



Profile of Education, Enterprise and Employment (3Es) in the Western Region 2011

Report for the Western Development Commission

October 2011

Summary of Key Points

Population

- The Western Region's population is now 819,851 people. This was an increase of +7.5% since 2006 – lower growth than the state average. Net in-migration was a more important component of the region's population growth than in the rest of country. It seems that recent increases in out-migration as a result of the recession have not been sufficient, as yet, to undo previous strong inward migration.

Education

- The gap in education attainment levels between the region and the rest of the state has been gradually narrowing, however the region continues to have a weaker educational profile with a larger proportion of working age people with lower education and a smaller proportion with higher education. In particular men in the region lag both men in the rest of the state and women in the region in terms of third level qualifications.
- The number of students (aged 15+ years) in the Western Region grew by +18.6% between 2007 and 2011 compared with just +2.4% in the rest of the state. This was mainly driven by increased educational participation by men.
- Those with lower education have a greater risk of unemployment and people who only have lower or higher secondary qualifications are 'over-represented' among the unemployed, whereas those with third level are 'under-represented'.
- People with third level education living in the Western Region are more likely to be unemployed than those living elsewhere in the country. A graduate in the Western Region faces an unemployment rate of 9% compared with 7.5% in the rest of the state. There has been a greater deterioration in the employment prospects of third level qualification holders in the region compared with those in the rest of the state.

Enterprise

- The Western Region experienced a greater loss of enterprises than the rest of the state between 2007 and 2009. This was linked to the region's less diverse enterprise mix with 62% of the region's enterprises in construction, wholesale and retail and accommodation and food service compared with 51% in the rest of the state. These sectors have been particularly hard hit by the current recession, partly explaining the region's larger decline in enterprise numbers.

- Only 19.5% of enterprises in the region were in the knowledge-intensive services sectors (information and communications, financial and business services and professional, scientific and technical activities). This is compared with 30.2% in the rest of the state. While the number of enterprises in these sectors in the region has grown this has been less than in the rest of the state indicating that the region lost ground.

Employment

- The Western Region's labour force participation rate is 58.1%, 2.2 percentage points lower than in the rest of the state. This is entirely due to the region's considerably lower male participation rate. While the gap in male participation rates between the region and rest of the state doubled between 2007 and 2011, the gap in female participation rates has disappeared.
- In total 19.9% of those 'at work' in the Western Region are self-employed, greater than the 15.5% in the rest of the state. This is partly influenced by higher levels of construction and farming activity, however it is also influenced by limited employment opportunities in some areas of the region leading more people to choose self-employment in order to live where they want to live. The recession has also resulted in a substantial increase in part-time employment with 1 out of every 4 people working in the region working part-time, a greater share than in the rest of the state.
- The top three employment sectors in the region are industry, wholesale and retail, and human health and social work. Employment in the region continues to be more reliant on local and public services and the traditional sectors (though industry includes considerable high-tech activity) and less reliant on knowledge-intensive services.
- While some of the largest employment sectors (construction, agriculture, accommodation and food service, wholesale and retail and industry) saw a decline in employment, all other sectors increased employment in the Western Region between 2007 and 2011. Employment in knowledge-intensive services in the region grew strongly indicating increasing diversity in the region's employment structure. Despite the growth, the region continues to have a lower share employed in these sectors.
- In 2010 state assisted companies employed 45,666 people full-time in the Western Region. This accounted for 19.2% of all full-time employment in the region, a significant increase on 2009 (17.3%). This marks a reversal of the trend evident since 2000 where the share of assisted employment in total employment has been declining. The increase in the share in 2010 reflects the decline in full-time employment in the non-assisted (domestically trading) sector.
- Employment declines in the state assisted sector have largely been in manufacturing sectors which supplied the construction industry while there has been growth in some international services sectors and medical devices. This has meant that Irish-owned assisted employment has declined more than foreign-owned.

Unemployment

- There are 54,900 people unemployed in the Western Region. This was a +245.3% increase on the number in 2007 which is a notably greater increase than in the rest of the state (+192.8%). This indicates that the regional labour market has experienced a more dramatic shock, likely linked to the greater reliance on construction.

- The region's unemployment rate is 14.5%, higher than in the rest of the state (14.0%). The male unemployment rate in the region is 17.7% and the female rate is 7 percentage points lower at 10.6%, both are higher than in the rest of the state.
- Unemployment rates are higher for younger age groups and the difference between the Western Region and the rest of the state for 20-24 year olds is particularly stark. While this is partly due to high unemployment among young men with lower skills, it is also linked to the higher unemployment rate for third level graduates in the region, as many new graduates would be in this age category.
- Over half (29,600) of people unemployed in the region have been unemployed for a year or more and the long term unemployment rate has risen from 1.4% in 2008 to 7.8% in 2011.
- The average duration a person is unemployed in the Western Region is now 20.3 weeks. While this is a dramatic increase from 10.4 weeks in 2009 it is important to note that on average a person who becomes unemployed in the region is unemployed for less than six months. This indicates there are still job opportunities in the labour market. Employment continues to grow in several sectors and there is also replacement demand across all sectors.
- There has been a rise in the number of people living in households where no one has a job. From a situation in 2006 where fewer than 1 in 10 children in the Western Region lived in a household where nobody worked, it is now almost 1 in 5 children.
- All counties in the region (except Donegal) had a slight decline in the numbers on the live register over the past year with the biggest falls in counties Galway and Roscommon. While we cannot be certain why the live register is declining it will be due to a mix of out-migration, a return to education or training or in some cases finding employment. For older jobseekers there may also be a move into retirement. The share on the live register aged under 25 years has also declined, and as they are likely to have the greatest propensity to leave the region, some of the decline is likely due to out-migration.

Retirement

- There was a +29.1% increase in the number of retired people in the Western Region between 2007 and 2011. Retired people now account for 10.7% of the region's population (over 15 years) compared with 9.6% of the population in the rest of the state. The increase in the number of retired people in the region was considerably higher than in the rest of the state and the difference was largely due to a higher increase in the number of retired men (+26.1% in the region compared with just +7.7% in the rest of the state). The increase in the number of retired men, as well as the increase in the number of male students has led to the quite sharp decline in male labour force participation in the region.

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1.0 Introduction

This report *Profile of Education, Enterprise and Employment (3Es) in the Western Region 2011* provides an updated statistical profile of the 3Es situation in the Western Region¹ based on new 2011 data. It is an information resource for public representatives, policymakers and anyone with an interest in the Western Region's development. The Western Development Commission (WDC) has previously published Briefing Notes on the Employment and Unemployment situation in the Western Region for the periods 2000-2008 and also for 2000-2010.²

This report also provides additional background and context for the WDC Policy Briefing *Education, Enterprise & Employment: How can better integration of the 3Es drive growth in the Western Region?*³ published in July 2011. It set out the four main 3Es challenges facing the Western Region as:

1. Reducing unemployment
2. Raising educational attainment levels
3. Diversifying the enterprise base
4. Limiting the brain drain

It also made a number of proposals to enhance integration between the 3Es and thereby support job creation and growth in the region. A thorough examination of the available 3Es data for the region is important for the design of effective 3Es policy interventions at national, regional and local level.

1.1 Data sources

This report mainly draws on a special run of data for the Western Region from the CSO's Quarterly National Household Survey (QNHS) for the first quarter of 2011. The QNHS provides data on labour market trends and all figures refer to persons aged 15 years or over. As the seven county Western Region is not aligned with the NUTS 3 regional level⁴ at which data is collected by the CSO, special run data may be subject to sampling or other survey errors which are greater in respect of smaller values or estimates of change. Therefore QNHS data for the Western Region should be taken as **indicative of the relative position of the region rather than as accurate absolute figures**.

The results of the Census of Population 2011 will provide comprehensive and accurate demographic and socio-economic statistics for the Western Region, its counties and electoral divisions. This data will become available from March 2012⁵ and the WDC will analyse these data throughout 2012.

Other data sources used in this report include the CSO's Business Demography and Live Register data, as well as data from Forfás and the Department of Social Protection.

¹ Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

² These briefing notes can be downloaded at <http://www.wdc.ie/publications/reports-and-papers>

³ This can be downloaded at <http://www.wdc.ie/wp-content/uploads/WDCPolicyBriefing-Education-Enterprise-Employment-July2011.pdf>

⁴ The Western Region is composed of the entire NUTS 3 West region (**Galway, Mayo, Roscommon**) as well as part of the Border region (**Donegal, Sligo, Leitrim**, Cavan, Monaghan, Louth) and Mid-West region (**Clare**, Limerick, North Tipperary).

⁵ The publication schedule of Census 2011 can be downloaded at www.cso.ie/census/documents/Census_2011_publications_schedule.pdf

2.0 Population

Before examining the region's education, enterprise and employment profile it is useful to look at changes in the region's population. The Census 2011 Preliminary Results⁶ were issued in June. The WDC has published an overview of these results for the counties of the Western Region with data on population, population change and its components and the housing stock.⁷ The key population figures are set out here.

2.1 Population growth

The total population of the state increased by 341,421 persons (+8.1%) between 2006 and 2011 and reached 4.58 million (Table 1). The Western Region's population is now 819,851 people. This was an increase of +7.5% since 2006, which was a slightly lower growth rate than the state average.

Table 1: Population in 2006 and 2011 of western counties, Western Region and rest of state⁸

	Population 2006 (No.)	Population 2011 (No.)	Actual Change in Population 2006-2011 (No.)	Percentage Change in Population 2006-2011 (%)
Clare	110,950	116,885	5,935	5.3
Donegal	147,264	160,927	13,663	9.3
Galway	231,670	250,541	18,871	8.1
<i>Galway City</i>	<i>72,414</i>	<i>75,414</i>	<i>3,000</i>	<i>4.1</i>
<i>Galway County</i>	<i>159,256</i>	<i>175,127</i>	<i>15,871</i>	<i>10.0</i>
Leitrim	28,950	31,778	2,828	9.8
Mayo	123,839	130,552	6,713	5.4
Roscommon	58,768	63,898	5,130	8.7
Sligo	60,894	65,270	4,376	7.2
Western Region	762,335	819,851	57,516	7.5
Rest of State	3,477,513	3,761,418	283,905	8.2
State	4,239,848	4,581,269	341,421	8.1

Source: CSO, Census of Population 2011: Preliminary Results, Table 1

The gap in population growth rates between the Western Region and the rest of the state, which was significant up to 1981, has narrowed substantially in recent times. However 2006-2011 saw the gap widening again. In the previous Census period (2002-2006) the region had +8.1% growth and the state grew by +8.2%, however population growth slowed more substantially in the region than the rest of the state between 2006 and 2011.

All counties in the Western Region experienced population growth 2006-2011. Galway County (+10%), Leitrim (+9.8%) and Donegal (+9.3%) had the highest growth while Galway city (+4.1%) and Clare (+5.3%) had the lowest. Galway city however experienced the highest population growth of all the cities in the state.

⁶ The Preliminary Results are based on the returns of the enumerators (rather than the full Census forms). These figures are preliminary and may be revised when the final results of Census 2011 are released during 2012.

⁷ This report can be downloaded at <http://www.wdc.ie/publications/reports-and-papers/reports-2011/>

⁸ Rest of state refers to all the counties in the state except for the seven counties of the Western Region.

The Western Region's female population increased by more than its male population (+8.7% compared with +6.4%), which was also the pattern in the rest of the state (+9.3% compared with +7.1%).

2.2 Components of population change

Population change is caused by two factors – natural increase (difference between births and deaths) and net migration (difference between in-migration and out-migration). Of the total increase in the Western Region's population, +31,683 was due to natural increase and +25,833 from migration (Table 2). This meant that 44.9% of the region's total population growth between 2006 and 2011 was due to net in-migration. This was considerably higher than in the rest of the state where net in-migration accounted for 32.7% of its total population growth.

Table 2: Total population change and its components in western counties, Western Region and rest of state, 2006-2011

	Change in Population 2006-2011 (No.)	Natural Increase (No.)	Estimated Net Migration⁹ (No.)	Estimated Net Migration as % of Total Change
Clare	5,935	4,949	986	16.6
Donegal	13,663	5,507	8,156	59.7
Galway	18,871	12,267	6,604	35.0
<i>Galway City</i>	3,000	3,870	-870	-29.0
<i>Galway County</i>	15,871	8,397	7,474	47.1
Leitrim	2,828	1,126	1,702	60.2
Mayo	6,713	3,726	2,987	44.5
Roscommon	5,130	1,722	3,408	66.4
Sligo	4,376	2,386	1,990	45.5
Western Region	57,516	31,683	25,833	44.9
Rest of State	283,905	191,088	92,817	32.7
State	341,421	222,771	118,650	34.8

Source: CSO, Census of Population 2011: Preliminary Results, Table 5

For almost all the counties in the region, migration accounted for a higher share of its total population growth than the state average. The only exceptions were Clare and Galway city (which actually experienced net out-migration). Leitrim, Roscommon and Donegal had among the highest estimated net migration rates nationally.

It seems that recent increases in out-migration as a result of the recession have not been sufficient, as yet, to undo the strong inward migration of the earlier years of the 2006-2011 period. It is not clear how long this situation will last. Also some people from the region may have returned home after losing their job elsewhere.

⁹ This is referred to as estimated net migration by the CSO as it is calculated by subtracting the natural increase from the total change in population and the remainder is estimated to be due to migration.

3.0 Education

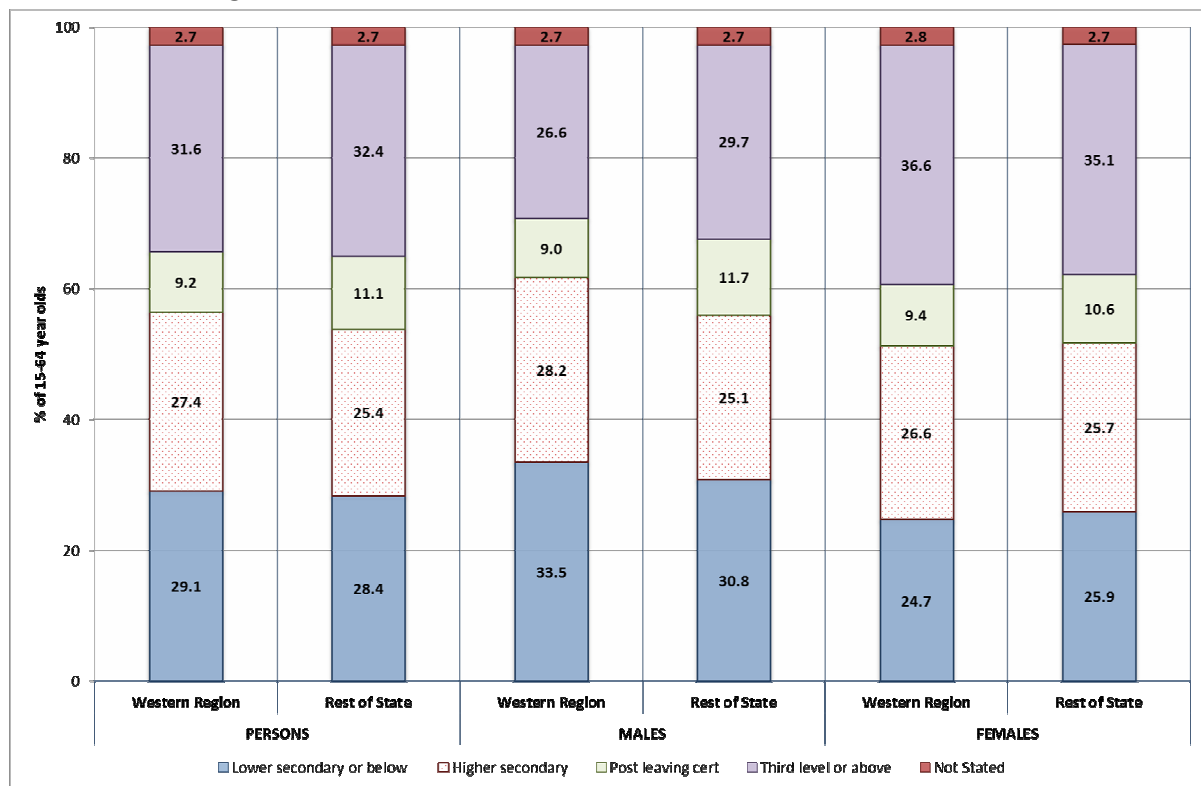
The education and skills profile of the Western Region’s working age population is a key determinant of its growth capacity. People are the most important input for enterprises, in particular for more knowledge-intensive sectors, as well as for the services sector in general. The region’s current educational profile and how education is linked to employment status are examined in this section. All the data is drawn from the special run of the CSO’s QNHS for the first quarter of 2011. Unlike the other data from the QNHS (which refer to everyone aged over 15 years) data on education levels only refer to those aged 15-64 years.

