



The Western Region's Labour Market 2004-2014

Quarterly National Household
Survey

*Western Development Commission
(WDC) Report
March 2015*

Contents

Executive Summary.....	4
Section 1: Introduction	20
1.1 Quarterly National Household Survey	20
1.2 Structure of report.....	21
Section 2: Population and economic status.....	22
2.1 Population aged 15 years and over	22
2.2 Economic status	23
2.2.1 Economic status by gender	24
Section 3: Labour force and participation rates	26
3.1 Western Region's labour force	26
3.2 Labour force participation rates	27
3.2.1 Participation rates by gender.....	28
3.2.2 Participation rates by age group.....	29
3.2.3 Youth participation rates	31
3.3 Conclusion.....	33
Section 4: Employment.....	34
4.1 Total employment in the Western Region.....	34
4.2 Full-time and part-time employment	35
4.2.1 Share in part-time employment.....	36
4.2.2 Part-time employment by gender	37
4.2.3 Part-time underemployment.....	38
4.3 Employment status	39
4.3.1 Self-employment.....	40
4.3.2 Self-employment by gender.....	41
4.4 Conclusion.....	42
Section 5: Sectoral and occupational jobs profile.....	44
5.1 Sector of employment	44
5.1.1 Western Region's share of national employment by sector	46
5.1.2 Sector of employment by gender	47
5.1.3 Trends in sectoral employment	48

5.1.4	Recent changes in employment by sector	49
5.2	Occupation	51
5.2.1	Occupation by gender	52
5.2.2	Trends in occupation.....	53
5.2.3	Recent changes in occupation	54
5.3	Conclusion.....	55
Section 6: Unemployment		56
6.1	Unemployment in the Western Region	56
6.2	Unemployment rate.....	57
6.2.1	Unemployment rate by gender.....	58
6.2.2	Unemployment rate by age group.....	59
6.2.3	Youth unemployment rate.....	60
6.3	Long-term unemployment in the Western Region.....	61
6.3.1	Long-term unemployment rate	62
6.4	Conclusion.....	63
Section 7: Ten Key Findings.....		64

The Western Region's Labour Market 2004-2014

Executive Summary

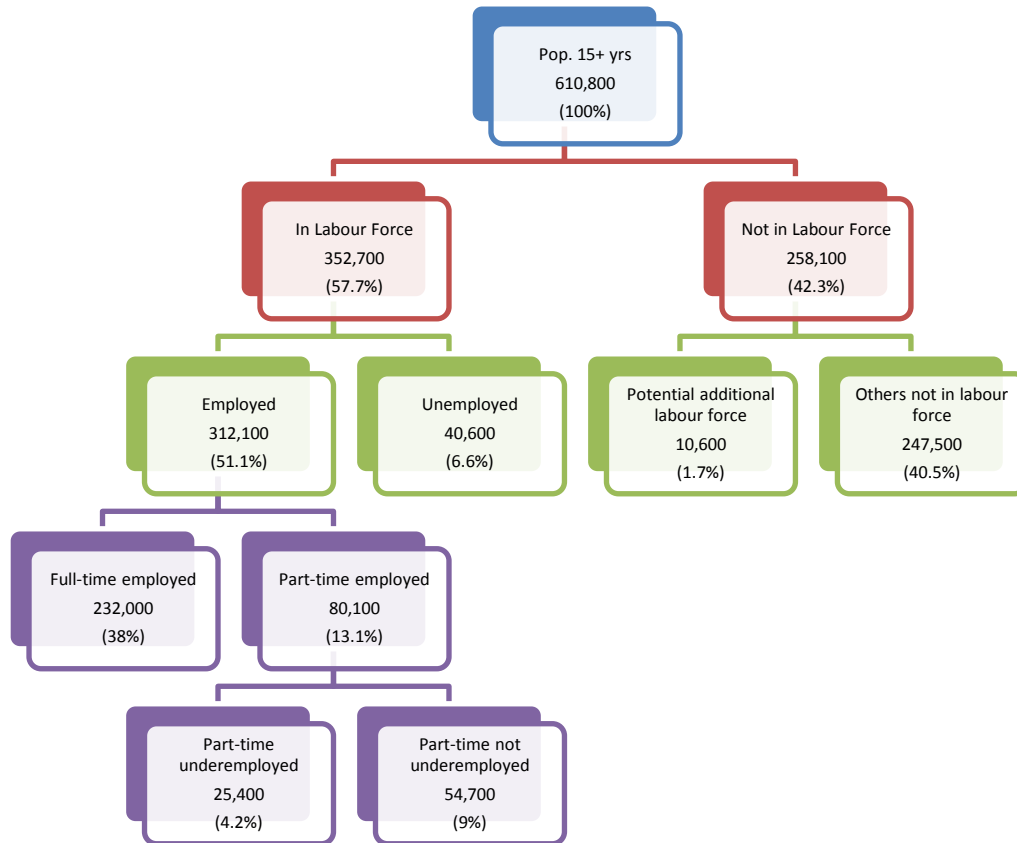
This Western Development Commission (WDC) report examines the labour market in the Western Region of Ireland (counties Donegal, Sligo, Roscommon, Leitrim, Mayo, Galway and Clare) during 2004-2014, focusing on the most recent period. A thorough understanding of the region's labour market is essential to developing effective policy for the region across a wide range of areas, including job creation, enterprise and skills. The data analysed is from the CSO's *Quarterly National Household Survey* (QNHS) and is based on a special data run for the seven county Western Region. QNHS data for the Western Region should be taken as indicative of the relative position of the region rather than as accurate absolute figures.

