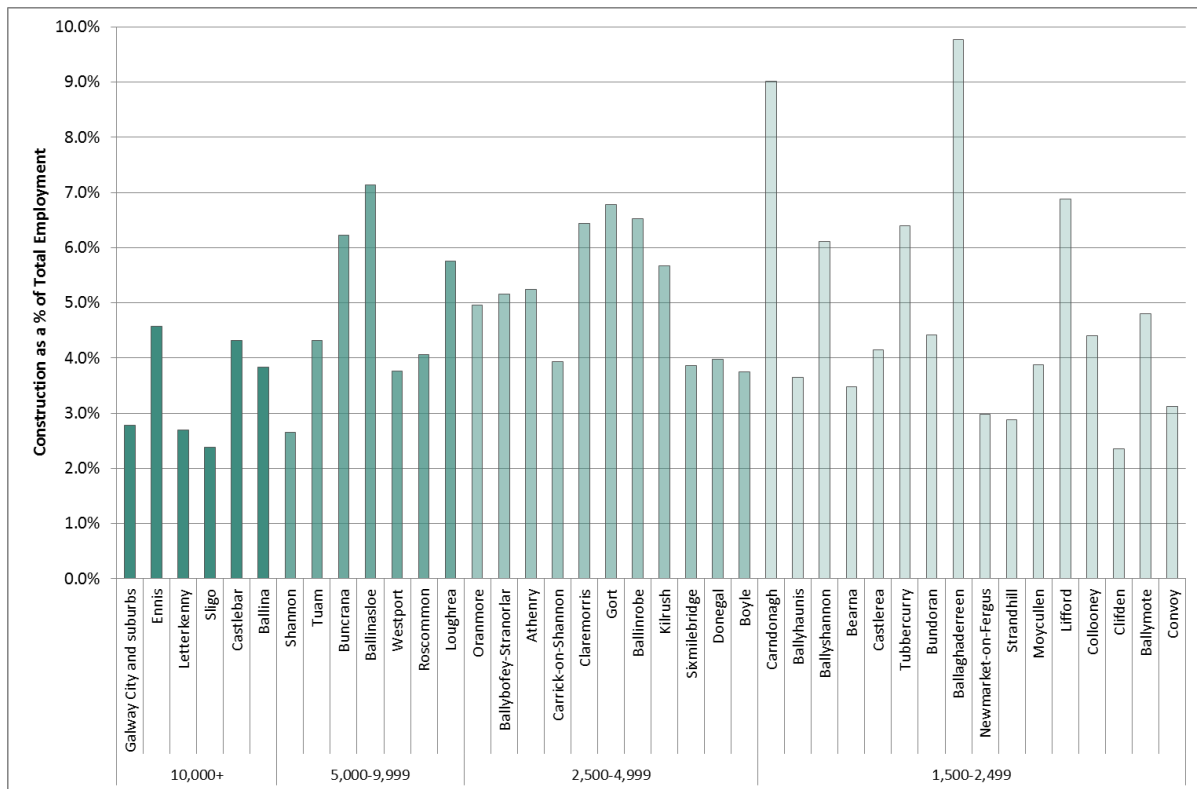
These towns are generally small and medium-sized and in quite rural locations. The significance of the sector to employment in these towns could partly be due to more limited activity in other economic sectors e.g. professional or financial services, which increases their reliance on Construction. Also specific projects e.g. Tuam-Gort M17/18 motorway, or the presence of a particular company e.g. a large roofing company in Ballaghaderreen, would impact on the pattern.

Six towns in the Western Region are among the bottom ten nationally in terms of the share working in Construction. This reflects the lower level of recovery in building activity in the region. These towns include the large centres of Galway City, Letterkenny and Sligo, as well as Clifden, Shannon and Strandhill. As well as lower construction activity, high activity in another economic sector e.g. Industry in Galway City or Health & Care in Sligo and Letterkenny, would reduce the relative importance of all other sectors.

---

<sup>6</sup> See Appendix 2 for more detailed data on Construction employment in towns.

**Fig. 4: Percentage of total employment in Construction in towns in the Western Region, 2016**



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030

### 2.3.1 Change in employment in western towns

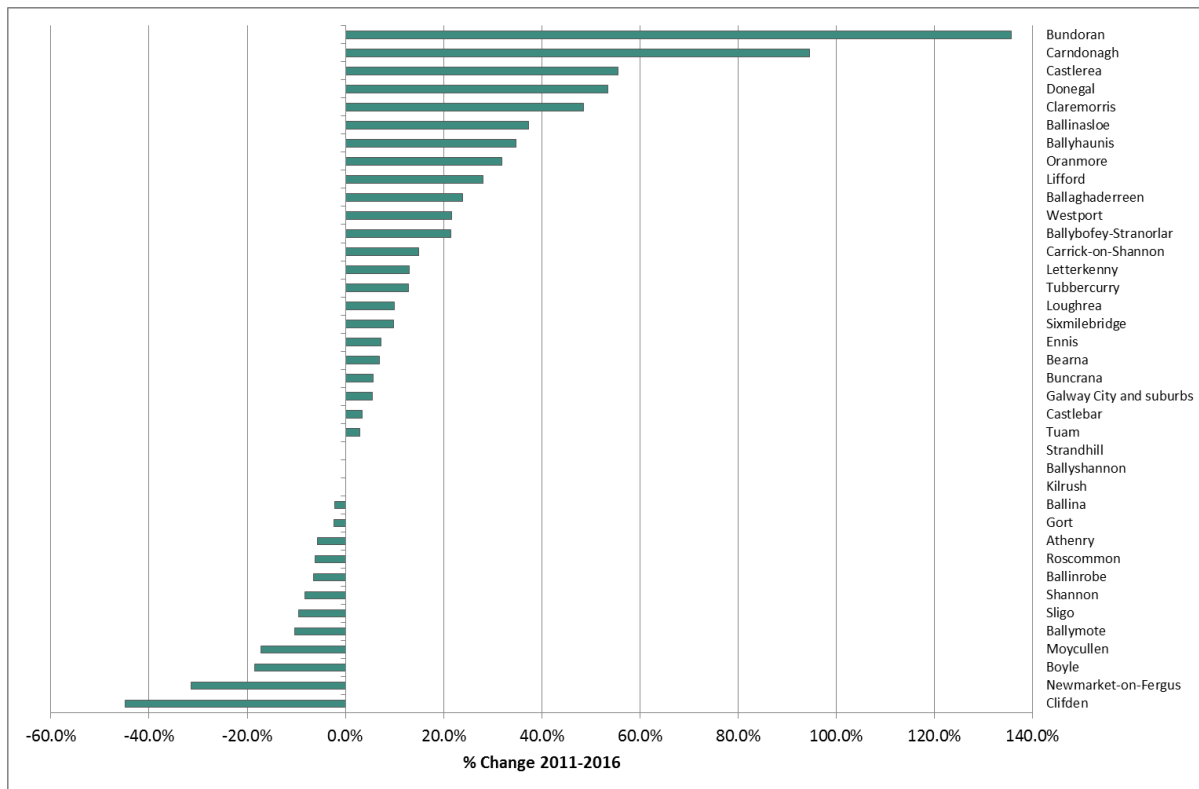
There are 38 towns in the Western Region which had a population above 1,500 in both 2011 and 2016.<sup>7</sup> Of these, 23 towns experienced an increase in the number of people working in Construction between 2011 and 2016, 12 had a decrease, with three unchanged (Fig. 5). This reflects greater spatial variation in the performance of the sector at local level, compared with national, regional or county level (see Table 1).

Bundoran (135.7%, +19 people), Carndonagh (94.6%, +35 people), Castlerea (55.6%, +10 people) and Donegal Town (53.6%, +15 people) had the largest percentage growth. Clearly construction activity was increasing in county Donegal. In general, small and medium-sized rural towns at some distance from larger urban centres experienced the greatest increases in Construction employment. The larger urban centres tended to have lower growth or even decline.

Clifden (-44.8%, -13 people) had the largest decline in the region by quite some margin. As Clifden also had the region’s largest population decline over this period, this is likely to be a key factor there. Newmarket-on-Fergus (-31.4%, -11 people), Boyle (-18.4%, -7 people) and Moycullen (-17.1%, -6 people) had the next largest percentage declines, though clearly the numbers involved were small.

<sup>7</sup> Two towns with a population above 1,500 in 2011 (Portumna and Bunbeg-Derrybeg) dropped below in 2016. Two towns (Collooney and Convoy) rose above the 1,500 threshold in 2016. There were also town boundary changes between 2011 and 2016 for 15 of the 40 towns in the Western Region which has an impact when considering change over time. For most towns the impact was relatively minor, however there was a quite substantial change for Ballina.

**Fig. 5: Percentage change in employment in Construction in towns in the Western Region, 2011-2016**



Source: CSO, *Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030*; CSO, *Census 2011: Profile 3 – At Work, Table CD320*.