3.1 Education levels

In 2011 education levels among persons aged 15-64 years in the region were quite similar to those in the rest of the state (Fig. 1). The gap in education attainment levels between the region and the rest of the state has been gradually narrowing as participation in education in the region increased and out-migration was replaced by inward migration.

However the region continues to have a weaker overall educational profile, with a larger proportion of working age people in the two lower education categories (lower and higher secondary) and a smaller proportion in the two higher categories (post-leaving certificate and third level) (Fig. 1).

Fig. 1: Percentage of persons, males and females (15-64 years) by highest level of education achieved in the Western Region and rest of the state, Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table S9a, Special Run

While the share of people with the lowest education level (Junior Certificate or below) continues to be higher in the region than the rest of the state, the difference in 2011 is narrower than in 2010. In that

year 30.5% of 15-64 year olds in the region had the lowest education levels compared with 28.5% in the rest of the state.¹⁰ The continuing difference is due to both an older age profile in the region and higher levels of early school leaving among young men in the region at the height of the boom. Early school leaving peaked for young men in the region in 2006 when 17.3% of 18-24 year old males in the region were early school leavers (15.3% in the rest of the state). The substantial increase in educational participation among young men in the region (section 3.3) has been a major factor in narrowing the gap with the rest of the state.

While the share of people with a third level qualification in the region has grown steadily, it is still slightly below that in the rest of the state, 31.6% compared with 32.4%. The continuing improvement in the region's education profile is both a consequence of the recession, as more people remain in or return to education, and a critical factor in its recovery.

3.1.1 Education levels by gender

There are considerable gender differences in the educational profile (Fig. 1). This is true of differences between men and women in the region and also differences between the region and rest of the state.

The female educational profile in the region is slightly better than that in the rest of the state. In contrast, the region's male population has a notably poorer educational profile than elsewhere, with a greater share of working age men with the lowest education level and a smaller share with higher qualifications. Men in the region lag both men in the rest of the state and women in the region in terms of higher education. There is a 10 percentage point gap in the share of men (26.6%) and women (36.6%) in the Western Region with third level.

3.2 Education and employment

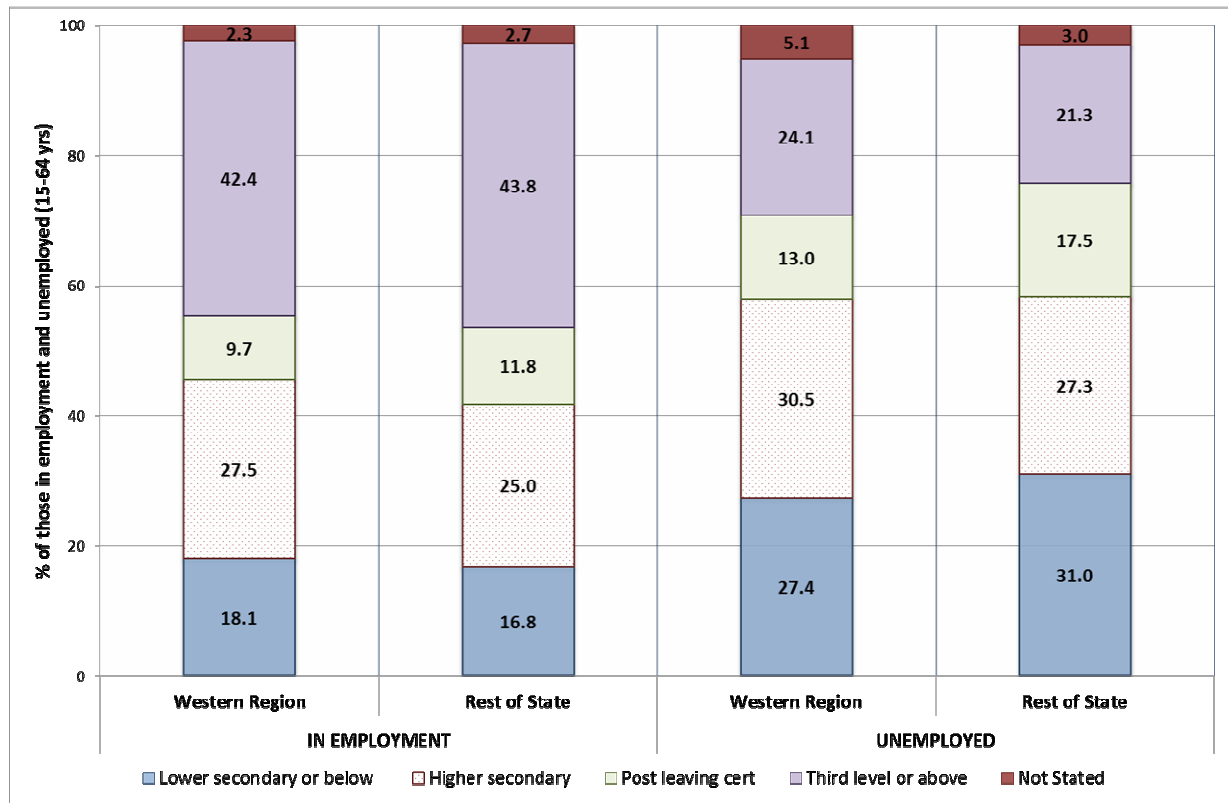
Employment will be examined in detail in section 5 and unemployment in section 6. Here, we will consider the strong link between education level and employment prospects. In general, the lower a person's level of education the more likely they are to be unemployed and the higher their education level the more likely they are to be in employment.

Fig. 2 shows the proportion of all those who are employed and unemployed (aged 15-64 years) by their highest level of education.¹¹ It is clear that those with lower educational qualifications account for a considerably larger share of all people who are unemployed, than they do of all people who are in employment. While 45.6% of those in employment in the region (15-64 yrs) have a lower or higher secondary qualification, 57.9% of people who are unemployed in the region have this level of education. Those with lower education are therefore 'over-represented' among the unemployed. Those with third level are likewise 'under-represented', accounting for 42.4% of those in employment compared with 24.1% of unemployed people.

¹⁰ From Q2 2009 the CSO adopted a new classification for measuring educational attainment to bring it more in line with the National Framework of Qualifications (NFQ). Therefore educational attainment data since that time are not directly comparable with data prior to it. Comparisons will only be made here between Q1 2010 and Q1 2011.

¹¹ Employment and unemployment are measured based on the ILO labour force classifications. These are as follows: In employment (persons who worked in the week before the survey for one hour or more for payment or profit and persons who had a job but were not at work because of illness, holiday etc. in the week); Unemployed (persons who in the week before the survey were without work and available for work and had taken specific steps in the preceding four weeks to find work); Inactive Population (all other persons).

Fig. 2: Percentage of those in employment and unemployed by highest level of education achieved in the Western Region and rest of the state, Q1 2011

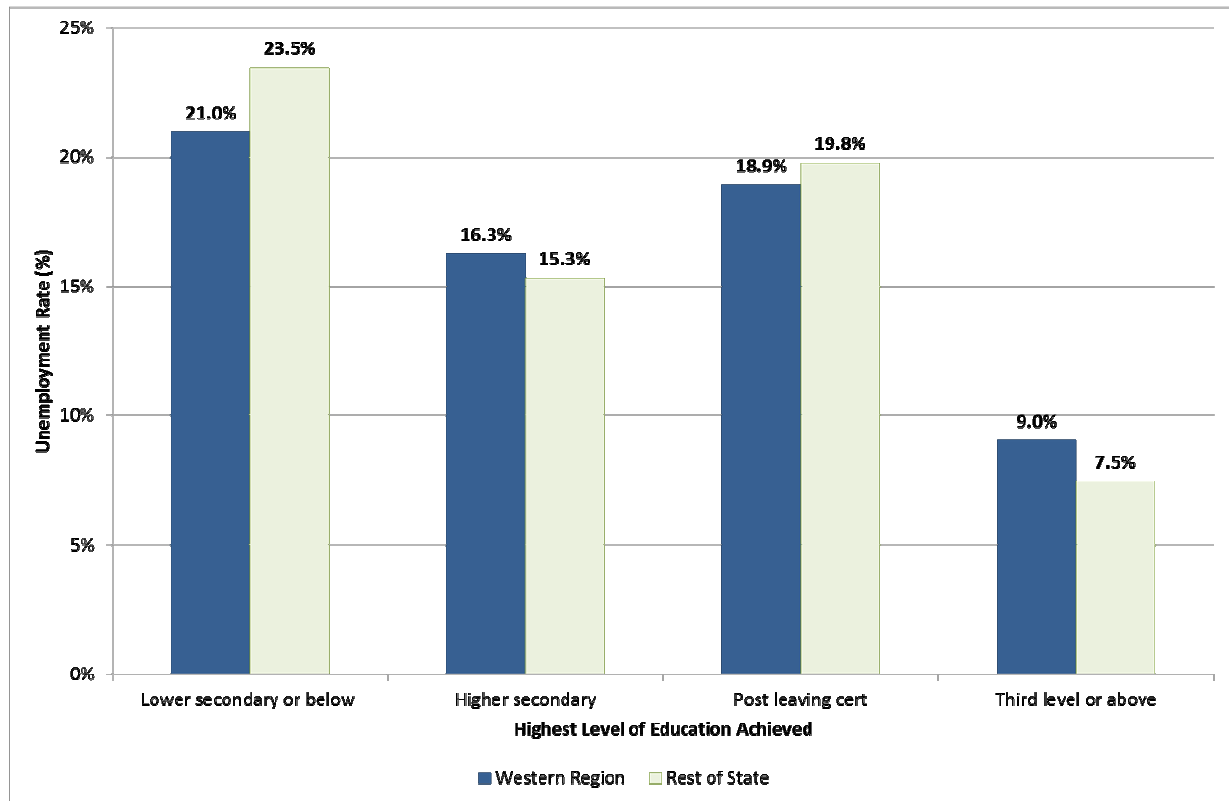


Source: CSO, Quarterly National Household Survey, Q1 2011, Table S9a, Special Run

While those with higher education do have better employment prospects, the share of unemployed people who have third level in the Western Region (24.1%) is notably higher than in the rest of the state (21.3%). This indicates that people with third level education living in the Western Region are more likely to be unemployed than those living elsewhere in the country. This is also clear from the unemployment rates for various education levels (Fig. 3).

In both the Western Region and rest of the state unemployment rates generally decline with higher qualifications, however those with a post-leaving certificate are the exception to this (Fig. 3). They actually have a higher unemployment rate than those with only higher secondary education. The higher unemployment rate for those with a post-leaving certificate is likely linked to the fact that many of those who worked in craft occupations in the construction sector would hold qualifications at this level.

Fig. 3: Unemployment rates by highest level of education achieved in the Western Region and rest of the state, Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table S9a, Special Run

The Western Region has a notably lower unemployment rate than the rest of the state for those with lower secondary education and below. This is probably linked to the fact that the unemployment rate for people aged over 55 years in the Western Region is lower than in the rest of the state (section 6.1, Fig. 16). People in this age group are more likely to only have lower secondary education, therefore the lower unemployment rate for this age group translates into a lower unemployment rate for this education level.

What is particularly worrying from Fig. 3 is the higher unemployment rate for third level graduates in the region. A graduate in the Western Region faces an unemployment rate of 9% compared with 7.5% in the rest of the state. This is a change from the situation in 2010 when the unemployment rate for those with third level was slightly lower in the region, 7.2% compared with 7.4%. There seems to have been a greater deterioration in the employment chances of people with third level education in the region compared with those in the rest of the state over the past year. The greater prevalence of unemployment among graduates in the region may result in greater out-migration of those with third level – a greater brain drain.

3.3 Students

It has been noted above that the recession seems to have encouraged more people to remain in or return to education thereby improving the region’s educational profile. The number of students (aged

15 years and over) in the Western Region grew by +18.6% between 2007 and 2011.¹² There are now 73,400 students in the region, up from 61,900 in 2007. This increase was far stronger than in the rest of the state where the numbers grew by just +2.4% over the same period. This has obvious implications for the demand for education and training services and places in educational institutions in the Western Region. It also raises the issue of completion rates and the need to ensure that these new students complete their education or training and that it actually improves their employability.

The very substantial growth in student numbers in the region has mainly been driven by increased educational participation by men. Between 2007 and 2011 there was a +36.9% increase in the number of male students in the region, compared with +10.1% in the rest of the state. There was a less dramatic increase among females (+3.5% in the region). This has meant that there are now more male students (38,200) than female students (35,200) in the region, a very significant change from recent years. This should help narrow the region's current gender gap in third level qualifications.

¹² The number of students is based on the Principal Economic Status (PES) classification which asks respondents a single question as to what their usual situation is with regard to employment with the options of at work, unemployed, student, engaged on home duties, retired or other.

4.0 Enterprise

The Western Region's current enterprise profile has been identified as a challenge for future economic growth. Greater sectoral diversity in the enterprise base is required to ensure a more sustainable regional economy. The data on the region's enterprise profile used in this section are drawn from the CSO's Business Demography which provides data at a county level.¹³ The most recent figures (published in 2011) are for the year 2009. While the full extent of the recession would not have been felt at that stage, it would nevertheless have already had a considerable impact.

4.1 Number of active enterprises

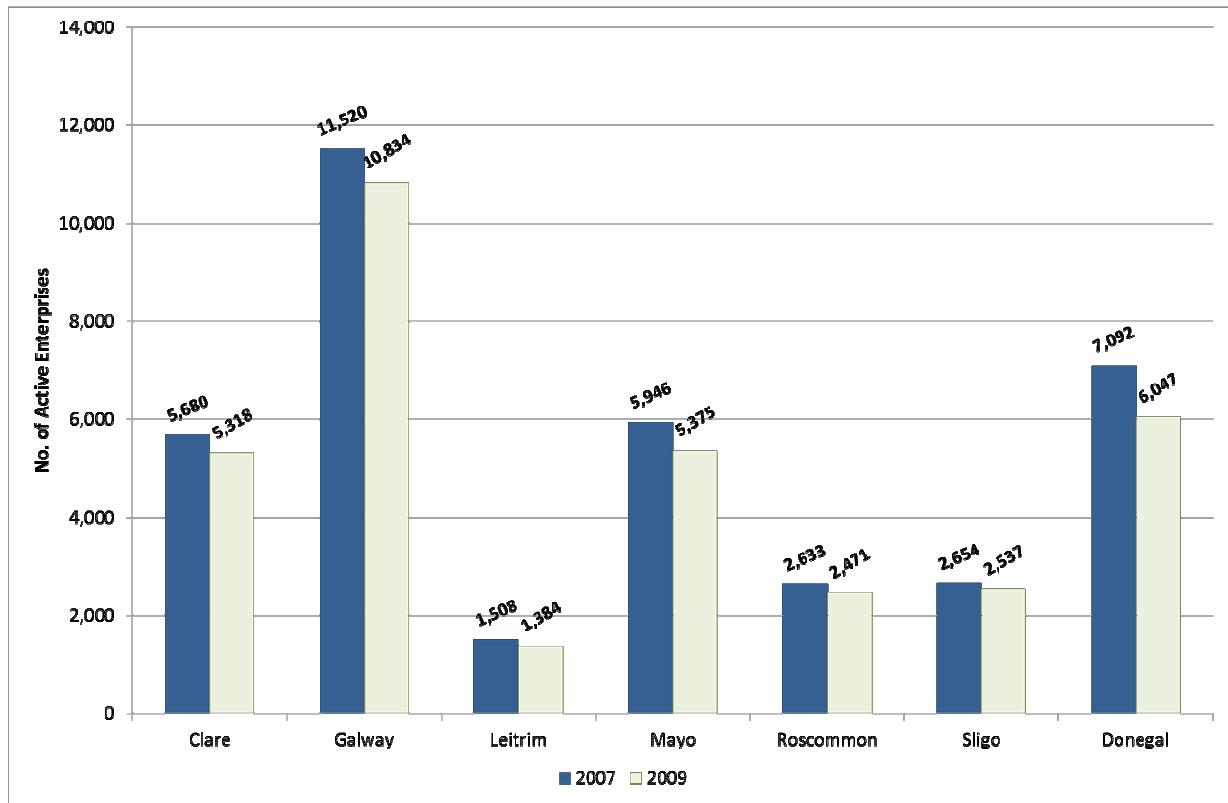
In 2009 there were 33,966 active enterprises operating in the Western Region.¹⁴ This was 17% of all active enterprises operating in the state, down from 17.8% of the total in 2007. This indicates a greater loss of enterprises in the region than the rest of the state. The number of enterprises in the region in 2009 was 3,067 fewer than in 2007 at the height of the boom. The decline in the number of active enterprises in the region was higher than in the rest of the state (-8.3% compared with -3.2% respectively).