Population and economic status

In Quarter 1 2014 there were an estimated 610,800 people aged 15+ years living in the seven county Western Region. The region's adult population declined by 4.9% between 2012 and 2014. Over the same period in the rest of the state, it grew by 1.2%. The decline in the region's population is due to emigration, as well as internal migration to other areas of Ireland.

Fig. I shows the economic status of the Western Region's adult population. The labour force refers to those who are working or seeking work and is the focus of the rest of this report. About 42% of the population aged 15+ years are not in the labour force, including those who are retired, students, on home duties, disabled and discouraged workers. Although they are currently outside of the labour force, it is estimated about 10,600 would (re)join the labour force if job prospects improved.

Fig. I: Economic status of Western Region's population aged 15 years and over, Q1 2014



Note: The percentages refer to the share of the adult population in each category. Therefore the percentage unemployed is not the same as the unemployment rate which refers to the number unemployed as a percentage of those in the labour force and not the entire adult population.

Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Labour force and participation rates

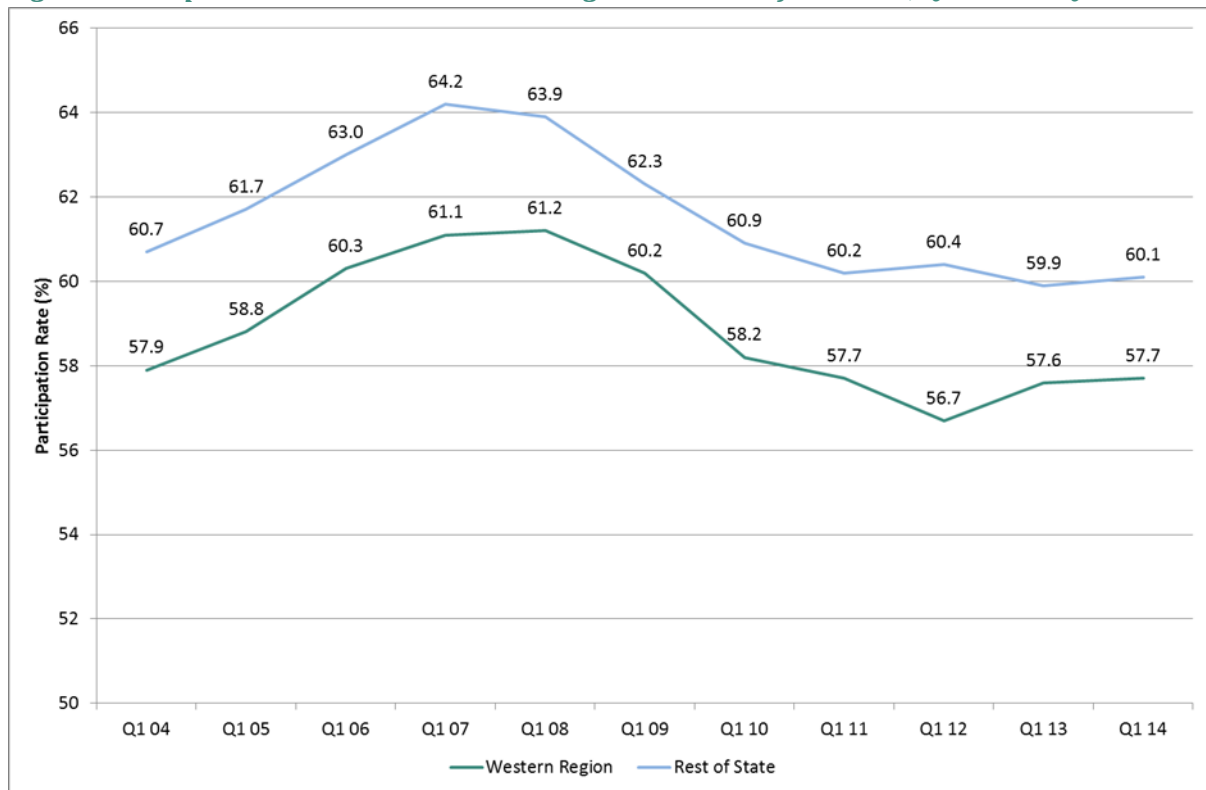
In 2014 the Western Region's labour force was 352,700. Its labour force grew strongly from 2004 to 2009, caused by an increase in the population of working age as well as increasing participation in the labour force by those of working age. The region's labour force declined by 3.2% between 2012 and 2014, in contrast to slight growth (0.6%) in the rest of the state. The decline in the region was caused by a fall in the working age population, as labour force participation rates actually increased over the period. As the available labour supply is a key determining factor in regional growth, this decline has implications for the region's capacity for economic growth, especially as out-migration is most common among those in the economically active age groups.