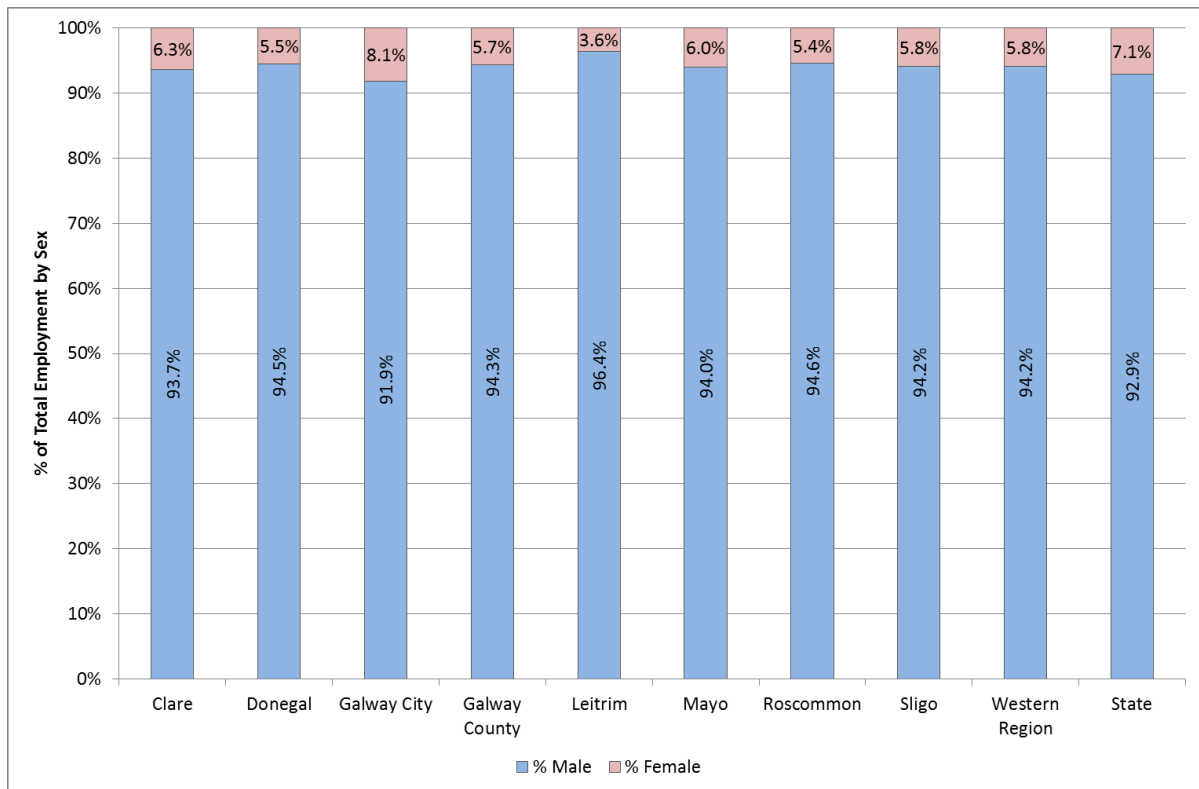
Note: In the case of Ballina, a significant town boundary change reduced its population and the actual change in employment in this sector is likely less than it appears in Fig. 5.

## 2.4 Employment by gender

As might be expected, employment in Construction is highly male dominated with men accounting for 94.2% of those working in the sector in the region (Fig. 6). The region has an even higher male share than nationally (92.9%). At a county level, Leitrim (96.4%) has the highest male share with Roscommon, Galway County, Donegal and Sligo all at over 94%. Galway City is the area with the highest female share (8.1%) and the only one above the national average female share (7.1%).

When considering employment in the Construction sector, it not only includes people working directly in construction occupations, but everyone working for construction firms e.g. bookkeeping, office staff.

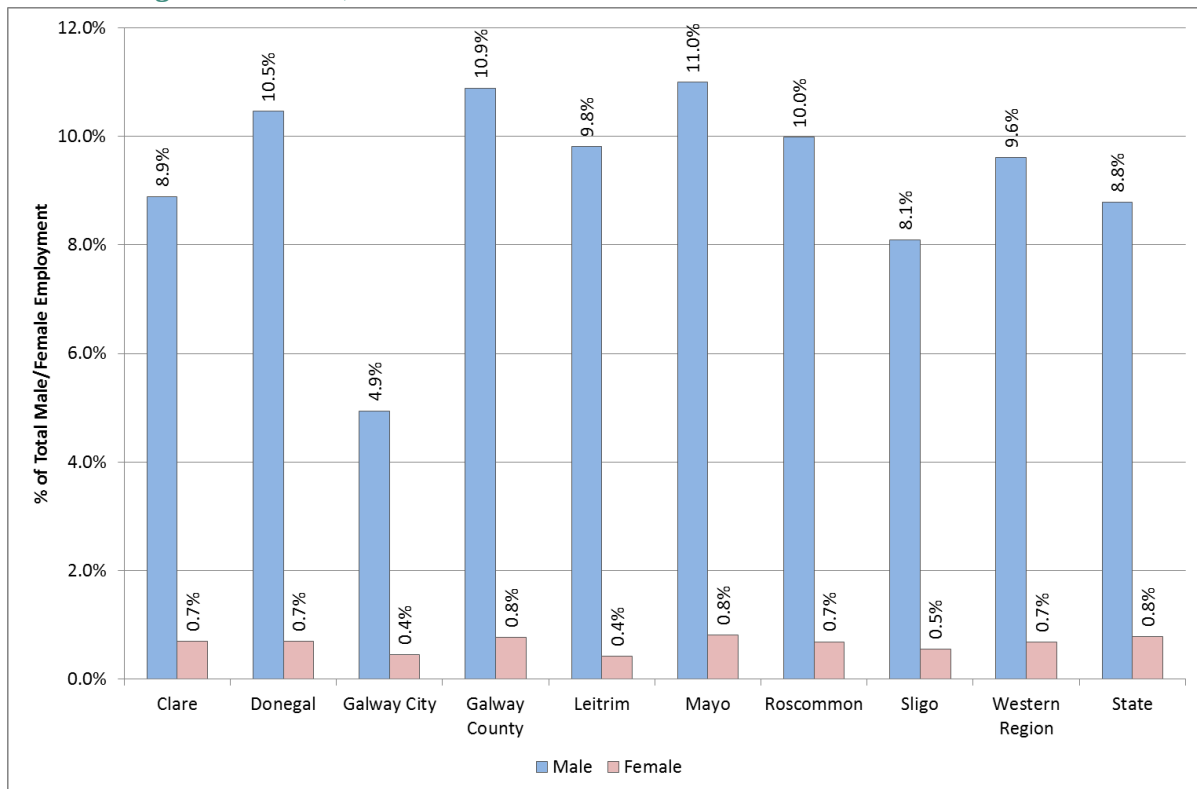
**Fig. 6: Percentage of total employment in Construction in Western Region and state by sex, 2016**



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

In terms of the sector’s relative importance to total male and female employment (Fig. 7), it employs 9.6% of all working men and 0.7% of all working women in the Western Region. For men, this is a higher share than nationally (8.8%) again reflecting the greater reliance on this sector in the region’s labour market. The sector accounts for a marginally lower share of all female employment in the region than the state.

**Fig. 7: Percentage of total male and total female employment that is in Construction in Western Region and state, 2016**



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

Mayo and Galway County, at 11% and 10.9% respectively, is where Construction is most important to total men’s jobs. Donegal and Roscommon also have 10+% of men working in Construction. The sector clearly continues to play a highly significant role in total male employment in these large, rural counties.

In contrast, only 4.9% of working men living in Galway City work in Construction. It is likely there is a high level of commuting from Galway County to work on building projects in the city.

For women’s jobs, Mayo and Galway County are again the counties where it is most important with 0.8% of women employed in Construction. Despite the fact that Galway City had the highest share of women among its total Construction workforce (see Fig. 6), it is where the sector is least important to total female employment given the far greater diversity in job options.

#### 2.4.1 Change in employment by gender

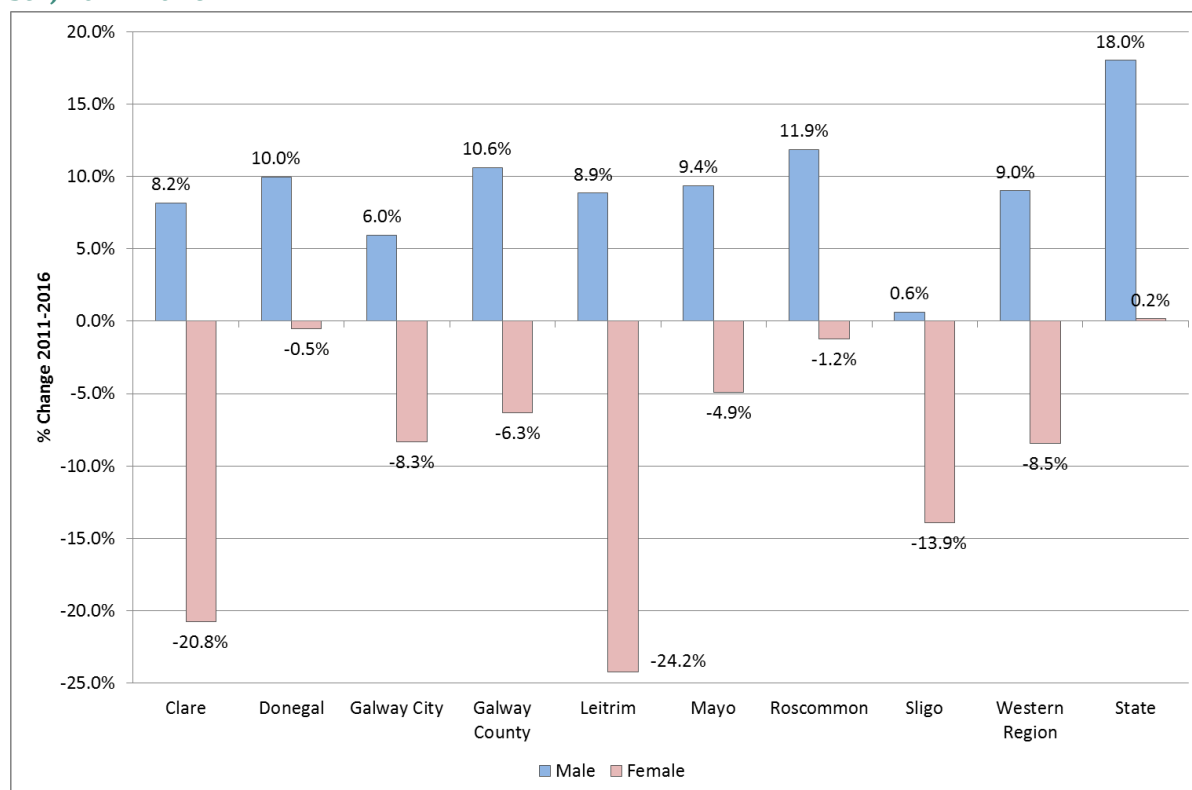
There is a very clear pattern in terms of the change in Construction employment between 2011 and 2016 by sex (Fig. 8). Among men, there was jobs growth across the board but, disappointingly, there was a fall in the number of women working in Construction in every county, despite overall recovery in activity in the sector.

In the Western Region, there was 9% growth in the number of men working in Construction. This was only half the national increase (18%) again showing the region’s slower recovery. For women, the 8.5% decline in the region was in contrast to marginal growth nationally. It should be noted however that, given the low number of women working in the sector, large percentage changes may



involve relatively small actual numbers (the -8.5% decline in the number of women working in Construction in the Western Region was a decline of 98 from 1,158 to 1,060).