The number of businesses in each western county declined between 2007 and 2009 (Fig. 4). The decline in Donegal is particularly striking, falling by 1,045 or -14.7%. This was the largest percentage decline of any county in the state (the next highest was Longford at -10.5%). Within the region Mayo and Leitrim had the next largest declines (-9.6% and -8.2% respectively) with Sligo having the smallest (-4.4%).

¹³ The county breakdown is based on the address at which an enterprise is registered for Revenue purposes, rather than where the business actually operates from, because no comprehensive administrative source is currently available for business locations. Where an enterprise has local units in several counties, but one head office where all employment is registered all its employees will be counted against the county where the head office is located.

¹⁴ Data refers to active enterprises in the business economy excluding the activities of holding companies. It covers NACE Rev 2 sectors B to N but excludes NACE code 64.20 (activities of holding companies) from sector K.

Fig. 4: Number of active enterprises in the business economy in the seven western counties in 2007 and 2009

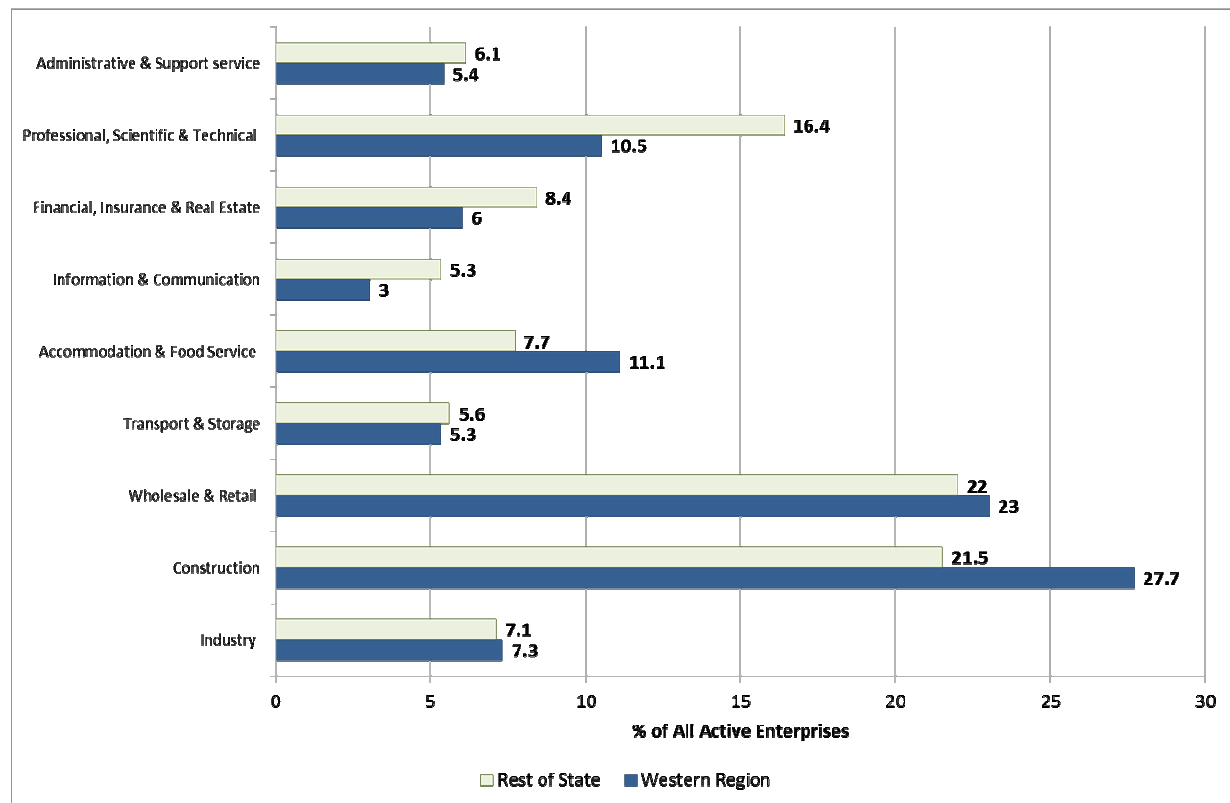


Source: CSO, Business Demography 2007 and 2009

4.2 Profile of enterprises by sector

The sectoral make up of the region's enterprise base is of particular importance to the region's future. Overall the Western Region had a less evenly distributed enterprise profile than the rest of the state in 2009 (Fig. 5).

Fig. 5: Percentage of active enterprises in each sector in the Western Region and rest of the state, 2009



Source: CSO, Business Demography 2009

62% of the Western Region's enterprises were in the three sectors of construction, wholesale and retail and accommodation and food service (hospitality). For the rest of the state only 51% of enterprises were in these sectors. These three sectors have been particularly hard hit by the current recession, and their bigger role in the region's enterprise base partly explains the larger decline in the number of enterprises in the region. The number of businesses operating in these three sectors declined by -13.9% between 2007 and 2009 in the Western Region, higher than the -9.8% decline in the rest of the state.

Only 19.5% of enterprises in the region were in the three knowledge-intensive services sectors of information and communications, financial and business services and professional, scientific and technical activities. This is compared with 30.2% in the rest of the state.

An increase in the number of businesses in these higher value, higher skilled sectors will be required to generate sustainable economic growth in the Western Region. However, while the number of enterprises in these sectors in the region did grow by +5.9% between 2007 and 2009 this was less than the +8.9% growth in the rest of the state. This meant that the Western Region's share of all enterprises in these sectors fell from 12% in 2007 to 11.7% in 2009, indicating that the region actually lost ground.

The enterprise profile differs considerably between counties in the region (Table 3). In general knowledge-intensive services sectors accounted for a higher share of businesses in the more urban counties (Galway, Clare and Sligo) whereas for the more rural counties construction and local services had a greater role.

Even in 2009 construction continued to account for over 30% of enterprises in Roscommon and Donegal, while only accounting for 24% in Clare. The local services of accommodation and food service, and wholesale and retail also accounted for a higher share in the more rural counties (38.3% in Leitrim, 37% in Donegal and 36.7% in Mayo) compared with just 31.3% in Galway. This is despite the strength of the tourism and retail sectors in Galway which clearly shows the greater diversity of Galway's overall enterprise mix compared with the more rural counties.

The knowledge-intensive services sectors of information and communications, financial and business services, and professional, scientific and technical activities accounted for over 20% of enterprises in Galway, Sligo and Clare, but less than 15% in Leitrim and Donegal. Galway's share of enterprises in these sectors (24.3%) was sixth highest nationally.¹⁵

Table 3: Percentage of all active enterprises by sector in western counties, 2009

Sector	Clare %	Donegal %	Galway %	Leitrim %	Mayo %	Roscommon %	Sligo %
Industry	7.1	8.2	7.1	7.5	7.1	7.6	7.1
Construction	24.1	30.3	27.3	27.5	28.3	31.2	26.1
Wholesale & Retail	22.0	24.7	21.3	24.9	24.9	23.6	22.5
Transport & Storage	5.8	5.7	4.6	5.3	5.0	5.7	6.8
Accommodation & Food Service	11.1	12.3	10.0	13.4	11.8	10.1	10.5
Information & Communications	3.3	1.9	4.3	1.7	2.2	2.0	2.6
Financial, Insurance & Real Estate	5.6	4.9	7.7	4.0	5.3	4.1	6.7
Professional, Scientific & Technical	11.3	7.5	12.3	9.1	9.7	9.3	11.7
Administrative & Support Services	9.4	4.5	5.4	*	5.7	6.4	*
Total (No.)	5,318	6,047	10,834	1,384	5,375	2,471	2,537

Source: CSO, Business Demography 2009

* indicates data has been suppressed to protect the confidentiality of individual enterprises.

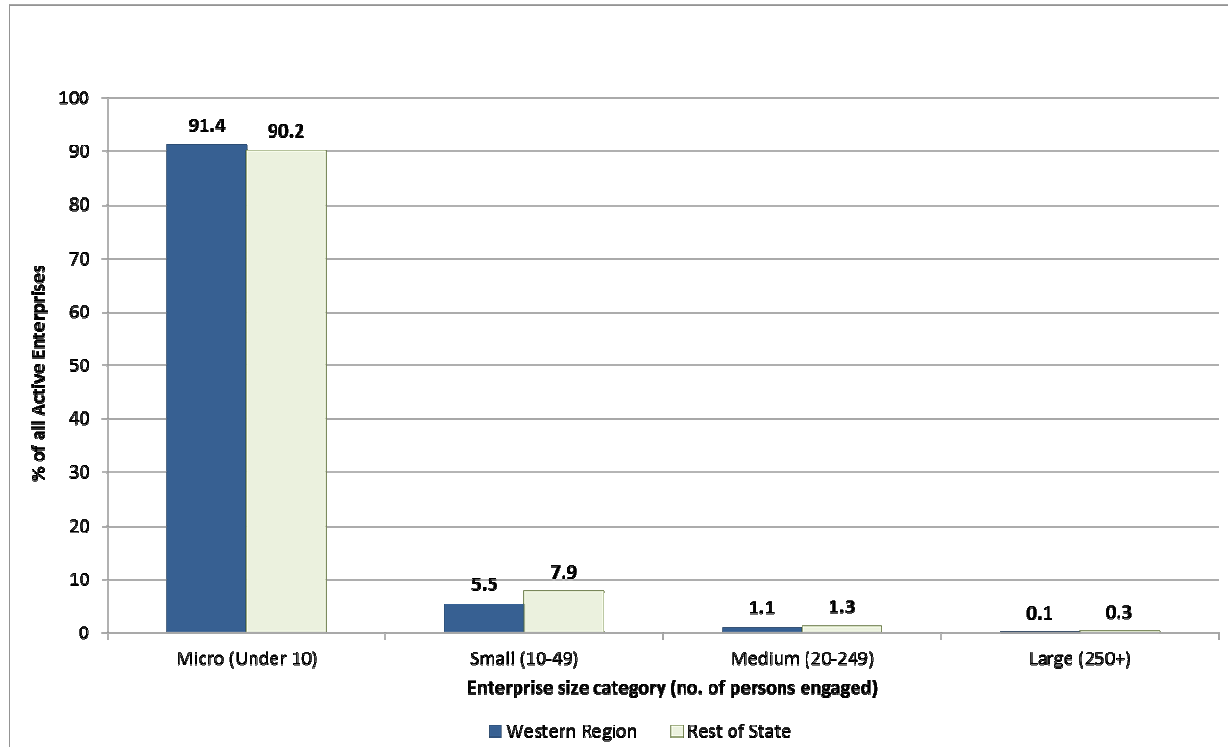
4.3 Scale of enterprises

The 33,966 enterprises operating in the region in 2009 were composed of micro-enterprises (under 10 persons engaged), small (10-49 persons), medium-sized (50-249 persons) and large (250+ persons) enterprises. Micro-enterprises accounted for the vast majority of businesses (Fig. 6). In the Western

¹⁵ After Dublin (43.6%), Wicklow (30.6%), Cork (27.6%), Kildare (27.2%) and Limerick (26.7%).

Region 91.4% of all businesses in 2009 were employing fewer than 10 people. This was a marginally higher share than in the rest of the state. Roscommon (93.6%) and Leitrim (93.3%) had the highest shares of micro-enterprises of all counties in the state.

Fig. 6: Percentage of active enterprises in each size category (no. of persons engaged) in the Western Region and rest of the state, 2009



Source: CSO, Business Demography 2009

A number of data issues arise for larger enterprises. Data for certain size categories (10-19 persons and 250+ persons) in counties Leitrim, Roscommon, Sligo and Donegal have been suppressed to protect the confidentiality of individual enterprises. This means that the total number of enterprises in these size categories in the Western Region will be underestimated.¹⁶ Bearing this in mind, 5.5% (1,863) of enterprises in the Western Region in 2009 were small, employing between 10 and 49 persons, which was below the share in the rest of the state. There was also a slightly lower share of medium-sized (50-249 persons) enterprises with 375 enterprises in the region in this category.

The number of enterprises employing over 250 persons was very small. There were 29 such companies between counties Galway (14), Clare (9) and Mayo (6) in 2009 (no data is available for the other counties in the region due to confidentiality).

¹⁶ The share in the rest of the state will also be slightly underestimated as data for counties Carlow, Kilkenny, Laois and Longford are also suppressed.

5.0 Employment

Creating employment and reducing unemployment is the Western Region's most urgent challenge and is also fundamental to limiting the brain drain. This section profiles the current employment situation in the region, while section 6 examines unemployment. Data in this section are mainly drawn from the special run of the QNHS¹⁷ with additional data from the Forfás Annual Employment Survey.

5.1 Labour force

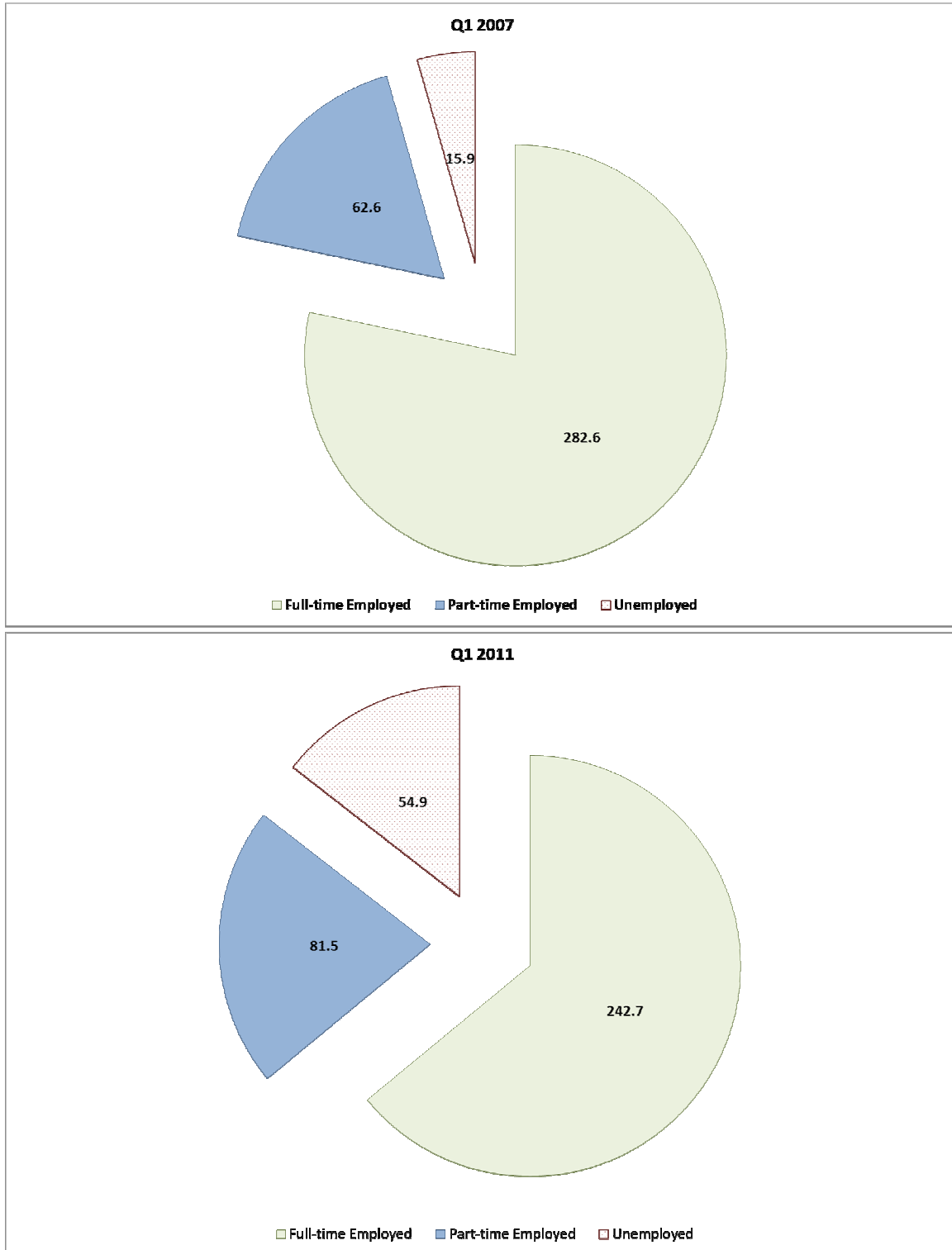
The labour force refers to everybody aged over 15 years who is either working or looking for work. It is essentially a measure of the potential labour supply available within the region, although it underestimates this as some people who are currently not in the labour force would become available if the opportunities were there.