The labour force participation rate measures the share of everyone aged 15+ years that is working or seeking work. A higher participation rate indicates more of the population are economically active. In 2014 in the Western Region, 57.7% of those aged 15+ years were participating in the labour force (Fig. II). This was lower than the 60.1% participation rate in the rest of the state. The region's labour force participation rate has consistently been below that elsewhere.

Participation rates depend on a wide range of factors including a region's age profile. In the case of the Western Region its older age profile is a factor in its lower participation, as is less jobs availability. Participation rates rose strongly from 2004 in response to growing job opportunities, reaching a peak of 61.2% in the region in 2008. The recession led to declining participation, as some

people withdrew from the labour market, but improved job prospects have led to some increase since 2012.

Fig. II: Participation rates in the Western Region and rest of the state, Q1 2004 – Q1 2014



Note: For ease of interpretation of the chart the vertical axis begins at 50%.

Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Participation rates by gender and age

Participation rates vary between men and women. In 2014 in the Western Region they were 65.2% and 50.4% respectively. Male participation increased at the start of the 2004-2014 period, reaching a peak of 71.7% in 2008, and then declined to a low of 63.3% in 2012. There has been slight recovery since, but the male participation rate remains below its 2004 level. For women, participation increased steadily from 2004 to 2009 when it reached 52% and has remained quite steady since, though declining somewhat in 2014. Both male and female participation rates in the region are below those in the rest of the state.

Participation rates also vary by age group with 25-34 and 35-44 year olds having the highest (over 80%). The lowest rates are among the oldest and youngest age groups. The Western Region has lower participation rates than the rest of the state across almost all age groups. Over 2004-2014, participation rates changed most dramatically among the youngest age group (15-24 years). Labour force participation among young men increased rapidly and by 2007, 57.4% of men aged 15-24 years in the Western Region were in the labour force. Well-paid jobs in construction encouraged young men to enter the labour market early. In this period, male participation in education was considerably lower than female.

Youth labour force participation has changed dramatically since, declining to 36.1% for young men in 2012. Cuts to social welfare payments for younger jobseekers was a factor and male participation in

education increased. Female youth labour force participation rates were considerably lower than male and have declined since 2008. Youth labour force participation rates are now almost identical for both sexes.