**Fig. 8: Percentage change in employment in Construction in Western Region and state by sex, 2011-2016**



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

Male jobs growth was strongest in Roscommon (11.9%), Galway County (10.6%) and Donegal (10%). Given the male dominance of the sector, this pattern is the same as for total employment growth in the sector.

At only 0.6% Sligo had marginal growth in male jobs and the 13.9% decline in female jobs led to the county being the only western county with a decline in total Construction employment over the period (see Table 1). Leitrim (24.2%) and Clare (20.8%) saw the largest declines in female employment, though the numbers involved are small.

## 2.5 Self-employment in Construction

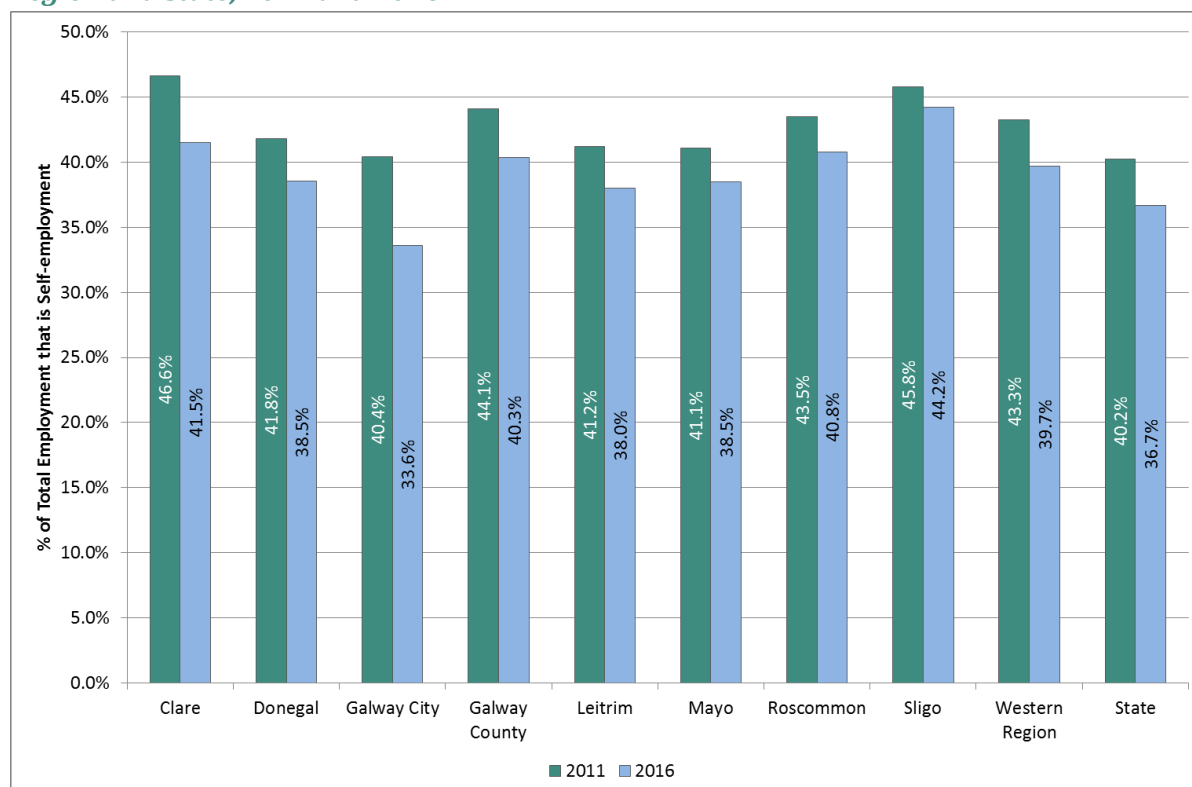
Of the 18,166 people working in Construction in the Western Region in 2016, 39.7% (7,206 people) were self-employed (employer or own account worker). This is the second highest<sup>8</sup> rate of self-employment across all economic sectors in the region. This is not very surprising given the nature of the sector with many people working in construction trades e.g. electricians, plumbers, painters, being self-employed. While data on self-employment is not available for the sub-sectors it is likely that employees account for a higher share in 'Construction of Buildings' (e.g. labourers) and also 'Civil Engineering, Demolition & Site Preparation' while self-employment would be more common in the other sub-sectors e.g. building finishing, electrical installation.

<sup>8</sup> The highest is Agriculture, Forestry & Fishing at 76.5%.

Self-employment is more common in the Western Region (39.7%) than nationally (36.7%) (Fig. 9). The structure of the sector in the region seems to be characterised by a higher share of sole traders or micro-enterprises supplying Construction services, with fewer large firms.

The share of self-employment declined between 2011 and 2016 in both the region and nationally. During the recession, there were extremely large job losses in this sector and it is likely these would have particularly impacted on employees with some self-employed people managing to remain working in the sector. This would have increased the self-employed share. The recovery however has led to an expansion of the sector and increasing numbers of employees, reducing the share of self-employed.

**Fig. 9: Percentage of total employment in Construction that is self-employment in Western Region and state, 2011 and 2016**



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB033. Special run from CSO.

At 44.2% in 2016, Sligo has the highest share of self-employment in Construction in the region. As noted previously, Sligo did not experience a recovery in Construction employment between 2011 and 2016, as other counties did, which meant there was no particular expansion in the number of employees keeping the self-employed share high. Clare and Roscommon also have 40+% self-employment.

Construction self-employment is lowest in Galway City (33.6%), the only area in the region below the national average, likely due to the presence of some large Construction firms in the city.

The share of self-employment declined in every western county between 2011 and 2016 influenced by the jobs recovery increasing the number of employees. Galway City and Clare had particularly notable declines in the self-employed share which resulted from large falls in the actual number of

self-employed working in the sector (see next section), while Sligo had only a small decline in the self-employed share.

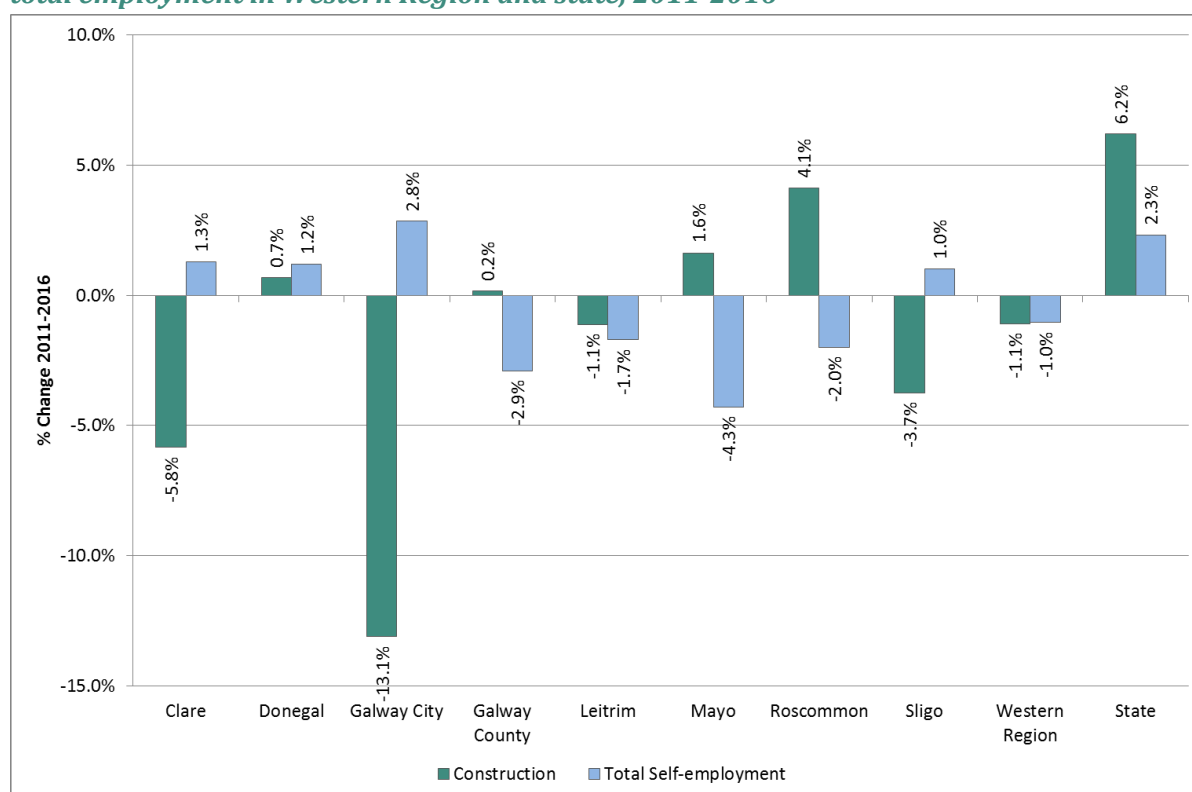
### 2.4.1 Change in self-employment

In the Western Region, the number of self-employed people working in Construction fell by -1.1% between 2011 and 2016 (Fig. 10), almost the same change as the 1% decline in total self-employment over the same period. In contrast, nationally, growth in Construction self-employment considerably exceeded growth in total self-employment (6.2% v 2.3%).

The decline in Construction self-employment in the region (-1.1%) contrasts sharply with the 6.2% growth in the state. This suggests that self-employment was among the drivers of overall Construction jobs growth in the state whereas in the Western Region growth in the sector was entirely driven by increasing numbers of employees. Self-employment numbers in the region may have increased since 2016 as recovery in the sector has become more widespread.

Given some concerns in relation to ‘bogus’ self-employment within the Construction sector (a person working on a self-employed contract basis but for a single employer), some caution is required in interpreting these trends.

**Fig. 10: Percentage change in self-employment in Construction and self-employment in total employment in Western Region and state, 2011-2016**



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB033. Special run from CSO.

In many counties, self-employment in Construction performed worse than total self-employment. Galway City (-13.1%) and Clare (-5.8%) had the largest declines in the number of self-employed working in Construction which contributed to their notable decline in the self-employed share in the

sector (see Fig. 9).

Roscommon, Mayo, Donegal and Galway County, where Construction is most important to total employment (see Fig. 1), all experienced an increase in self-employment in Construction. Except for Donegal, Construction performed better than overall self-employment.