The Western Region's labour force in 2011 is 379,100 people, which is +5% higher than it was in 2007. This is in contrast to the rest of the state where the labour force shrank by -5.7% between 2007 and 2011. This may partly be due to some people from the region returning 'home' after losing their job in another area, in particular younger people.

Of all those in the labour force, there has been a dramatic decline in the share who are in full-time employment between 2007 and 2011 (Fig. 7). There has also been a striking increase in the share unemployed.

¹⁷ Data is based on ILO labour force classifications (see footnote 11).

Fig. 7: Composition of Western Region's labour force (000s), Q1 2007 and Q1 2011



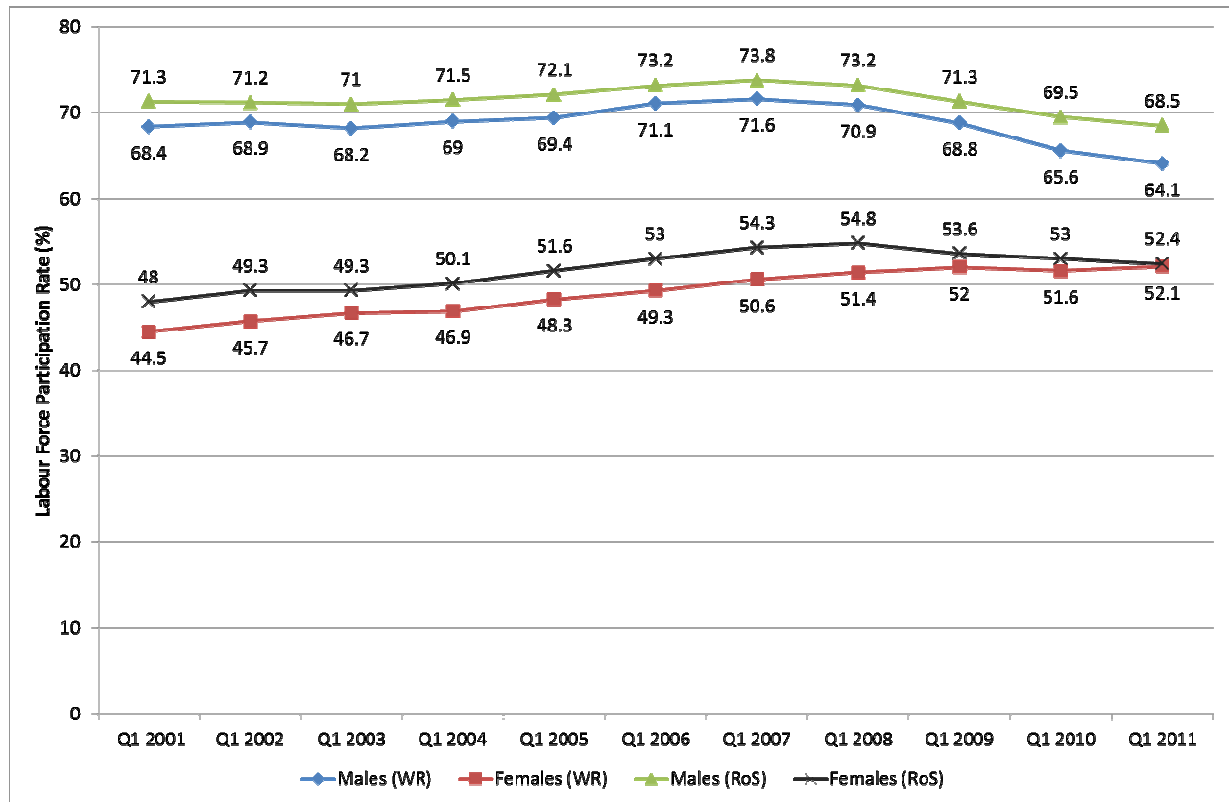
Source: CSO, Quarterly National Household Survey, Q1 2011, Table 1, Special Run

5.2 Participation rates

The size of an area's labour force is determined by its working age population and by participation rates. The Western Region's participation rate is 58.1% which means that 58.1% of people aged over 15 years in the Western Region are either working or looking for work. This is 2.2 percentage points lower than the participation rate in the rest of the state (60.3%).

By gender: The difference in the participation rate between the region and the rest of the state is almost entirely due to the region’s considerably lower male participation rate (Fig. 8). Currently the Western Region’s male participation rate (64.1%) is 4.4 percentage points below that in the rest of the state. The current gap is double what it was in 2007 when men’s participation in the region was at its peak.

Fig. 8: Male and female labour force participation rates in the Western Region and rest of the state, Q1 2001 – Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 9a, Special Run

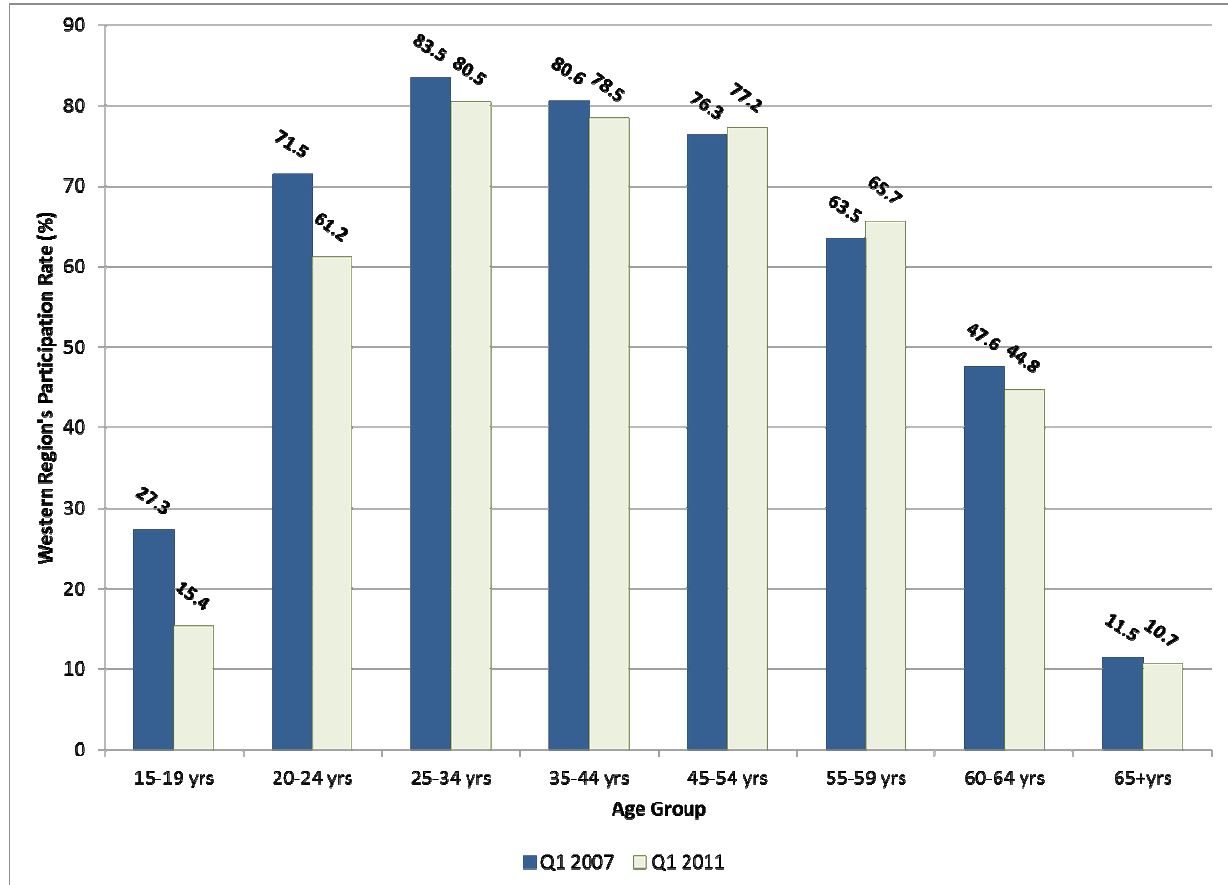
As the gap in male participation rates has widened, the gap in female participation rates has narrowed and the female rate in the region is now almost identical to the rest of the state. The gender pattern of participation rate changes partly reflects the substantial losses of male construction employment and the resulting withdrawal from the labour force by some men, particularly in the younger and older age groups. There is also an underlying trend for increased labour force participation among women.

The decline in labour force participation among men has been mirrored by substantial increases in the number of men outside of the labour force, mainly becoming students (section 3.3) or retiring (section 7).

By age: Participation rates also vary considerably by age group. The dramatic decline in labour force participation among younger age groups is one of the most striking changes in the labour market in recent years.

For those aged 15-19 years, their labour force participation in the region declined from a peak of 27.3% in 2007 to 15.4% in 2011 (Fig. 9). The decline is likely due to remaining longer in education. For this age group the figures are similar for the region and rest of the state (from 27.8% to 15.1%). For the 20-24 year age group, participation rates also declined substantially. This is likely due to greater participation in further and higher education.¹⁸

Fig. 9: Labour force participation rates in the Western Region by age group, Q1 2007 and Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 9a, Special Run

Changes in participation among all other age groups have been relatively small. Indeed participation rates for 45-54 and 55-59 year olds have actually increased. This is entirely due to strong increases in female participation in these age groups (likely due to previous increases in female participation working their way up through the age categories) as male participation rates in these age groups declined.

5.3 Employment

Despite recent increases in unemployment, the vast majority of the labour force continues to be employed. Total employment in the region in 2011 is 324,200, -6.1% lower than in 2007 (Fig. 7 on page 19).

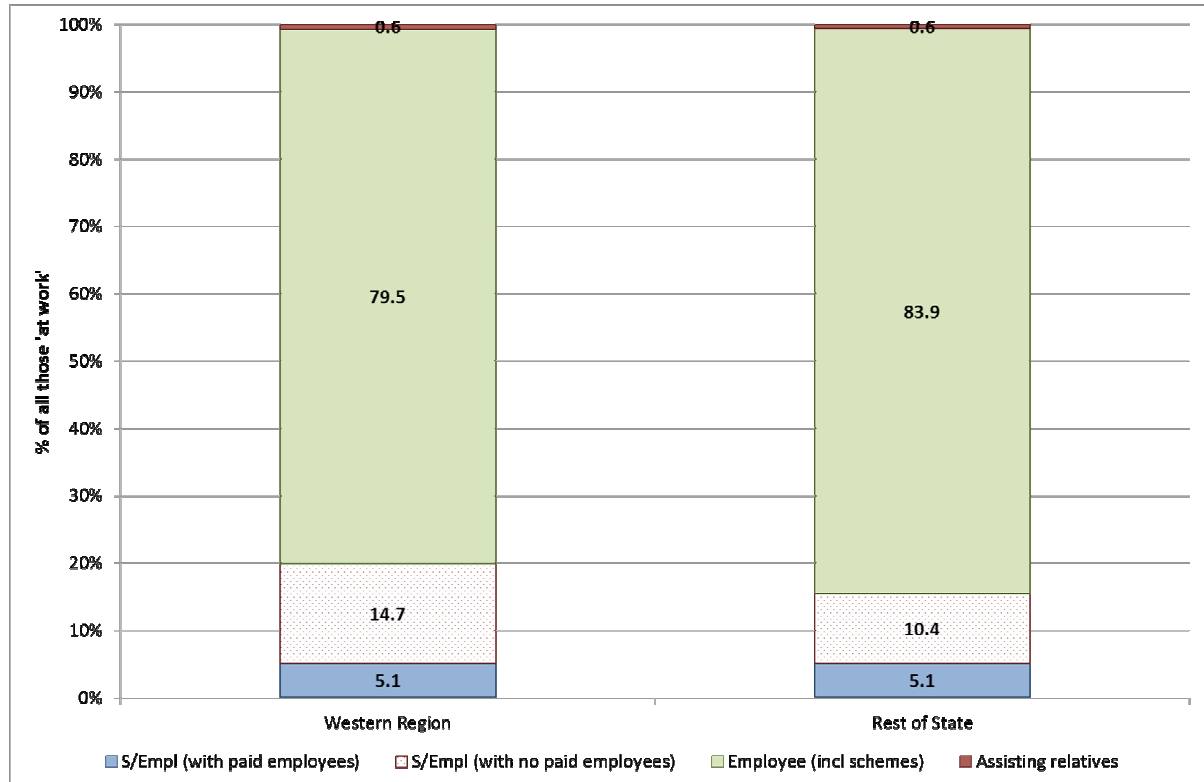
¹⁸ Emigration does not impact on participation rates as it reduces both the number in the population (aged over 15 years) and the number participating in the labour force.

There are several aspects of employment which are of interest – employment status (employee or self-employed), the extent of full-time and part-time employment and the sectors that people work in. These are now examined in turn.

5.3.1 Employment status

In the Western Region 79.5% of those who are working are employees. This is significantly lower than the share in the rest of the state (Fig. 10).

Fig. 10: Percentage of those ‘at work’ by employment status in the Western Region and rest of the state, Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 5a, Special Run

The share of the total ‘at work’ who are self-employed and employing other people is the same in the region and rest of the state (5.1%). For the Western Region this means there are 16,600 people in the region who have their own enterprise and employ others. This is down from 21,100 in 2007, a decline of -21.3% (greater than in the rest of the state -20.8%).

In contrast, the share who are self-employed but do not employ any other person is considerably higher in the region. This group accounts for 14.7% of all those ‘at work’ in the region, but only 10.4% in the rest of the state. In absolute terms there are 47,800 people working for themselves in the region who do not employ anyone else. This is down -5% from 2007.

The decline in self-employment without paid employees (-5%) does not seem as large as might be expected given the overall scale of the downturn, and is considerably less than the decline in self-employed with employees (-21.3%). This may partly be due to some people who previously employed others having to let them go and therefore moving from the ‘with employees’ to the ‘without

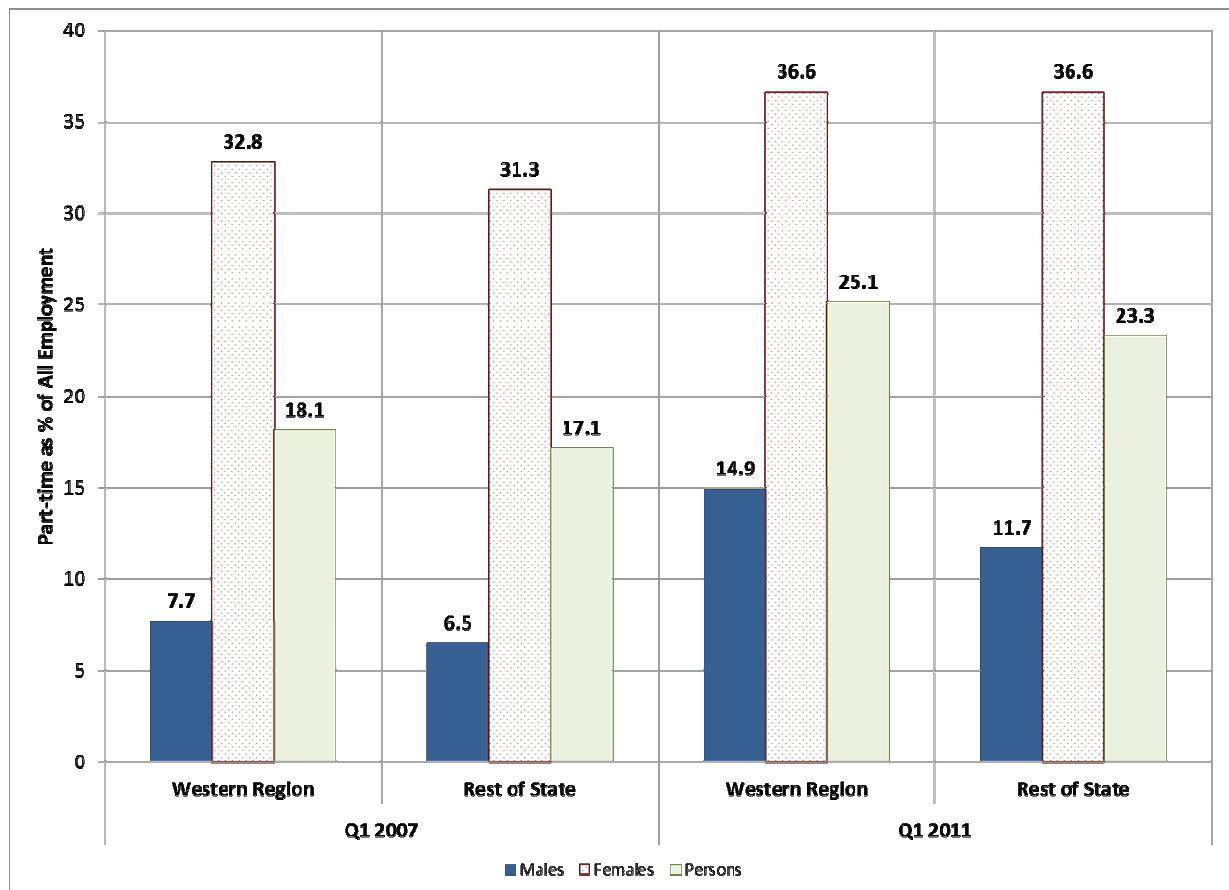
employees' category. It may also indicate that larger businesses have been worse affected by the downturn than people working alone.

In total 19.9%, or 1 in 5, of those 'at work' in the Western Region are self-employed, greater than the 15.5% in the rest of the state. This is partly influenced by higher levels of construction and farming activity in the Western Region (section 5.3.3). However it is also influenced by limited employment opportunities in some areas of the region leading more people to choose self-employment in order to live where they want to live.

5.3.2 Employment type

The recession has resulted in a substantial increase in part-time employment (Fig. 11). In 2007 18.1% of people working in the region were working part-time, by 2011 this had risen to 25.1%. This means that 1 out of every 4 people working in the region work part-time. This is greater than in the rest of the state (23.3%).

Fig. 11: Percentage of all employment which is part-time by gender in the Western Region and rest of the state, Q1 2007 and Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 1, Special Run

Part-time employment is more significant among women, with 36.6% of working women in the region working part-time, exactly the same as in the rest of the state. The overall difference between the region and rest of the state is therefore entirely due to higher part-time employment among men in the

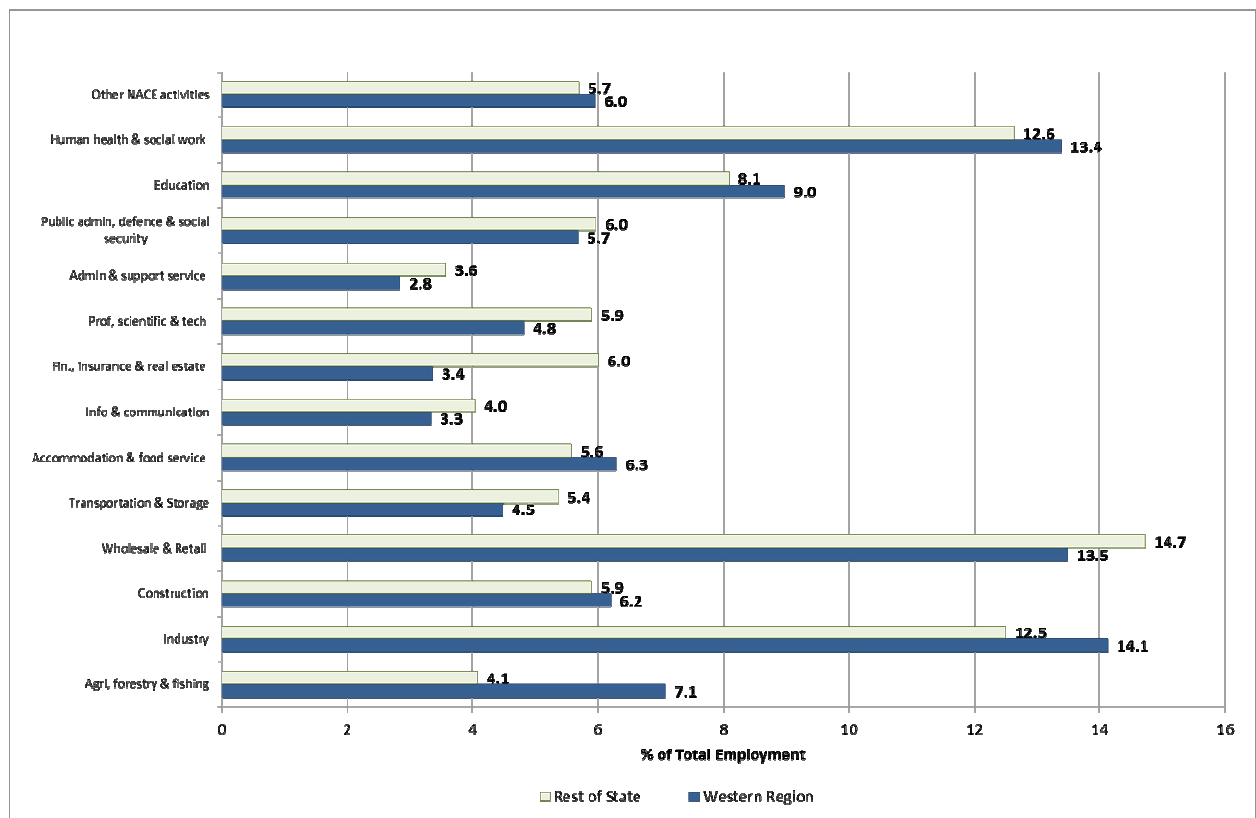
region. The share of men working part-time is 14.9% in the region, compared with just 11.7% in the rest of the state. In both areas this is a dramatic increase from 2007.

The extent of part-time employment reflects the level of underemployment,¹⁹ as some people who are working part-time would prefer to work full-time if they had the opportunity. Of the 81,500 people who are working part-time in the region nearly a third (31.2%) are underemployed. This is considerably higher than in the rest of the state where 27.9% of those working part-time are underemployed. The extent of underemployment means that only considering figures for unemployment will underestimate the full extent of the problem. The needs of underemployed part-time workers must be considered together with those of the unemployed to fully address current labour market problems. This is an even more important issue for the Western Region.

5.3.3 Employment by sector

The 324,200 people who are in employment in the Western Region work in a range of economic sectors (Fig. 12). In 2011 the top three employment sectors in the region are industry, wholesale and retail, and human health and social work. This is a slight change from 2010 when wholesale and retail employed more people than industry.

Fig. 12: Percentage of persons employed by economic sector in the Western Region and rest of the state, Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 2b, Special Run

¹⁹ As of Q3 2010 a new methodology has been applied in the QNHS to the estimation of the level of part-time underemployment. The new method of calculation, based on ILO and Eurostat recommendations, uses the following criteria to derive underemployment: Working part-time; Willing to work additional hours; Available to work additional hours. In the previous criteria a person also had to be actively seeking additional hours. This criteria has now been removed which has greatly increased the estimate of underemployment.

Education, agriculture, forestry and fishing,²⁰ accommodation and food service and construction are the next largest employers. All seven top employment sectors (except wholesale and retail) employ a higher share in the region than the rest of the state. The list of the top sectors in the rest of the state is similar, except agriculture and accommodation and food service are replaced by public administration and defence, and financial and business services.

The smallest employment sectors in the Western Region include those associated with the knowledge economy – administrative and support services, information and communications, financial, insurance and real estate activities, transportation and storage, and professional, scientific and technical activities. The region has a lower share than the rest of the state in all these sectors.

Overall, employment in the region continues to be more reliant on local and public services and the traditional sectors (though industry includes considerable high-tech activity) and less reliant on knowledge-intensive services.

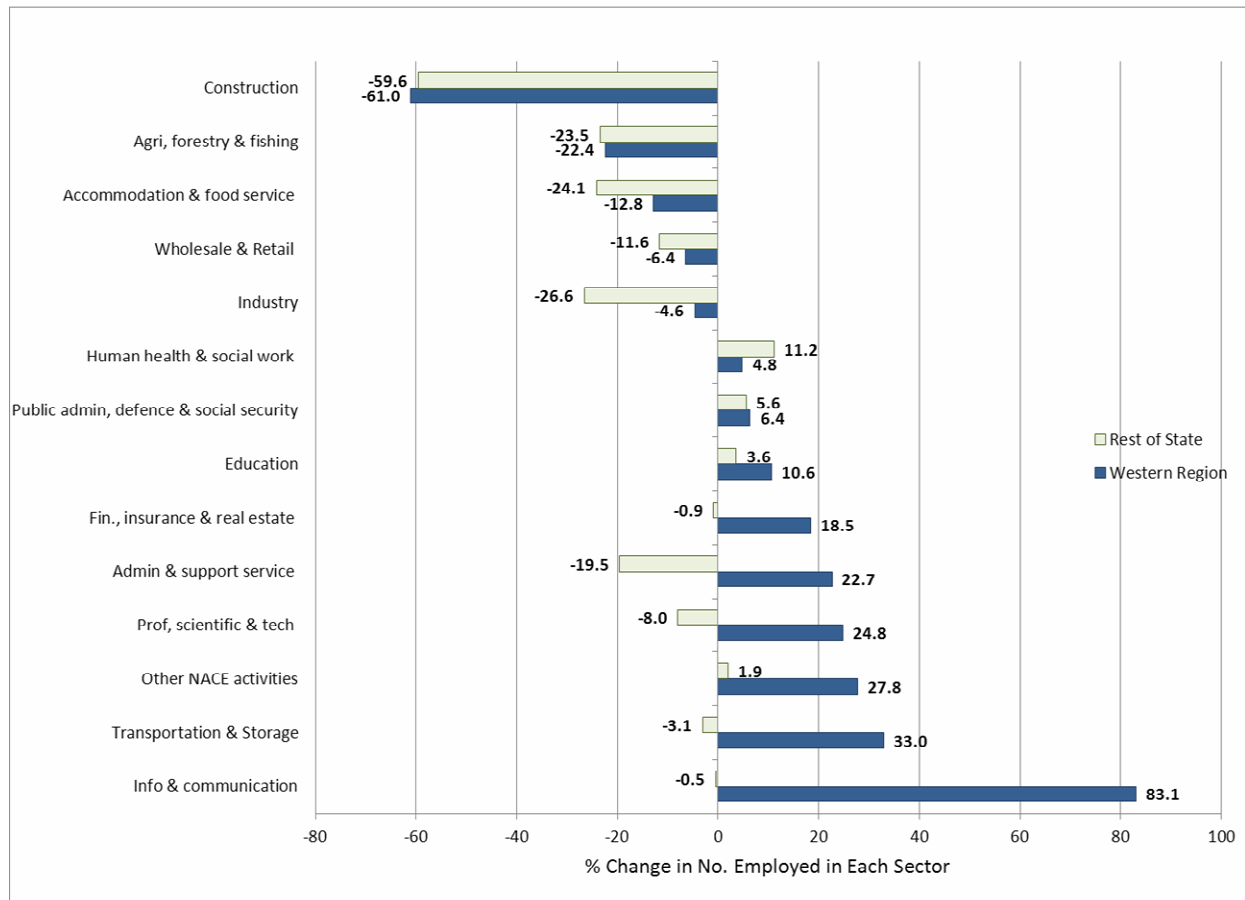
The pattern of sectoral employment has changed dramatically since 2007, with some sectors experiencing huge job losses and others increasing employment (Fig. 13). The region's biggest employment sectors are also the ones which had job losses between 2007 and 2011. Construction, agriculture, accommodation and food service, wholesale and retail and industry all experienced declines.

All the other sectors are employing more people in the region in 2011 than in 2007. Employment in information and communications, transportation and storage, and professional, scientific and technical activities grew particularly strongly. From Fig. 13 it is clear that this pattern is in contrast with the rest of the state, in particular the substantial increases in knowledge-intensive services employment in the region contrasts with declines elsewhere. This is a positive indication of increasing diversity in the region's employment structure. Though it must be remembered that the Western Region was beginning from a very low base in these sectors in 2007 so the growth represented some 'catching up' by the region. It continues to have a lower share employed in these sectors (Fig 12 above).

The spatial pattern of this growth in knowledge-intensive services is also likely to favour the larger urban centres and in particular Galway, as illustrated by the county figures for the number of enterprises in these sectors (section 4.2). The results of Census 2011 will give an accurate insight into the spatial pattern of employment growth in these sectors within the region.

²⁰ Caution is required in relation to the figures for employment in the agriculture, forestry and fishing sector. The CSO has advised that due to an issue with sampling there are concerns over the accuracy of the figures for agricultural employment. They advise caution in the interpretation of these figures. Given the more rural nature of the Western Region this may be a more significant issue in the region than the rest of the state. The results of Census 2011 will provide more accurate figures.

Fig. 13: Percentage change in number employed in each economic sector in the Western Region and rest of the state between Q1 2007 and Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 2b, Special Run

By gender: Employment by sector varies considerably by gender (Table 4). Over half of men (55.3%) work in industry, wholesale and retail, agriculture and construction, compared with 47.2% in the rest of the state. This indicates a less diversified male employment structure in the region. These are also the sectors which have had the greatest male employment losses. Overall there was a drop of -14.9% in the number of men at work in the region between 2007 and 2011.

For women 60.6% work in the four largest sectors of health, education, wholesale and retail, and industry. This was quite similar to the 59.1% in the rest of the state. One of the most important features of female employment is the reliance on the public sector with 43.6% of women in the region working in health, education and public administration, higher than the 41.1% in the rest of the state.

In contrast to men, the number of women working in the region grew by +6.3% between 2007 and 2011 with only accommodation and food service, wholesale and retail, and industry having a fall in female employment. There was particularly strong growth in female employment in the professional, scientific and technical sector (+88.6%) albeit from quite a low base.