### 3.0 Construction Enterprises & Persons Engaged

In this section we examine enterprise numbers in Construction in the Western Region and its counties in 2017. This data is from the CSO Business Demography and includes all Construction enterprises such as building contractors, heating systems installation firms, roofing companies etc. which have a registration address (with the Revenue Commissioners) located in the Western Region. It does not include branches of companies which are registered elsewhere e.g. Dublin.

We also examine total persons engaged (employees and owners) in these enterprises. This is not as accurate a measure of employment in the Construction sector as the Census data examined in Section 2, as it counts everyone working for an enterprise registered in the region including people working elsewhere in the country and it excludes everyone working in the region for a Construction company registered elsewhere. The reason we examine this data here is because Construction has undergone considerable change in recent years and it is useful to consider more recent data (2017), though its limitations must be kept in mind.

#### 3.1 Construction enterprises

In 2017 there were 11,806 Construction enterprises registered in the Western Region. This was 20.6% of all Construction enterprises registered in Ireland.<sup>9</sup> This was greater than the region's share of total enterprises (17.1%) illustrating that the region accounts for quite a large share of total national enterprise activity in Construction.

In the Western Region, 20.4% of total enterprises<sup>10</sup> in 2017 were engaged in Construction (Fig. 11). The sector's share of total enterprises in the region (20.4%) is substantially greater than its share of all employment in the region (5.4%, see Fig. 1), though it should be noted that the employment data refers to 2016. Construction is characterised by a large number of quite small enterprises which is consistent with the finding that it has among the highest rates of self-employment.

The sector's share of total enterprises in the Western Region (20.4%) is considerably higher than the sector's 16.9% share nationally (Fig. 11). The Construction sector plays a far more significant role in the Western Region's enterprise profile. This reflects the lower level of diversity in the region's enterprise base with less activity in certain sectors e.g. Professional Services,<sup>11</sup> Financial & ICT Services,<sup>12</sup> increasing the role played by other sectors including Construction.

---

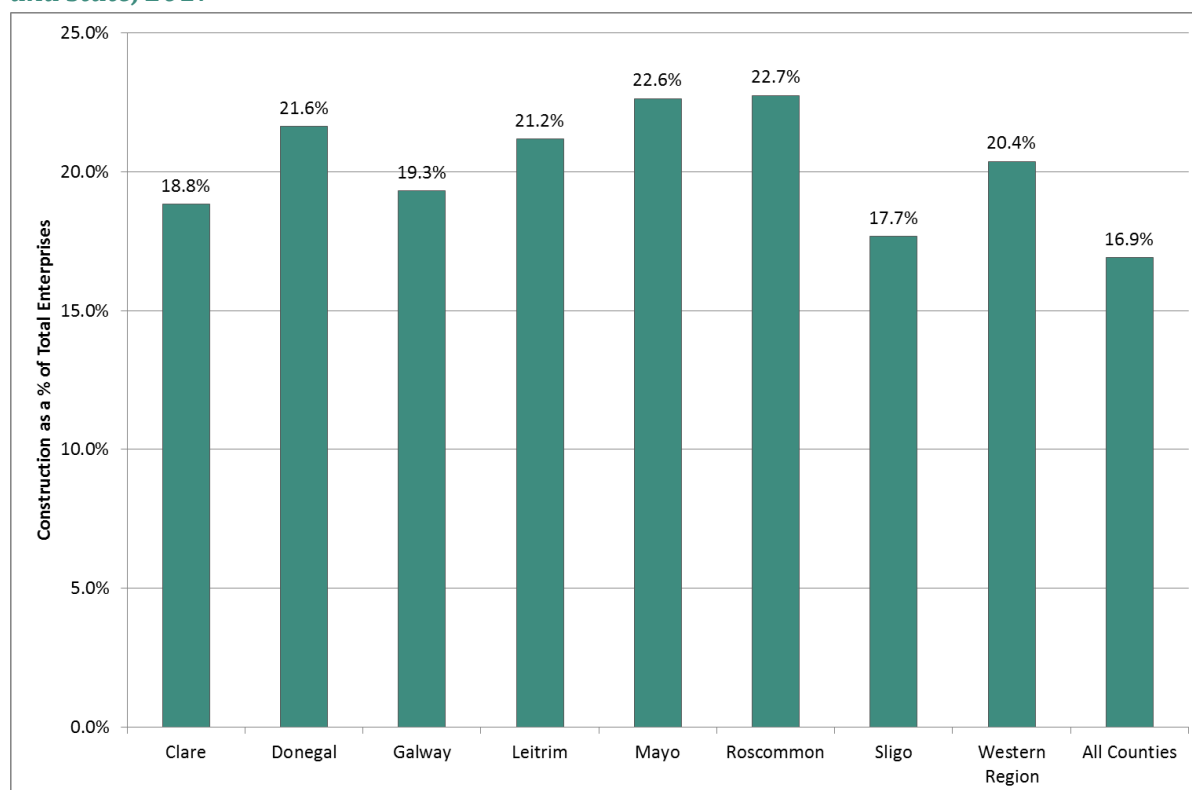
<sup>9</sup> In Business Demography county data, a figure is given for 'All Counties' which we will refer to here as the national or state figure. However it should be noted that this excludes enterprises whose location is classified as 'Unknown', these generally have Revenue registered addresses outside of the Republic of Ireland. However, the employees registered with these addresses are working in the Republic of Ireland. In 2017, there were 3,575 'Unknown' enterprises which are not included in the All Counties figure.

<sup>10</sup> Total enterprises includes all 'business economy' enterprises (NACE Rev 2 B to N(-642)) plus the sectors of Health & Social Work, Education, Arts, Entertainment & Recreation and Other Services.

<sup>11</sup> WDC (2019), [Professional Services in the Western Region: Regional Sectoral Profile](#)

<sup>12</sup> WDC (2019), [Financial & ICT Services in the Western Region: Regional Sectoral Profile](#)

**Fig. 11: Construction enterprises as a percentage of total enterprises in Western Region and state, 2017**



Source: CSO, *Business Demography 2017*, Table BRA18.

At 22.7% and 22.6% of total enterprises respectively, the rural counties of Roscommon and Mayo is where Construction plays its largest role. These are followed by Donegal and Leitrim where Construction also accounts for over 1 in 5 of their total enterprises. Again this reflects lower diversity in the enterprise base resulting in greater reliance on Construction.

Sligo and Clare, which had low shares of employment in the sector (see Fig. 1), also have the lowest shares of their enterprises in Construction. The presence of a large urban centre in each county would impact on this. In addition these counties had the weakest jobs growth in Construction between 2011 and 2016 indicating slower recovery.

Business Demography data does not distinguish between Galway City and County however, based on the employment data, it is likely that the Galway figure (19.3% of total enterprises) reflects quite a high share of enterprises registered in the County being in Construction but a far lower share of enterprises in the City.

### 3.1.1 Trends in Construction enterprises 2008-2017

When considering change over a longer period we can only consider Construction's share of all 'business economy' enterprises (not total enterprises) as data for a number of sectors<sup>13</sup> is not available for the full 2008 to 2017 period.

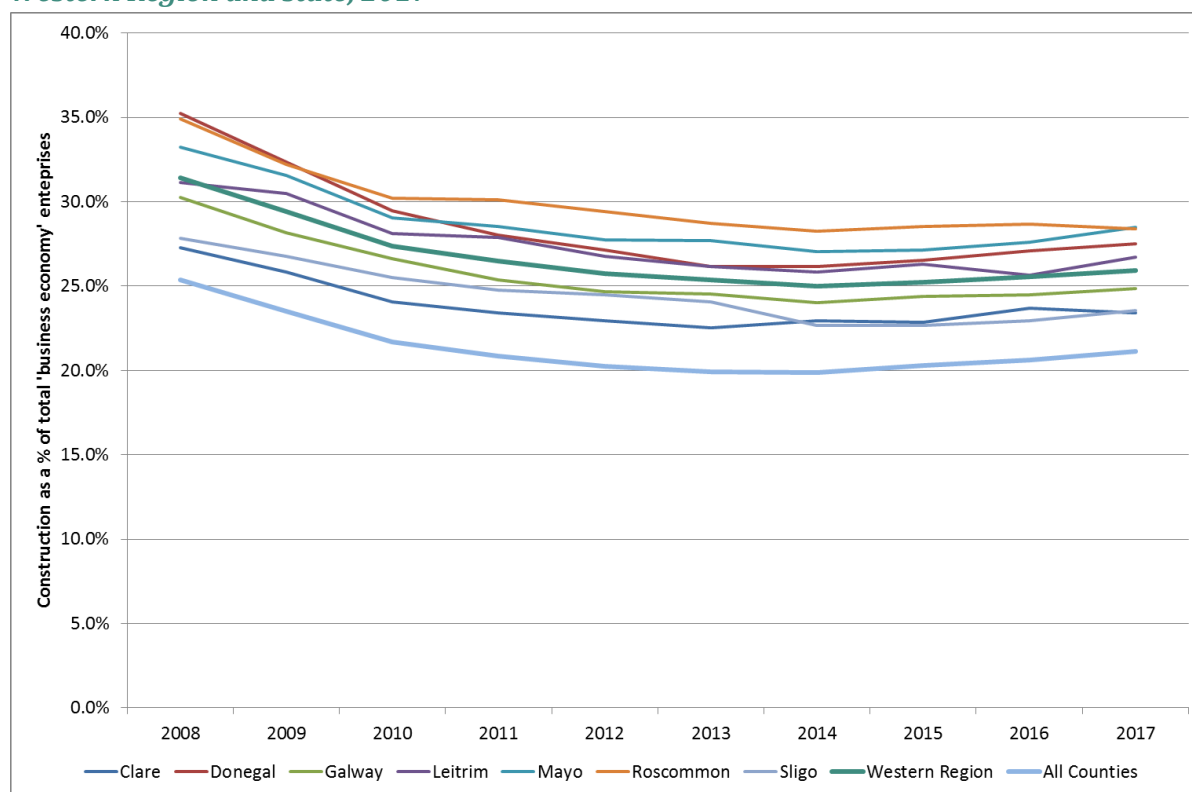
<sup>13</sup> Education, Health & Social Work, Other Services and Arts, Entertainment & Recreation.