Table 4: Percentage of total male and female employment in the Western Region by sector in Q1 2011 and percentage change between Q1 2007 and Q1 2011

	% of Total Employment 2011		% Change in Employment 2007-2011	
	Male %	Female %	Male %	Female %
Agriculture, forestry & fishing²¹	12.5	*	-23.6	*
Industry	18.4	9.4	-5.7	-1.4
Construction	11.2	*	-61.8	*
Wholesale & retail	13.2	13.8	-7.4	-5.4
Transportation & Storage	6.5	[2.2]	22.0	[73.7]
Accommodation & food service	4.8	8.0	-10.8	-13.5
Information & communication	4.5	[2.0]	92.5	[63.2]
Financial, insurance & real estate	2.5	4.3	30.3	11.9
Professional, scientific & technical	5.2	4.3	0.0	88.6
Administrative & support services	[2.2]	3.5	[22.6]	17.8
Public administration, defence & social security	5.2	6.2	12.7	1.1
Education	4.5	14.0	16.4	8.7
Human health & social work	4.5	23.4	6.9	4.4
Other NACE activities	4.7	7.3	32.8	23.1
Total (No.)	171,600	152,600	-14.9	6.3

Source: CSO, Quarterly National Household Survey, Q1 2011, Table 2b, Special Run

* indicates where sample size is too small for estimation.

[] indicates that results are based on small numbers and are therefore subject to a wide margin of error and should be treated with caution.

5.4 Agency assisted employment

While not based on data from the QNHS, it is useful to consider agency assisted employment²² to supplement the discussion of employment in the region. Data for assisted employment gives more detail on the different types of industry, is available at county level and is important as these firms are the exporting companies central to recovery. This data is for 2010.

In 2010 there were 45,666 people working in full-time assisted employment in the Western Region. It is interesting to note that this was 19.2% of all full-time employment in the region in that year, a

²¹ See footnote 20

²² Employment in businesses that have received some assistance from the IDA or EI. *Forfás Annual Employment Survey 2010*.

significant increase from 2009 (17.3%). This is a reversal of the trend evident since 2000 where the share of assisted employment has been declining from a high of 24% of all full-time employment. The declining relative importance of assisted employment in total employment reflected the huge growth in domestically generated jobs even as the numbers working in assisted companies remained steady or grew. The reversal of this trend in 2010 is evidence of the decline in full-time employment in non-assisted sectors particularly construction, accommodation and wholesale and retail (section 5.3.3).

Assisted employment in 2010 was 6,666 (-12.7%) fewer than in 2007, a smaller decline than occurred in the rest of the state where assisted employment fell by -14.5%. This meant that in 2010, agency assisted employment in the Western Region accounted for 16.6% of all such employment nationally, marginally higher than its share in 2007 (16.3%). The resilience of the medical devices cluster is likely to be a factor in the region's better performance.

5.4.1 Agency assisted employment by sector

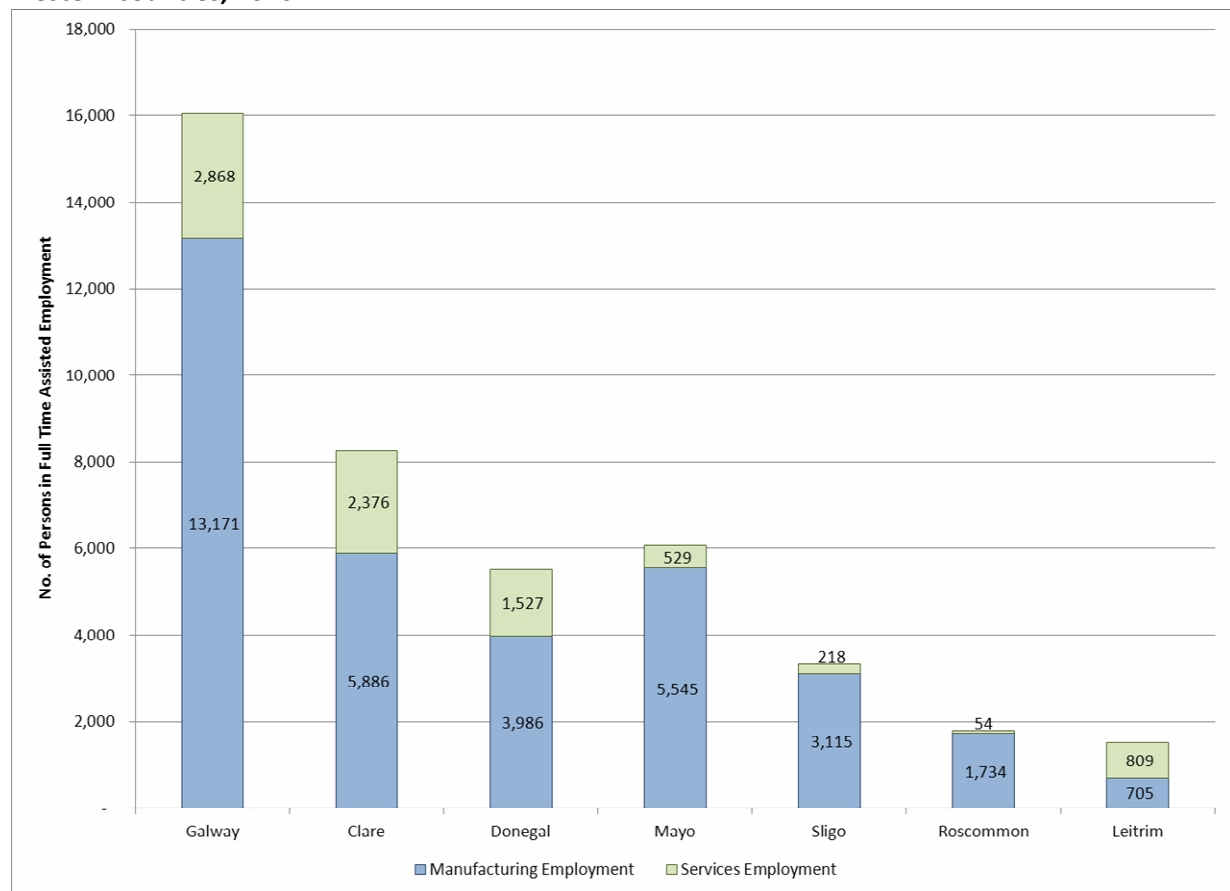
Sectorally the largest declines in assisted employment in the region between 2007 and 2010 were in basic and fabricated metals (-905 people), non-metallic minerals (-904 people) and wood and wood products (-901 people) all of which are manufacturing sectors closely associated with inputs to construction. Other sectors which experienced quite large declines included computer consultancy activities (-717), food (-651) and miscellaneous manufacturing (-509). At the same time, employment increased in computer programming (+240), other services (+191) and medical devices (+151) over the period.

Data is available at county level for the number of people working in assisted companies.²³ By county, assisted employment in 2010 ranged from 16,039 people working in Galway to 1,514 in Leitrim (Fig. 14). Manufacturing accounted for the biggest share of assisted employment in all western counties, with the exception of Leitrim. The manufacturing sector was particularly dominant in assisted employment in Roscommon, Sligo and Mayo.

The overall decline in assisted employment in the region between 2007 and 2010 of -6,666 people was spread across all western counties. In terms of absolute numbers, Galway (-1,877 people), Donegal (-1,311 people) and Clare (-1,121 people) experienced the largest falls. However in percentage terms Roscommon experienced by far the largest decline in assisted employment, falling by -31.7% (-829 people) between 2007 and 2010. This is associated with declines in traditional manufacturing linked to construction, as well as the food sector.

²³ These county sectoral data exclude employment in 'Agriculture, Forestry & Fishing' and 'Other Services'.

Fig. 14: Permanent full-time employment in assisted manufacturing and services companies in western counties, 2010



Source: Forfás Annual Employment Survey 2010, special data run. These data exclude employment in Údarás na Gaeltachta and Shannon Development affiliated companies and also exclude companies engaged in 'Agriculture, Forestry & Fishing' and 'Other Services'.

5.4.2 Agency assisted employment by ownership

Of all assisted employment in the Western Region in 2010, 54.2% was in firms that are foreign-owned, up from 53.8% in 2009. The remainder (45.8%) was in Irish-owned firms. Across the rest of the state 49.8% of all agency assisted employment was in foreign-owned firms. The higher share in foreign-owned firms in the region shows the continuing and important role of the foreign-owned sector to the region's economy.

In the period 2007-2010 there has been greater contraction of employment in Irish-owned firms than foreign-owned, in both the region and rest of the state. While employment in Irish firms in the region fell by -17.3%, it only declined by -8.4% for foreign firms. Indeed foreign firms in the region have also performed better than foreign firms elsewhere in the state (-11.4%).

These patterns could be explained by the declines in traditional manufacturing linked to construction, predominantly Irish-owned, and the continuing strength of the largely foreign-owned medical devices and ICT sector in the Western Region (both of which increased employment between 2007 and 2010).

6.0 Unemployment

There are almost 55,000 people unemployed in the Western Region. Just over half (53.9%) of these have been unemployed for a year or more. The number unemployed in 2011 is a +245.3% increase on the number in 2007 (15,900 to 54,900) which is a notably greater increase than in the rest of the state (+192.8%). This indicates that the regional labour market has experienced a more dramatic shock, likely linked to the greater reliance on construction and construction-related industry and services in the region.

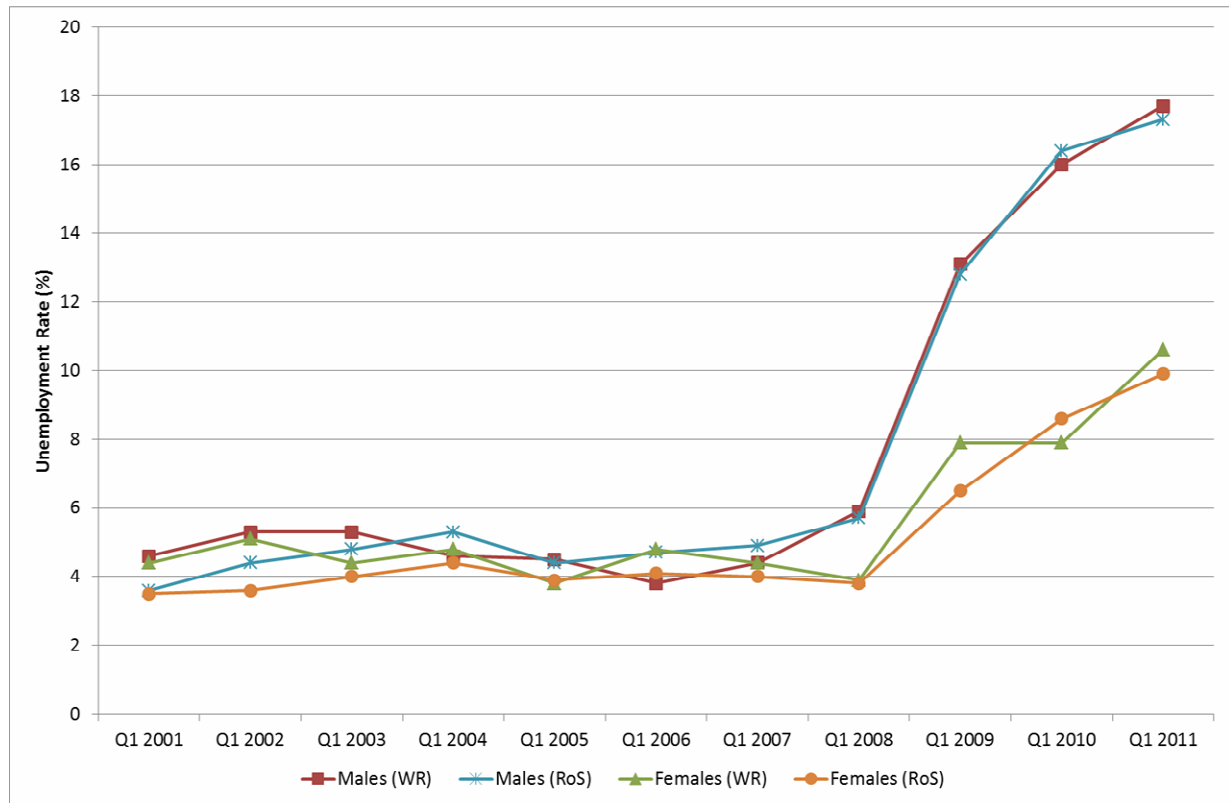
Several aspects of unemployment are of interest – unemployment rates, duration of unemployment and the number of people living in jobless households. These are examined here. Data from the Live Register and Department of Social Protection data on Notified Redundancies are also examined in this section.

6.1 Unemployment rates

The region's unemployment rate is 14.5%, higher than in the rest of the state (14.0%). This is compared with a rate of 4-5% between 2001 and 2008. The increase in the unemployment rate has been quite similar in the region and rest of the state.

By gender: The unemployment rate for men has always been higher than for women, though from 2001-2007 the difference was less than one percentage point. However when unemployment rates began to increase the male and female rates diverged dramatically (Fig. 15). The male unemployment rate in the region is 17.7% and the female rate is 7 percentage points lower at 10.6%. Both the male and female unemployment rates in the region are higher than in the rest of the state (17.3% and 9.9% respectively).

Fig. 15: Unemployment rates of males and females in the Western Region and rest of the state, Q1 2001 – Q1 2011

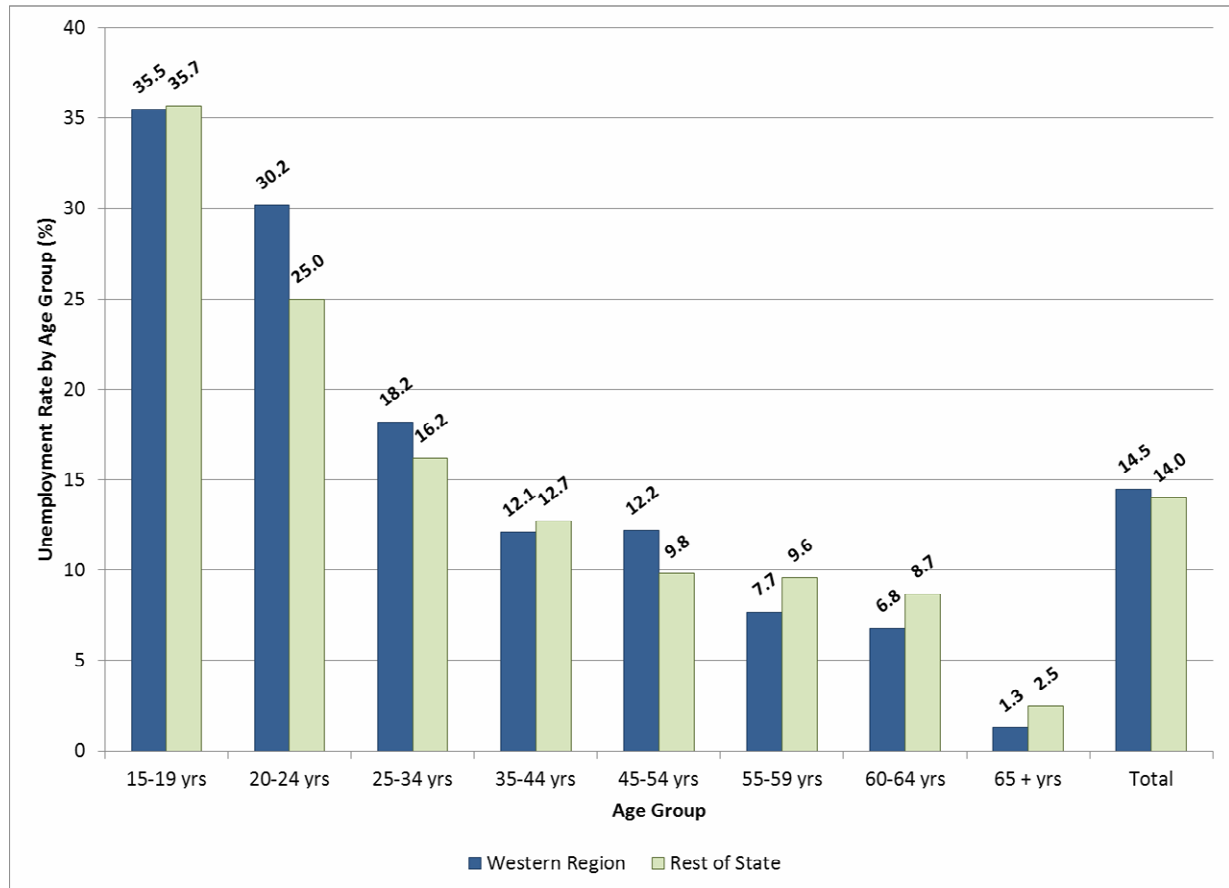


Source: CSO, Quarterly National Household Survey, Q1 2011, Table 9a, Special Run

By age: Younger age groups have a higher risk of unemployment than older age groups (Fig. 16). In the Western Region unemployment rates range from 35.5% for 15-19 year olds to 6.8% for those aged 60-64 years. Unemployment rates are particularly high for the two youngest age categories contributing to the dramatic fall in labour force participation in these age groups, in particular the youngest (section 5.2). So while 15-19 year olds who are in the labour force do have a very high unemployment rate, there are a declining number of them.

The difference between the Western Region and the rest of the state in the 20-24 year old age category is particularly stark (the region had an unemployment rate which was 5 percentage points higher). While this is partly due to high unemployment among young men with lower skills, it is also linked to the higher unemployment rate for third level graduates in the region, as many new graduates would be in this age category. For the older categories (55 years and over) the region had lower unemployment rates than the rest of the state.

Fig 16: Unemployment rates by age group in the Western Region and the rest of the state, Q1 2011



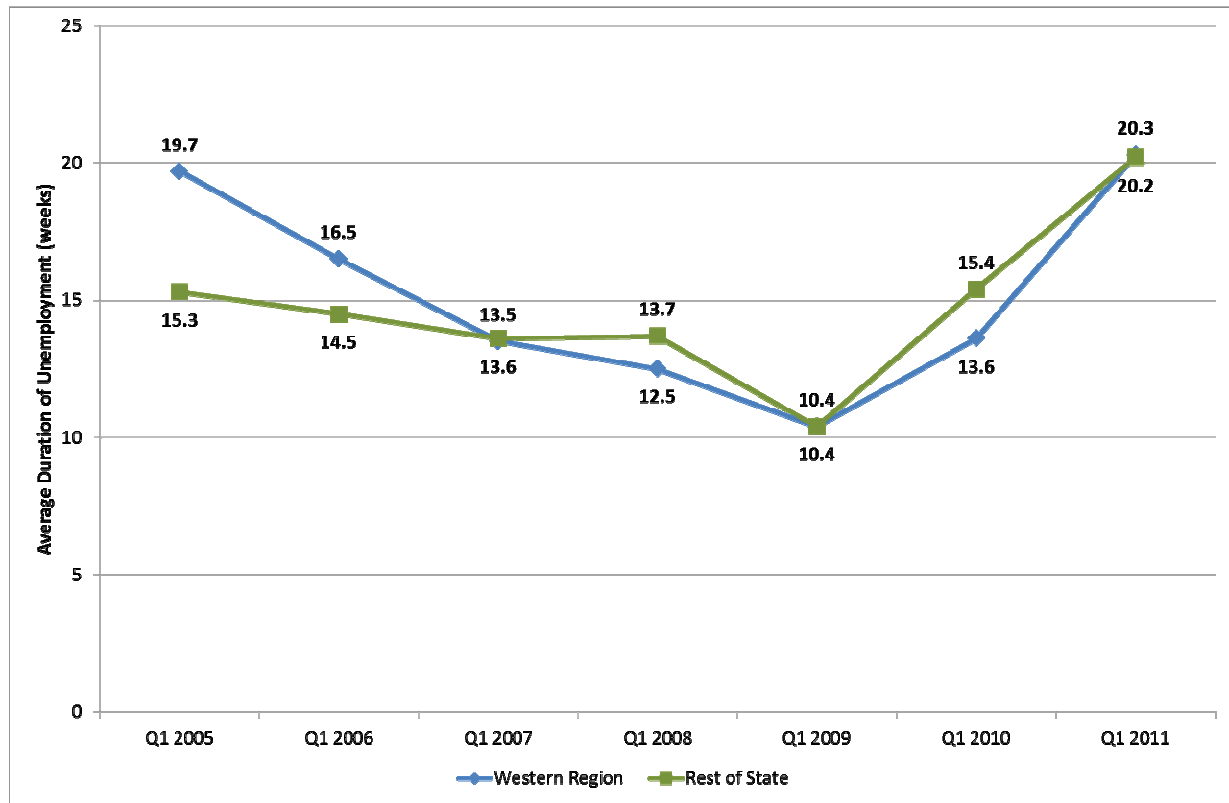
Source: CSO, Quarterly National Household Survey, Q1 2011, Table 9a, Special Run

6.2 Duration of unemployment

In 2005 unemployed people in the Western Region were, on average, unemployed for a longer period than in the rest of the state (19.7 weeks compared with 15.3 weeks) (Fig. 17). This corresponded to a higher long term unemployment rate in the region in the early 2000s (Fig. 18).

However, as labour demand grew rapidly from 2005 to 2007 the average duration of unemployment declined and the region converged with the rest of the state. When unemployment began to rise from 2007 onwards, the influx of newly unemployed people lowered the overall average and it reached a low of 10.4 weeks in 2009. However as the rate of new job losses has slowed and an increasing share of people move into long term unemployment, the average duration has risen sharply to 20.3 weeks in the region. However it is important to note that on average a person who becomes unemployed in the region is unemployed for less than six months, indicating there are still job opportunities in the labour market. From section 5.3.3 it is clear that employment continues to grow in several sectors and there is also replacement demand across all sectors.

Fig. 17: Average duration of unemployment (weeks) in the Western Region and rest of the state, Q1 2005 – Q1 2011

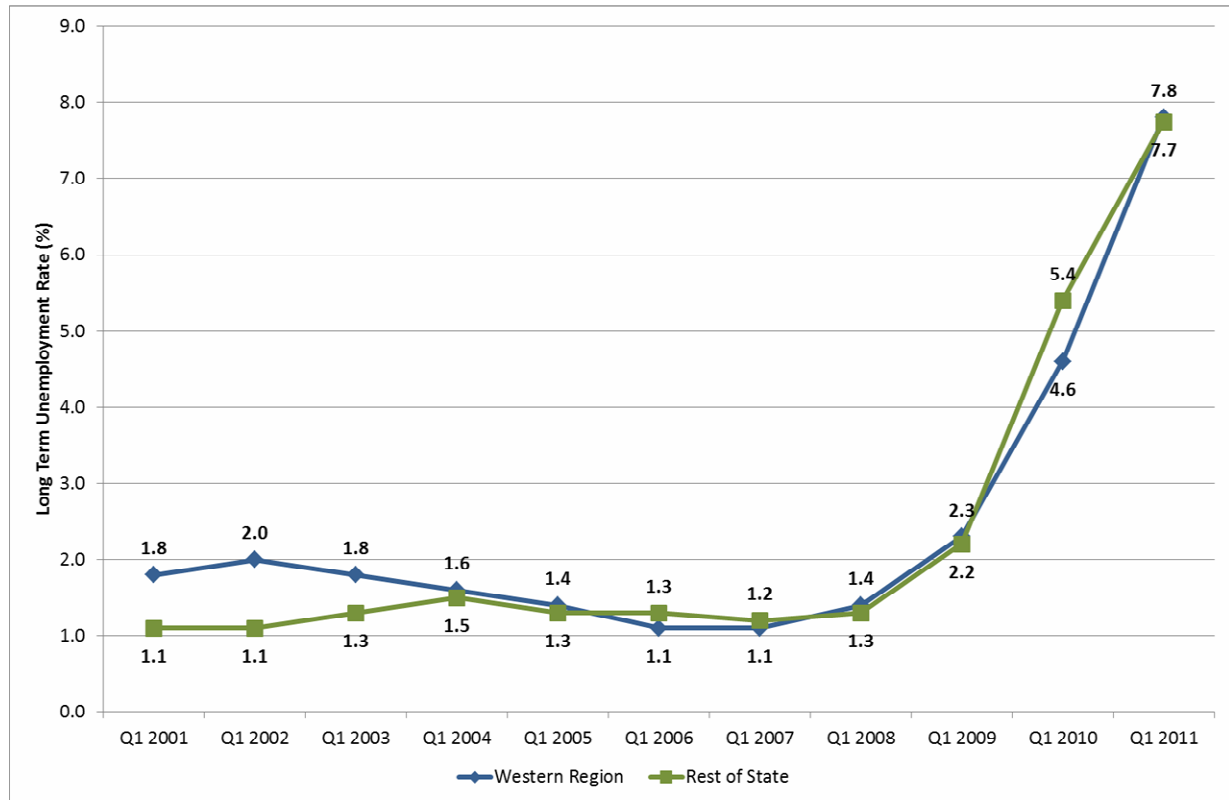


Source: CSO, Quarterly National Household Survey: Unemployment Thematic Report Q1 2005 – Q1 2011, Table 6, Special Run

The increase in the average duration that a person is unemployed is linked to increasing long term unemployment. In Q1 2011 29,600 people in the region had been unemployed for over a year, up from 16,300 a year earlier. Long term unemployment now accounts for 53.9% of all unemployment.

From 2001 to 2003 the region had a higher long term unemployment rate than the rest of the state (Fig. 18). From 2004 to 2008 there was a very low long term unemployment rate and not much difference between the region and elsewhere. Since 2008 the rate has risen extremely sharply to reach 7.8% in the region at the start of 2011.

Fig. 18: Long term unemployment rate in the Western Region and rest of the state, Q1 2001 – Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 7a, Special Run

6.3 Jobless Households

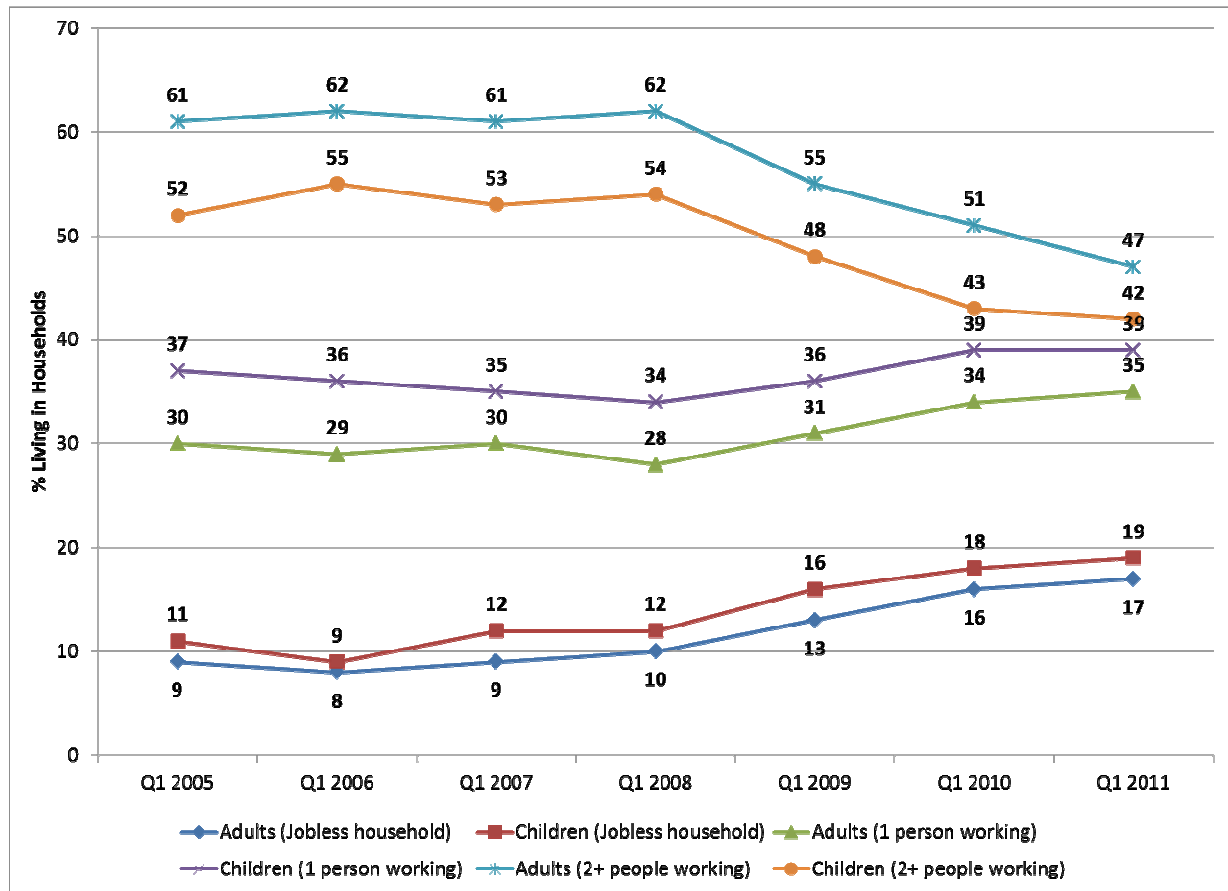
As unemployment levels have risen so have the number of people living in a household where no one is employed (a jobless household). There has also been an increase in the number of people living in a household where just one person is working. These increases are directly related to a decline in the number of people living in households where two or more people are working.

Fig. 19 shows the percentage of adults (18-59 years)²⁴ and children (0-17 years) who live in a household where no one is employed, where one person is working or where two or more are working. In 2006 8% of adults and 9% of children in the Western Region lived in a household where no one was working. These proportions more than doubled to reach 17% and 19% respectively in 2011. From a situation in 2006 where fewer than 1 in 10 children in the Western Region lived in a household where nobody worked, it is now almost 1 in 5 children. This is a vivid illustration of the human impact of the recession and may have significant long term social and economic implications.

There has also been a rise in the share living in households where one person is employed, rising from 28% of adults and 34% of children in 2008 to 35% and 39% respectively in 2011.

²⁴ Adult figures refer to 18-59 year olds to exclude retired households.

Fig. 19: Percentage of adults (18-59 years) and children (0-17 years) in the Western Region by the number of persons working in the household, Q1 2005 – Q1 2011



Source: CSO, *Quarterly National Household Survey: Unemployment Thematic Report Q1 2005 – Q1 2011*, Tables 15 and 16, Special Run

The increase in the number living in jobless households or ‘one job’ households has resulted from a sharp decline in the number living in households where two or more people are working. For adults this fell from 62% in 2008 to 47% in 2011. For children it fell from 54% to 42%. The decline in the share of households with two incomes is likely to have particular impacts on standards of living and in particular the burden of household debt (e.g. mortgages).

It is also interesting to note that the decline in ‘two job’ households has occurred in parallel with rising female employment (see Table 4 on page 27) and a far higher male unemployment rate (17.7% compared with 10.6%). It is therefore likely that the number of households where the only employed person is a woman has increased.

6.4 Live Register

The live register does not measure unemployment. It includes people who are working part-time or are casual or seasonal workers, it also excludes some people who are unemployed but do not qualify for Jobseeker’s Allowance (JA) due to the means test.²⁵ The live register is, however, useful as it presents very up to date information, as well as information at a low spatial scale.

²⁵ A person who qualifies under PRSI can claim Jobseeker’s Benefit (JB) for either 9 or 12 months (depending on their contributions) before having to undergo a means test to move to JA, therefore people who in fact remain unemployed may be removed from the live register if they

In September 2011 there were 80,193 people on the live register in the region. There has been a notable slowing in the rate of increase of the live register and there were 822 fewer (-1%) people on the live register in the region in September 2011 than a year earlier. This was about the same decline as occurred in the rest of the state (Table 5).

All counties in the region (except Donegal) had a slight decline in their live register over the past year with the biggest falls in counties Galway and Roscommon. In terms of individual social welfare offices the rural offices of Manorhamilton, Tubbercurry, Achill and Swinford showed the largest declines. While we cannot be certain why the live register is declining it will be due to a mix of out-migration, a return to education or training or in some cases finding employment. For older jobseekers there may also be a move into retirement (section 7).

In some areas however, the live register has continued to increase. County Donegal had an overall rise in numbers, with a particularly strong increase in Letterkenny. The individual offices of Clifden, Belmullet, Killybegs and Westport all had relatively large increases also.