In both the Western Region and the state, Construction's share of all 'business economy' enterprises fell markedly from 2008 to 2010 and continued to decline, though more gradually, until 2014 when the sector's share began to increase somewhat (Fig. 12).

The share in the Western Region was consistently higher than in the state throughout the decade. In the region, Construction accounted for 31.4% of 'business economy' enterprises in 2008, declining to a low point of 25% in 2014 before increasing slightly to 25.9% by 2017.

Nationally, the share was much lower throughout, 25.4% in 2008 falling to 19.9% by 2014. The recovery since then however has been somewhat stronger than in the region, increasing to 21.1% by 2017. This has narrowed the gap. In 2008 there was a 6 percentage point difference between the share in the region and in the state, by 2017 it was only 4.3 percentage points, reflecting stronger recovery nationally.

**Fig. 12: Construction enterprises as a percentage of all 'business economy' enterprises in Western Region and state, 2017**



Source: CSO, Business Demography 2017, Table BRA18.

At a county level, Donegal and Roscommon had the highest shares of their total enterprises in Construction in 2008. Donegal experienced a more dramatic decline to 2014, but has also recovered more strongly since. Roscommon however has shown little increase in the sector's share of all enterprises since 2014 and actually a decline between 2016 and 2017.

In 2008 Mayo had the third highest share of enterprises in Construction, following decline, it has shown a notable increase, particularly between 2016 and 2017, to now have the highest share in the region.

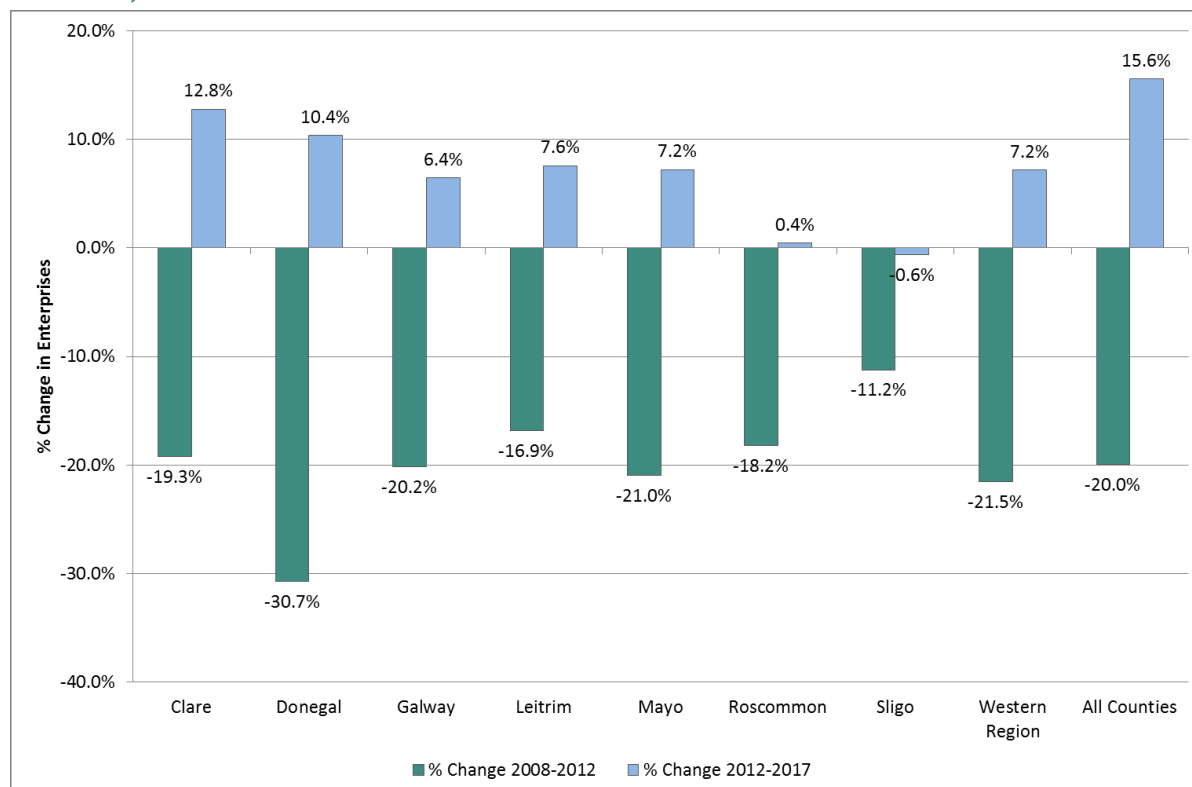
Clare and Sligo have consistently had the lowest shares of Construction enterprises in the region. Initially, Clare suffered a larger decline in the sector's share between 2008 and 2013. Since 2013 Sligo has experienced a decline in the sector's share (in contrast to the general pattern of growth) though showing some recovery in 2017.

### 3.1.2 Change in Construction enterprises

During the period 2008 to 2012, there was a 21.5% decline in the number of Construction enterprises in the Western Region (Fig. 13). This was by far the largest decline in enterprise numbers of any economic sector and in fact only two other sectors declined over this period (Industry (-0.6%) and Transport & Storage (-5.5%)). The decline in the region was very similar to that nationally (20%).

In the more recent period (2012-2017) there was growth in enterprise numbers in the region (7.2%). This was less than half the growth nationally (15.6%) as recovery in enterprise numbers in the region was below that elsewhere, consistent with the employment pattern (see Table 1).

**Fig. 13: Percentage change in the number of Construction enterprises in Western Region and state, 2008-2012 and 2012-2017**



Source: CSO, Business Demography 2016, Table BRA18.

All western counties had a large decline in the number of Construction enterprises between 2008 and 2012. The 30.7% decrease in Donegal explains the very sharp drop-off in the sector's share of total 'business economy' enterprises in this period (see Fig. 12). Mayo and Galway saw a 20+% fall in the number of Construction enterprises registered in the county.

As was noted above (see Fig. 12), Sligo did not experience as sharp a decline as elsewhere in the share of enterprises in Construction in the early stages of the recession. This was because it had the



smallest decline in enterprise numbers over this period (11.2%). However it was also the only western county where the number of Construction enterprises declined between 2012 and 2017, again confirming earlier findings that Sligo did not experience the same type of recovery in the sector as other areas.

Roscommon only showed marginal growth in Construction enterprises between 2012 and 2017. No western county had growth above the national average. Clare and Donegal showed the largest increases.

### 3.2 Persons engaged in Construction enterprises

Given the rapid changes occurring in this sector and likely changes in employment since 2016, we will examine data on 'persons engaged' (employees and owners) in Construction enterprises as this data is available for 2017. As noted in the introduction to Section 3, this is not as accurate a measure of employment as the Census and should be taken as indicative of the general pattern.<sup>14</sup>

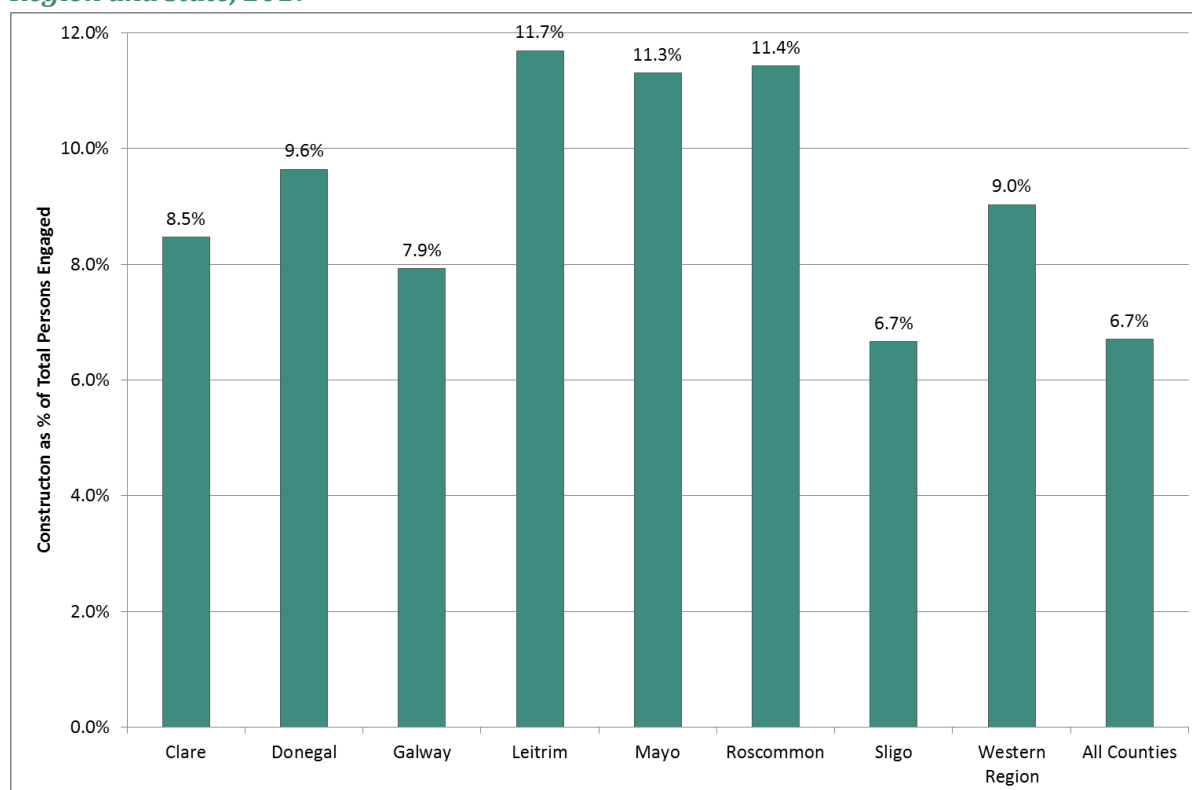
In 2017 there were 23,059 persons engaged in Construction enterprises registered in the Western Region. This was 9% of total persons engaged in all enterprises in the region, considerably higher than the 6.7% share nationally (Fig. 14).

The fact that many Construction enterprises are small in scale, including many sole traders, explains why its share of all persons engaged in enterprises (9%) is significantly lower than its share of all enterprises in the region (20.4%) (see Fig. 11).