Table 5: Live register by social welfare office in September 2011

Social Welfare Office/County	September 2010	September 2011	% Change September 2010-2011	Sept 2011 % Female	Sept 2011 % under 25 years
	No.	No.	%	%	%
Clare Co.	10,039	9,889	-1.5	38.0	16.9
Ennis	5,706	5,625	-1.4	39.4	16.9
Ennistymon	1,489	1,420	-4.6	34.7	16.3
Kilrush	1,392	1,374	-1.3	35.2	19.7
Tulla	1,452	1,470	1.2	38.6	14.6
Donegal Co.	21,333	21,608	1.3	36.7	21.8
Ballybofey	2,619	2,686	2.6	35.0	25.0
Ballyshannon	1,507	1,515	0.5	40.4	22.2
Buncrana	4,897	4,737	-3.3	33.0	21.6
Donegal	1,301	1,286	-1.2	43.2	18.8
Dunfanaghy	1,593	1,573	-1.3	34.8	19.1
Dungloe	2,230	2,242	0.5	39.4	16.2
Killybegs	1,208	1,248	3.3	38.5	17.1
Letterkenny	5,978	6,321	5.7	37.1	24.7
Galway Co.	23,735	23,081	-2.8	37.4	17.8
Ballinasloe	2,605	2,506	-3.8	34.1	18.3
Clifden	1,176	1,252	6.5	36.2	17.7
Galway City	12,511	12,049	-3.7	37.7	18.4
Gort	1,462	1,426	-2.5	42.9	13.5

exceed the JA means test. Although a person who does not qualify for JA may still be counted on the live register if they register for 'credits' towards their state pension.

Social Welfare Office/County	September 2010	September 2011	% Change September 2010-2011	Sept 2011 % Female	Sept 2011 % under 25 years
	No.	No.	%	%	%
Loughrea	2,567	2,435	-5.1	39.3	17.4
Tuam	3,414	3,413	0.0	35.9	17.6
Leitrim Co.	3,608	3,554	-1.5	34.7	17.3
COS	2,698	2,746	1.8	34.5	17.5
Manorhamilton	910	808	-11.2	35.6	16.5
Mayo Co.	12,854	12,750	-0.8	36.9	18.9
Achill	480	447	-6.9	33.6	15.0
Ballina	3,153	3,117	-1.1	33.9	20.3
Ballinrobe	1,035	999	-3.5	40.2	15.2
Belmullet	1,035	1,098	6.1	38.7	22.0
Castlebar	2,388	2,414	1.1	40.1	19.8
Claremorris	1,341	1,315	-1.9	38.2	19.4
Swinford	1,681	1,567	-6.8	36.4	19.8
Westport	1,741	1,793	3.0	35.2	15.7
Roscommon Co.	4,078	3,978	-2.5	35.2	19.3
Boyle	1,044	1,036	-0.8	38.7	18.1
Castlerea	1,796	1,718	-4.3	33.6	20.4
Roscommon	1,238	1,224	-1.1	34.6	18.6
Sligo Co.	5,368	5,333	-0.7	36.3	19.6
Sligo	4,409	4,451	1.0	36.4	20.0
Tubbercurry	959	882	-8.0	35.5	17.2
Western Region	81,015	80,193	-1.0	36.9	19.1
Rest of State	361,402	357,248	-1.1	35.2	18.3
State	442,417	437,441	-1.1	35.5	18.5

Source: CSO Live Register September 2011

By gender: 36.9% of those on the region's live register are women. The region has a higher share of women than the rest of the state (35.2%). The more urban counties of Clare and Galway have the highest share of women on the live register and in all counties (except Leitrim) the share of women increased over the past year. This has resulted from unemployment continuing to spread from the male dominated construction and related sectors to the wider economy.

By age: the region has a higher share (19.1%) on the live register aged under 25 years than the rest of the state. Donegal has a particularly high share of young people on the register, followed by Sligo. The share aged under 25 years has declined and the share in September 2011 in all counties is smaller than a year previously. Those aged under 25 are likely to have the greatest propensity to leave the region and therefore some of the decline is likely due to out-migration, as well as a return to education.

It is also possible some of the decline is due to some people moving into the 25 years and over category while fewer new young people are joining the live register. Indeed all counties experienced a considerably larger decline in the number of under 25s than of over 25s in the past year, with many counties (Clare, Donegal, Mayo and Sligo) experiencing an increase in the number on the live register aged over 25.

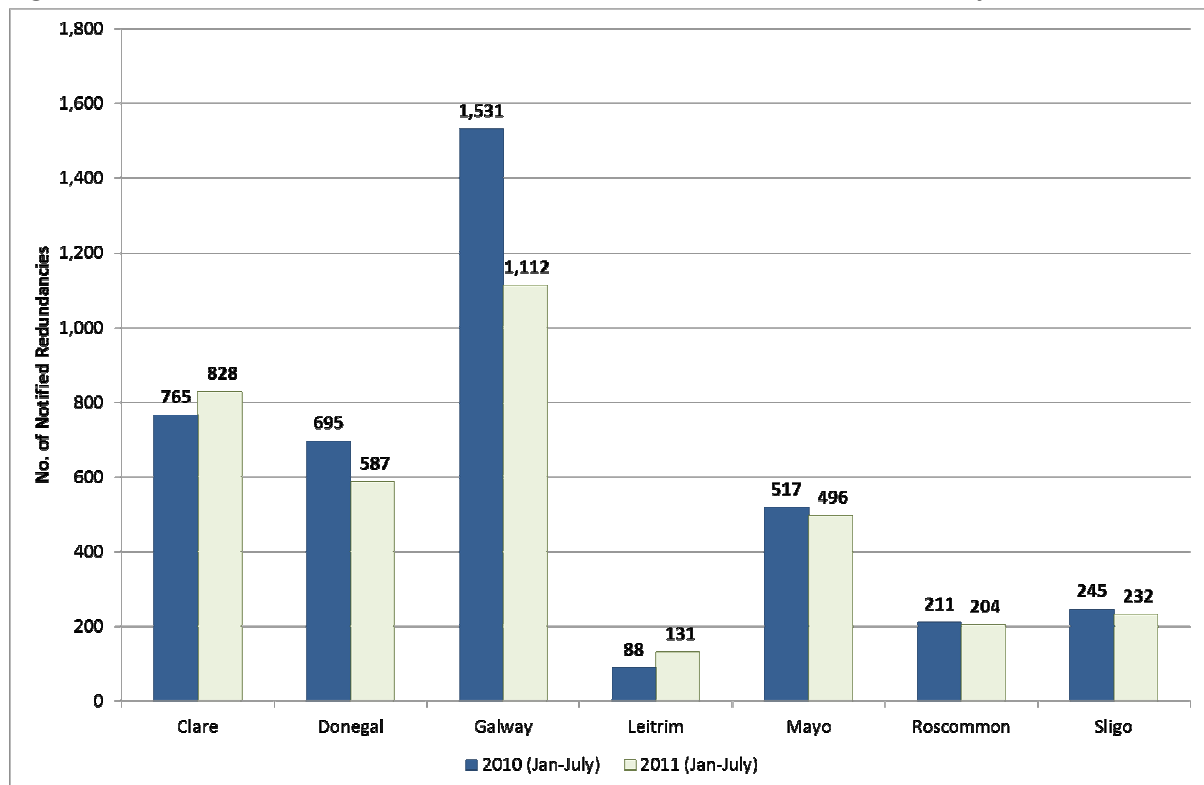
6.6 Notified redundancies

Redundancy applies to people who have worked in an insurable employment for two years and whose job has ceased to exist. There are a number of issues with redundancy figures: they are highly influenced by individual closures or lay-offs in a particular period; and only represent a small share of total job losses. However they do provide an added insight into the unemployment situation.

In the period January to July 2011 3,590 people were made redundant in the Western Region, fewer than over the same period last year (4,052).²⁶ The region accounted for 12.1% of all redundancies nationally from January to July this year, higher than its share over the same period last year (10.5%). This indicates that although redundancies have declined in the region, the improvement has not been as strong as elsewhere in the country.

Galway had substantially fewer redundancies in January-July of the current year compared with last year (Fig 20.). Donegal also had notably fewer. Clare and Leitrim however have seen an increase in the number of redundancies this year.

Fig. 20: Number of notified redundancies in the seven western counties, Jan-July 2010 and 2011



Source: Department of Social Protection, Redundancy Statistics

²⁶ Department of Social Protection, Redundancy Statistics. Statistics at a county level are only available to July of this year.

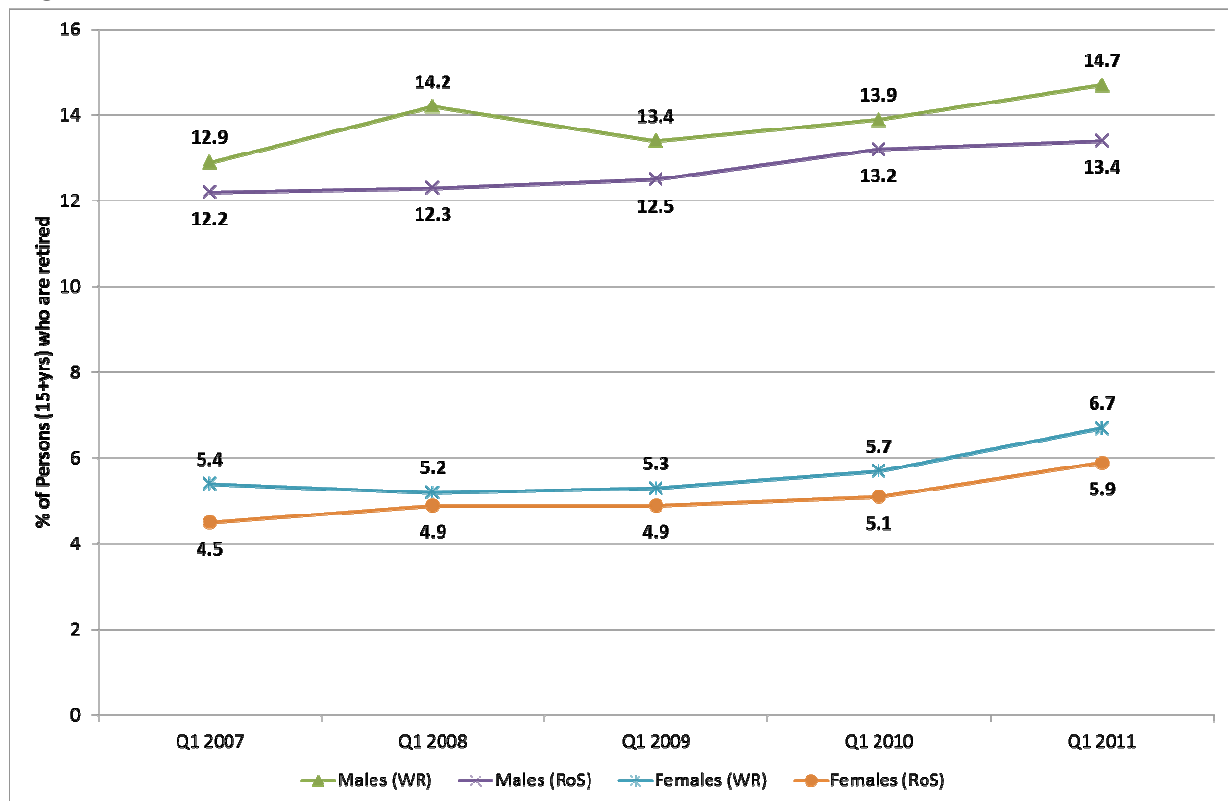
7.0 Retirement

When considering employment and unemployment it is also useful to examine trends in retirement.²⁷ People close to retirement age who lose their job are more likely to decide to retire rather than seek another job when there is high unemployment. There have also been initiatives to encourage early retirement from the public sector.

There was a +29.1% increase in the number of retired people in the Western Region between 2007 and 2011. This was considerably higher than the increase in the rest of the state (+14.6%). This is partly due to the older age profile in the Western Region (in 2006 23.1% of the region's population were aged 45-64 years compared in 21.9% in the state). The results of Census 2011 will give an up to date picture of the region's relative age profile.

Retired people now account for 10.7% of the region's total population over 15 years, compared with 9.6% in the rest of the state. There is a higher share of both retired males and females in the region than the rest of the state (Fig. 21).

Fig. 21: Percentage of all males and females (aged over 15 years) who are retired in the Western Region and rest of the state, Q1 2007 – Q1 2011



Source: CSO, Quarterly National Household Survey, Q1 2011, Table 10a, Special Run

It is likely that the number of persons who record their status as retired underestimates the true situation. Women who have worked outside of the home are likely to record their status as 'retired' when they retire, whereas women who were engaged on home duties are likely to continue to record

²⁷ Data on the number of people who are retired is based on the PES classification (see footnote 12).

their status as 'on home duties' rather than 'retired' even after they have reached 65 years. This is reflected in the fact that a far smaller share of the total female population is classified as retired than the male population (Fig. 21). Increasing workforce participation by women is therefore likely to account for some of the growth in the overall numbers of 'retired' people. Indeed the number of retired women in the region increased by +36.3% between 2007 and 2011 and by +33.2% in the rest of the state.

This does not explain all of the growth in the region however, nor all of the difference between the region and rest of the state. There has also been a substantial increase in the number of retired men. The number of retired men in the region rose by over a quarter (+26.1%) between 2007 and 2011 compared with just +7.7% in the rest of the state.

The bigger increase in the number of retired people in the region impacts on the region's age dependency ratio and will have longer term implications for the provision of services for the retired population.

8.0 Conclusion

This report has provided a detailed overview of the most up to date statistics on the education, enterprise and employment profile of the Western Region. It has highlighted a number of facts related to the Western Region's four key 3Es challenges set out earlier:

- 1. Reducing unemployment:** There are now 55,000 people unemployed in the region, over half of them long term unemployed. To put this in context, it is more than the total number of people working in agency assisted employment in the region (46,000). The increase in unemployment in the region was greater than in the rest of the state, meaning the region has suffered a particularly severe shock. Men in the region have faced particularly big increases in unemployment, though female unemployment is rising. The region's biggest employment sectors have been hit hard by job losses, however knowledge-intensive services sectors have shown employment growth, albeit from a low base. In addition to unemployment the region also has a higher share of part-time employment and underemployment, indicating an even weaker labour market situation. The pace of job losses has slowed, with the numbers on the live register declining slightly. However the extent to which this is due to improved job prospects rather than out-migration or a return to education is uncertain.
- 2. Raising educational attainment levels:** While the region continues to have a weaker educational profile than the rest of the state, the gap is narrowing. The recession has led to a greater return to education among younger people, particularly young men, in the region than elsewhere. This should have a positive long term impact on the region's education and skills profile, though the substantial increase in student numbers raises issues of the adequacy and relevance of education and training provision and completion rates.
- 3. Diversifying the enterprise base:** The region has a less diversified enterprise mix and employment profile than the rest of the state. This is particularly true for the more rural counties of the region where the relative weakness of their enterprise profile was masked during the boom by construction and rising public sector employment. Creating a more diverse, and therefore more sustainable, enterprise mix in the region, in both urban and rural areas, is an urgent priority. While the number of knowledge-intensive services enterprises in the region did grow between 2007 and 2009 the region actually lost ground in terms of its share of the national total.
- 4. Limiting the brain drain:** Despite recent increases in out-migration from the region, so far this has not been sufficient to undo the previous strong inward migration. There was net overall in-migration between 2006 and 2011. In fact net in-migration has played a more important role in the region's population growth, particularly in Leitrim, Roscommon and Donegal, than it has elsewhere. Other indicators, including the decline in the number of people aged under 25 years who are signing on the live register, point to rising emigration among young people from the region. The fact that graduates in the Western Region face a higher unemployment rate than graduates elsewhere in Ireland also increases the risk that they will be forced to leave.

If you require further information on any of the data or issues raised in this report, please contact Pauline White, Policy Analyst, Western Development Commission (paulinewhite@wdc.ie or 094 986 1441).