---

<sup>14</sup> Business Demography persons engaged counts all those working for a Construction enterprise registered in the region, even if they are working outside the region and excludes those working in the region but for an enterprise registered outside the region. In 2016, the Census measured 18,166 people employed in Construction in the Western Region. Business Demography data measured 20,517 persons engaged in Construction enterprises registered in the Western Region in the same year.

**Fig. 14: Construction as a percentage of total 'persons engaged' in enterprises in Western Region and state, 2017**



Source: CSO, *Business Demography 2017*, Table BRA18.

In Leitrim, Roscommon and Mayo, over 11% of all persons engaged in enterprises were working in Construction enterprises. This reinforces the significant role of the Construction sector in both the enterprise and employment profile of these largely rural counties.

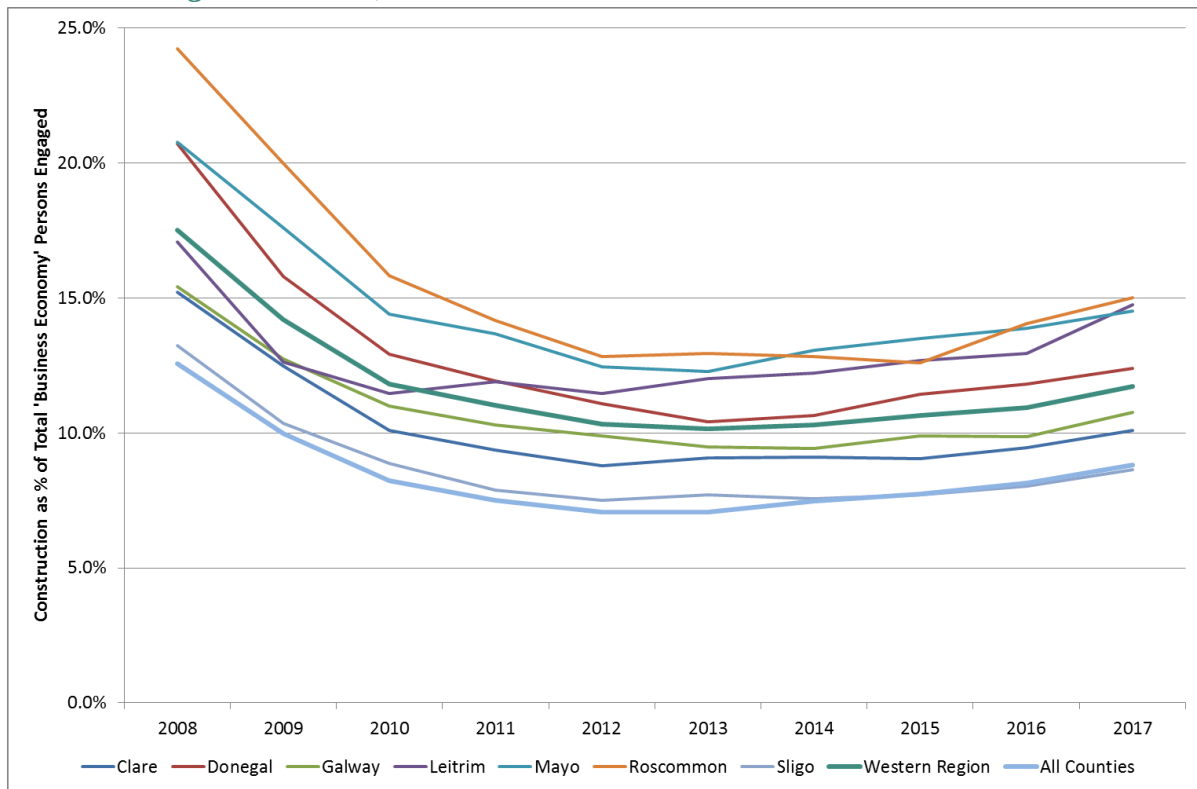
Consistent with previous findings, Sligo has the lowest share in the region and is the same as the national average. This indicates greater diversity in the enterprise and employment profile of Sligo and less reliance on Construction. Galway and Clare also have lower shares of persons engaged in Construction, again reflecting greater diversity.

### 3.2.1 Trends in persons engaged in Construction enterprises 2008-2017

Again, when considering change over a longer period we can only consider Construction's share of persons engaged in 'business economy' enterprises (not total enterprises). In 2008, Construction accounted for 17.5% of all persons engaged in the Western Region, higher than the 12.6% share nationally (Fig. 15).

The sector's share declined, sharply at first and then more gradually, until it reached a low point in 2013 at 10.2% in the region and 7.1% in the state. Since then there has been a gradual increase in Construction's share of persons engaged, accelerating in 2017. The gap between in the region and the state has narrowed from 4.9 percentage points in 2008 to 2.9 percentage points in 2017 as the recent recovery has been stronger nationally than in the region.

**Fig. 15: Construction as a percentage of persons engaged in 'business economy' enterprises in Western Region and state, 2017**



Source: CSO, *Business Demography 2017*, Table BRA18.

At a county level, in 2008, almost 1 in 4 persons engaged in Roscommon enterprises were working in Construction. This was an extremely high level of dependence and was, in fact, the highest of all counties in Ireland. Both Donegal and Mayo had over 20% of all persons engaged working in Construction in 2008 and every western county was above the state average, with Sligo lowest in the region.

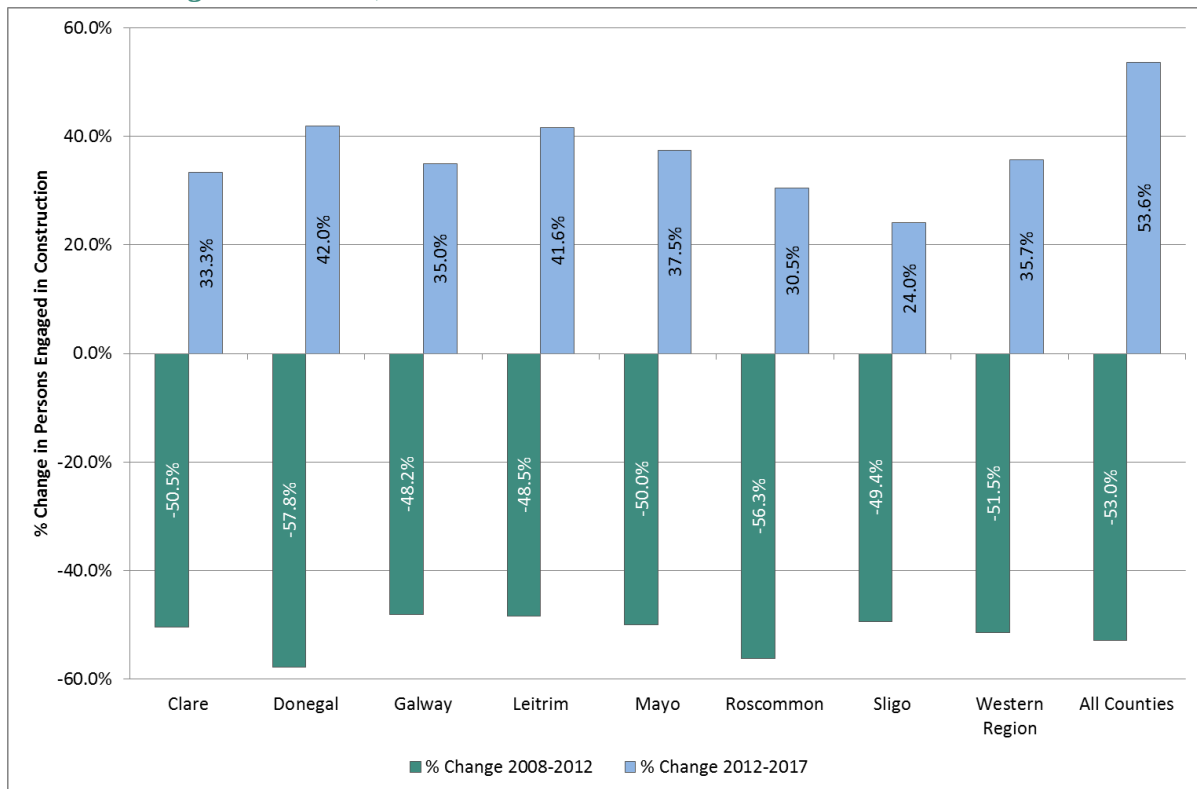
All counties saw a massive decline in the importance of Construction to the overall profile of people working in enterprises with Roscommon and Donegal experiencing particularly large declines.

In many counties Construction's share began to rise again from 2012/2013 and somewhat later in Roscommon, Sligo and Clare. In all counties the 2016-2017 period saw quite a sizable increase which indicates that jobs growth in the building sector has strengthened in the region since 2016.

### 3.2.2 Change in persons engaged in Construction enterprises

Between 2008 and 2012 the number of persons engaged in Construction enterprises in the Western Region more than halved (Fig. 16). The decline was slightly less than the decline nationally. In the following 2012-2017 period there was 35.7% growth in the number of people working for Construction enterprises based in the region. This was considerably below the 53.6% increase nationally as would be expected given the higher growth in enterprise numbers (see Fig. 13).

**Fig. 16: Percentage change in the number of persons engaged in Construction enterprises in Western Region and state, 2008-2012 and 2012-2017**



Source: CSO, Business Demography 2016, Table BRA18.

At a county level, Donegal and Roscommon saw the largest percentage decline in the number of persons engaged in Construction enterprises between 2008 and 2012 with Clare and Mayo having the next largest decline.

Donegal and Leitrim have experienced the strongest recovery in the number of persons engaged since that time, with numbers increasing by around 42%. This contributed to the strong increase in Construction’s share of total persons engaged evident for these two counties from Fig. 15. In line with other findings, Sligo had the smallest increase over this period (24%).

As noted above, the most recent period (2016-2017) saw a strengthening of growth in the sector. In the region the number of persons engaged increased by 12.4% over that year, with 14% growth nationally.

Leitrim (16.2%) and Galway (14.7%) had the highest growth between 2016 and 2017. Sligo was third highest (13%) in the region which indicates that recovery in the Construction sector in Sligo has accelerated since 2016. All western counties saw growth of 10+% in the number of persons engaged in Construction enterprises between 2016 and 2017.

## 4.0 Key Policy Issues for the Western Region's Construction Sector

Construction plays a very important role in the regional economy, not only in terms of direct jobs but also in facilitating wider economic activity and meeting housing needs. Therefore future trends in the sector will have significant regional implications. Some of the key issues for the Western Region's Construction sector are discussed below.

### Responds strongly to economic cycles and changing domestic demand

The Construction sector is highly dependent on the level of activity in the domestic economy as this determines the level of demand from commercial clients, private individuals and the public sector. During the Celtic Tiger era, the Western Region, including more rural areas, showed they had the capacity to respond strongly to increased demand. The fact that recent economic recovery in the Western Region lagged that occurring elsewhere in the country<sup>15</sup> was an important factor in the region's lower jobs growth in this sector 2011-2016.

As well as responding to the economic cycle, the Construction sector also helps to facilitate it e.g. through provision of infrastructural projects, commercial premises and housing. Activity levels in Construction in turn drive demand in other sectors e.g. Professional Services (legal, architecture, real estate). The presence of a strong Construction sector within the region is therefore a key driver for regional economic growth. At the same time, over-reliance on Construction presents an economic risk.

### Construction plays a larger role in the Western Region's economy

Despite the fact that Construction declined significantly in importance during the recession and that recovery has lagged that elsewhere, Construction continues to employ a greater share of the workforce in the Western Region than nationally (5.4% of total employment v 5.1%) and also to account for a higher share of total enterprises (20.4% v 16.9%).

Any changes in activity in the sector would therefore have a particular impact on the region's labour market and economy. The role of Construction must therefore be taken into account in national, regional and county strategies aimed at sustaining and revitalising the regional economy.

### Important role in rural counties and towns and also need for greater diversity

There was very heavy reliance on Construction employment in rural areas of the region in the mid-2000s, accounting for over 13% of total employment in Leitrim, Mayo, Galway County, Roscommon and Donegal in 2006 and a far higher share of male employment.

The huge job losses in the sector therefore impacted heavily on all aspects of the rural economy and rural society with high out-migration, particularly among young men, increasing the age dependency rates, while reduced spending had knock-on impacts for jobs in other sectors. This highlighted the vulnerability of the rural economy to excessively high dependence on the sector.

Construction continues to play a more significant role in the employment and enterprise profile of the region's most rural counties. In 2016 the large rural counties of Mayo and Galway County had the fifth and sixth highest shares working in Construction in Ireland, with Roscommon and Donegal also having high shares of employment as well as enterprises in Construction. At a town level, small

---

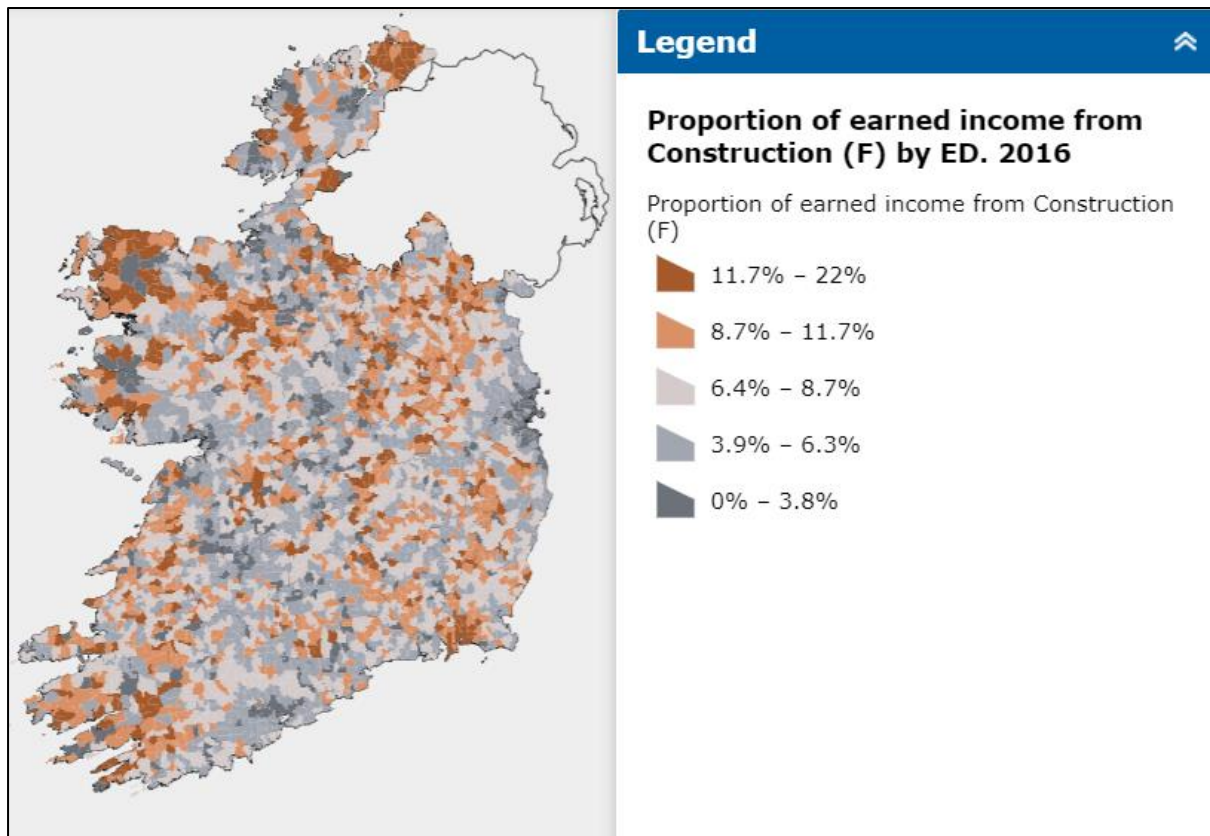
<sup>15</sup> WDC Insights Blog Post, ['Recent Trends in Regional GDP'](#) 14 June 2019

and medium-sized towns in quite rural locations tend to have the highest reliance on Construction jobs.

The significance of the Construction sector to the rural economy is also evident from income earned. Recent analysis by the CSO of geographical income patterns in 2016<sup>16</sup> measures the percentage of total earned income coming from Construction at Electoral Division (ED) level (Fig. 17). This clearly illustrates that more rural areas have higher reliance on income earned from Construction. Within the Western Region, the Inishowen peninsula, north Mayo, west Galway and east Mayo/west Roscommon all show high reliance on income from Construction.

The experience of the last recession highlights the importance of diversity in the employment and enterprise profile of rural areas, and while it is important to have a strong Construction sector and this contributes substantially to the rural economy, a return to over-reliance on the sector poses a risk.

**Fig. 17: Proportion of earned income from Construction, 2016**



Source: CSO, (2019), *Geographical Profiles of Income in Ireland 2016*, Map 6.8

### Smaller scale operations and high self-employment

Construction enterprises in the Western Region tend to be smaller in scale than the national average. Smaller businesses can be more flexible, offering a more personal service, however they may also find it more difficult to adapt to changing trends and demands e.g. regulations, digital transformation.

<sup>16</sup> CSO (2019), [Geographical Profiles of Income in Ireland 2016](#)

The Construction sector in the region is characterised by high self-employment both compared with nationally (39.7% of total employment v 36.7%) and other sectors (second highest of all sectors). This contributes to the smaller scale of operations.

The number of self-employed working in Construction declined in the Western Region as the sector recovered which meant the sector's composition changed somewhat, with a greater share of employees and fewer self-employed. This may have been due to the type of construction activity driving growth in the region with some large infrastructural projects, with high shares of employees, playing an important role. As the recovery spreads more widely across the sector, it may lead to growing self-employed numbers. Indeed the more rural counties saw the number of self-employed increasing between 2011 and 2016, in Roscommon and Mayo in particular, reflecting the differing structure of the sector in more rural areas.

Given concerns around 'bogus' self-employment in Construction, especially during the boom, with people employed on a self-employed contract basis but for a single employer, interpreting the meaning of a reduction in self-employment requires caution. The quality and viability of some self-employment in Construction and its ability to sustain a person's livelihood needs to be considered as the sector expands again.

As Construction is outside the remit for direct financial supports from enterprise support agencies, and given the high level of self-employment in the region, continuation of existing, and the development of new initiatives and soft supports for sole traders and micro-enterprises, including addressing issues of viability and succession planning for family-run businesses, is important to the future of Construction in the region.

### **Central role in male employment**

At the height of the Construction boom 22% of all working men in the Western Region were employed in Construction and in several rural counties it was around 25%. This reliance had a number of consequences including increased early school leaving among young men and a widening of the educational attainment gap between men and women. Young men with limited qualifications were among the most affected by the recession with high unemployment rates and high out-migration especially from more rural areas. Older men, with greater responsibilities and ties to the area and less flexibility to emigrate, experienced high unemployment. Many former Construction workers availed of opportunities to retrain or upskill for alternative sectors.

Another consequence of the building boom was that it helped to sustain many farming households with part-time farming supplemented by Construction employment. This is particularly important in the Western Region where agriculture is characterised by drystock and sheep farming. Construction continues to play an important role in male employment in rural areas and in 2016, Construction employed 1 in 10 of all working men in several of the region's most rural counties (Mayo, Galway County, Donegal, Roscommon). Any future development in this sector will have a far greater impact on male than female employment levels.

### **Important sector for young and lower skilled workers**

Construction includes many highly skilled and well-paid occupations but is also an important source of employment for younger and lower skilled workers, especially young men. It is important that the

sector continues to play a role in providing job opportunities for such workers as this is critical to a balanced labour market which meets the needs of people of differing levels of skill and experience.

One of the consequences of the property boom of the mid-2000s, and the availability of plentiful, well-paid labouring jobs, was an increase in early school leaving among young males and a decline in third level participation. Educational attainment levels among young men and women diverged considerably. The recession changed this pattern, with an increase in educational participation among young men.

It is important that the expansion of this sector involves a balance between providing opportunities for those with lower skills, while at the same time not acting as a disincentive to the pursuit of further or higher education.

### **Addressing skill shortages**

The recession led to large declines in the number undertaking construction apprenticeships and construction-related higher education courses. In addition there was high out-migration among those who previously working in Construction, as well as re-skilling for other sectors. This led to skill shortages once the sector began to recover.

According to the National Skills Bulletin 2018,<sup>17</sup> among Construction occupations there are some skill shortages among professional occupations (civil engineers and construction project managers, architects and town planners, architectural technologists and surveyors), skilled trades (carpenters and joiners, glaziers and steel erectors) and construction operatives and elementary occupations (labourers).

It also noted there is a relatively large pool of job seekers (approximately 11,000 nationally) who previously worked in Construction but who have not gained employment as the sector expanded, mainly lower skilled workers. While it does not provide data on the location of these job seekers, it may be that they are living in more rural areas where the growth in Construction activity has been more limited. The high cost of living and rent in Dublin, where there is the strongest labour demand in the sector, means it may be difficult for lower skilled/paid workers from elsewhere in Ireland to re-locate to take up these jobs.

### **Opportunities provided by retrofitting and improving energy efficiency**

An area of considerable future potential for the Construction sector is adaptation to a low carbon economy and specifically improving the energy efficiency of buildings. It is estimated that the built environment accounted for 12.7% of Ireland's greenhouse gases in 2017 and efforts to improve the energy efficiency of the country's buildings are included in policy to address the climate breakdown and transition to a low carbon economy.

The recently launched Climate Action Plan 2019: To Tackle Climate Breakdown<sup>18</sup> sets out a number of targets to 2030 to reduce the level of emissions and among these are completing 500,000 building retrofits and installation of 600,000 heat pumps. Given that the building stock in the Western Region includes many older buildings, there are particular opportunities in the region and its rural areas.

---

<sup>17</sup> Solas/National Skills Bulletin (2018), [National Skills Bulletin 2018](#)

<sup>18</sup> Government of Ireland (2019), [Climate Action Plan 2019: To Tackle Climate Breakdown](#)



## 5.0 Conclusion

Construction plays a larger role in the Western Region's economy, in terms of its employment profile and particularly its enterprise base. While the sector did begin to recover in the region between 2011 and 2016, in response to increased economic activity, this was below the growth nationally, in line with the pattern for overall economic recovery. More recent data indicates that Construction activity in the Western Region has accelerated in more recent years.

Construction is quite widely dispersed and is particularly important to the economy of more rural counties and small and medium-sized towns. While this sector contributes to the viability of such areas, a return to over-reliance on this sector, as occurred in the mid-2000s, poses a risk given the profound impact of the recession on the rural economy and rural communities. Increased economic diversity of the rural economy where Construction still plays a key role must be a key policy objective.

Given that this sector is characterised by high self-employment, soft supports for sole traders and micro-enterprises are important to improve the viability of such businesses and also to facilitate them to take advantage of emerging opportunities such as energy efficiency retrofitting and renewable energy installation.

Construction is not only important as a sector in its own right, providing both high skill and lower skilled job options, but also plays a key role in facilitating wider economic activity as well as meeting the housing needs of the region's population.

Download **The Construction Sector in the Western Region: Regional Sectoral Profile** and **WDC Insights: The Construction Sector in the Western Region** [here](#)

For further information contact:

Pauline White  
Policy Analyst  
Western Development Commission  
Ballaghaderreen  
Co Roscommon  
[paulinewhite@wdc.ie](mailto:paulinewhite@wdc.ie)  
094 986 1441

**Appendix 1: Population aged 15 years and over by employed in Construction by detailed industrial group NACE Rev 2 in western counties 2011 and 2016**

Detailed industrial group	2011 (No.)	2016 (No.)	% Change	2011 (No.)	2016 (No.)	% Change
	Clare			Donegal		
Construction of buildings	878	1,041	18.6%	1,209	1,388	14.8%
Civil engineering	159	177	11.3%	262	258	-1.5%
Demolition & site preparation	57	44	-22.8%	63	106	68.3%
Electrical installation	300	331	10.3%	332	328	-1.2%
Plumbing, heat & A/C installation	239	207	-13.4%	285	289	1.4%
Other construction installation	81	59	-27.2%	38	38	0.0%
Building completion & finishing	560	555	-0.9%	732	816	11.5%
Other specialised construction activities	114	111	-2.6%	218	209	-4.1%
<b>Total Construction</b>	<b>2,388</b>	<b>2,525</b>	<b>5.7%</b>	<b>3,139</b>	<b>3,432</b>	<b>9.3%</b>
	Galway City			Galway County		
Construction of buildings	360	378	5.0%	1,706	1,832	7.4%
Civil engineering	76	77	1.3%	351	419	19.4%
Demolition & site preparation	11	4	-63.6%	113	100	-11.5%
Electrical installation	125	115	-8.0%	412	460	11.7%
Plumbing, heat & A/C installation	85	70	-17.6%	386	389	0.8%
Other construction installation	26	30	15.4%	102	92	-9.8%
Building completion & finishing	177	221	24.9%	985	1,093	11.0%
Other specialised construction activities	45	52	15.6%	220	296	34.5%
<b>Total Construction</b>	<b>905</b>	<b>947</b>	<b>4.6%</b>	<b>4,275</b>	<b>4,681</b>	<b>9.5%</b>
	Leitrim			Mayo		
Construction of buildings	292	306	4.8%	1,108	1,225	10.6%
Civil engineering	46	44	-4.3%	275	360	30.9%
Demolition & site preparation	14	17	21.4%	54	54	0.0%
Electrical installation	87	66	-24.1%	362	374	3.3%
Plumbing, heat & A/C installation	60	69	15.0%	282	278	-1.4%
Other construction installation	10	11	10.0%	52	47	-9.6%
Building completion & finishing	106	141	33.0%	654	687	5.0%
Other specialised construction activities	28	35	25.0%	197	210	6.6%
<b>Total Construction</b>	<b>643</b>	<b>689</b>	<b>7.2%</b>	<b>2,984</b>	<b>3,235</b>	<b>8.4%</b>
	Roscommon			Sligo		
Construction of buildings	487	583	19.7%	460	433	-5.9%
Civil engineering	124	150	21.0%	70	81	15.7%
Demolition & site preparation	27	27	0.0%	15	26	73.3%
Electrical installation	170	156	-8.2%	163	158	-3.1%
Plumbing, heat & A/C installation	110	115	4.5%	135	109	-19.3%
Other construction installation	24	28	16.7%	19	20	5.3%
Building completion & finishing	265	296	11.7%	240	281	17.1%
Other specialised construction activities	136	137	0.7%	67	57	-14.9%
<b>Total Construction</b>	<b>1,343</b>	<b>1,492</b>	<b>11.1%</b>	<b>1,169</b>	<b>1,165</b>	<b>-0.3%</b>

	2011 (No.)	2016 (No.)	% Change	2011 (No.)	2016 (No.)	% Change
	<b>Western Region</b>			<b>State</b>		
Construction of buildings	6,500	7,186	10.6%	33,544	42,299	26.1%
Civil engineering	1,363	1,566	14.9%	6,658	6,340	-4.8%
Demolition & site preparation	354	378	6.8%	1,596	1,671	4.7%
Electrical installation	1,951	1,988	1.9%	12,161	13,242	8.9%
Plumbing, heat & A/C installation	1,582	1,526	-3.5%	9,006	9,648	7.1%
Other construction installation	352	325	-7.7%	2,271	2,394	5.4%
Building completion & finishing	3,719	4,090	10.0%	17,473	20,736	18.7%
Other specialised construction activities	1,025	1,107	8.0%	4,662	5,519	18.4%
<b>Total Construction</b>	<b>16,846</b>	<b>18,166</b>	<b>7.8%</b>	<b>87,371</b>	<b>101,849</b>	<b>16.6%</b>

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

## Appendix 2: Population aged 15 years and over employed in Construction in western towns 2011 and 2016

Towns	2011		2016		% Change 2011-2016
	No. Employed	% of Total Employment	No. Employed	% of Total Employment	
Galway City and suburbs	936	2.9%	988	2.8%	5.6%
Ennis	451	4.6%	484	4.6%	7.3%
Letterkenny	185	2.6%	209	2.7%	13.0%
Sligo	188	2.7%	170	2.4%	-9.6%
Castlebar	202	4.3%	209	4.3%	3.5%
Ballina	142	3.6%	139	3.8%	-2.1%
Shannon	121	3.1%	111	2.6%	-8.3%
Tuam	139	4.6%	143	4.3%	2.9%
Buncrana	141	6.8%	149	6.2%	5.7%
Ballinasloe	118	5.3%	162	7.1%	37.3%
Westport	88	3.5%	107	3.8%	21.6%
Roscommon	98	4.6%	92	4.1%	-6.1%
Loughrea	121	6.2%	133	5.8%	9.9%
Oranmore	97	3.9%	128	5.0%	32.0%
Ballybofey-Stranorlar	70	4.6%	85	5.2%	21.4%
Athenry	106	6.3%	100	5.2%	-5.7%
Carrick-on-Shannon	60	3.6%	69	3.9%	15.0%
Claremorris	68	4.9%	101	6.4%	48.5%
Gort	87	8.3%	85	6.8%	-2.3%
Ballinrobe	78	7.2%	73	6.5%	-6.4%
Kilrush	46	5.7%	46	5.7%	0.0%
Sixmilebridge	41	4.0%	45	3.9%	9.8%
Donegal	28	2.8%	43	4.0%	53.6%
Boyle	38	4.5%	31	3.7%	-18.4%
Carndonagh	37	5.8%	72	9.0%	94.6%
Ballyhaunis	23	2.8%	31	3.6%	34.8%
Ballyshannon	49	6.3%	49	6.1%	0.0%
Bearna	29	3.6%	31	3.5%	6.9%
Castlerea	18	2.8%	28	4.1%	55.6%
Tubbercurry	39	5.9%	44	6.4%	12.8%
Bundoran	14	2.0%	33	4.4%	135.7%
Ballaghaderreen	46	8.7%	57	9.8%	23.9%
Newmarket-on-Fergus	35	4.8%	24	3.0%	-31.4%
Strandhill	23	3.1%	23	2.9%	0.0%
Moycullen	35	5.0%	29	3.9%	-17.1%
Lifford	25	5.7%	32	6.9%	28.0%
Collooney	N/A	N/A	29	4.4%	N/A
Clifden	29	3.3%	16	2.3%	-44.8%
Ballymote	29	5.2%	26	4.8%	-10.3%
Convoy	N/A	N/A	15	3.1%	N/A

Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030