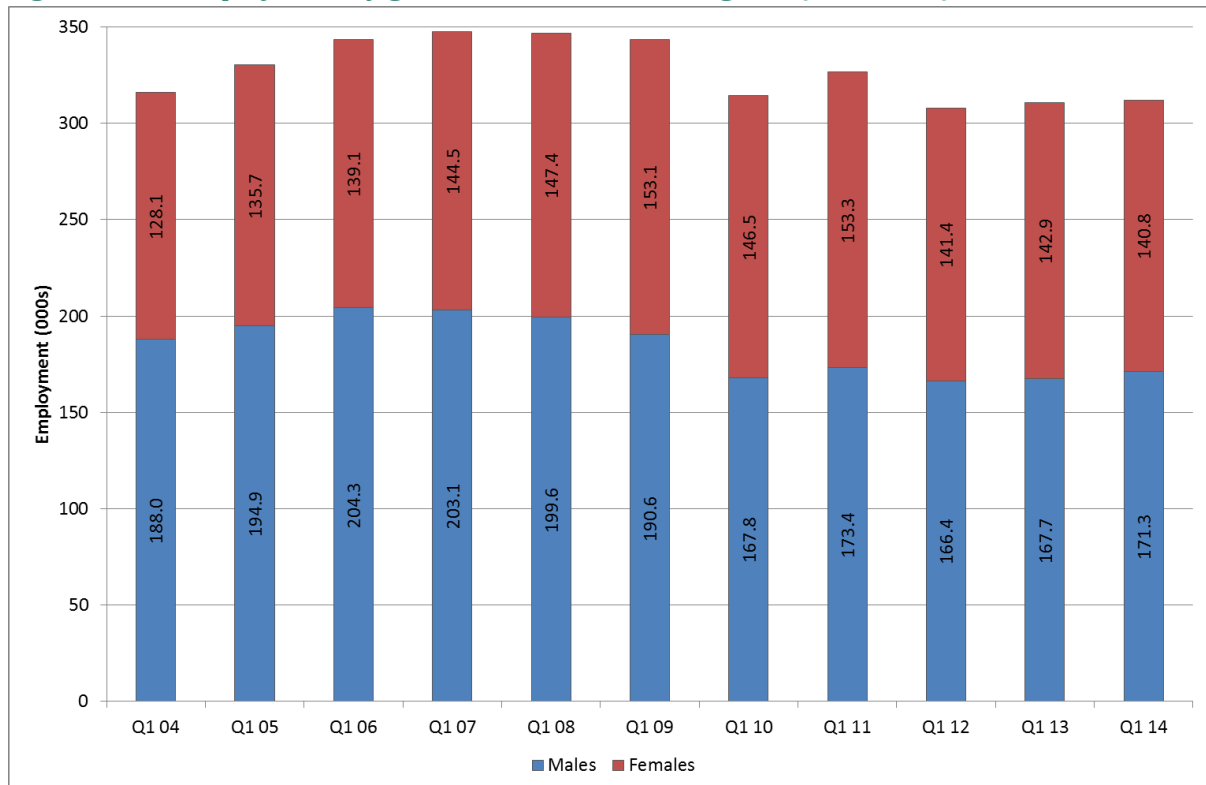
Declining youth labour force participation is generally a positive development as it reflects increased participation in education and training, with the long-term benefits of improved job prospects and regional skills base. If declining participation is due to other causes than education however, there can be negative implications as young people become detached from the jobs market.

Total employment

In 2014 there were 312,100 people in employment in the Western Region. Employment in the region expanded very strongly up to 2007, peaking at 350,000 (Fig. III). Following massive job losses it fell to a low of 307,500 in 2012. There has been a small return to growth since, increasing by 1.4% in 2012-2014. However the increase in the region was considerably lower than in the rest of the state (3.9%).

Male employment varied more substantially than female, with a massive decline between 2007 and 2010 driven by the collapse in construction and construction-supplying manufacturing. Male employment increased by 2.9% between 2012 and 2014, as the male dominated Skilled Trades occupational group had the strongest growth. There was less fluctuation in female jobs over the period, though they also declined substantially after 2009. Employment decline in Health and Education in the region since 2012 has contributed to the overall recent decline in female employment.

Fig. III: Total employment by gender in the Western Region, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Part-time employment

The share of total employment that is part-time changed radically in response to the recession, rising in the region from 18.1% in 2007 to 25.7% in 2014 (80,000 people). In some cases this was due to previously full-time jobs becoming part-time e.g. moving to a three day week, as well as the growth of low or zero hour contracts. The Western Region has consistently had a higher share of part-time working than the rest of the state and in 2014 the shares were 25.7% and 23.5% respectively. Between 2012 and 2014, there was 0.5% growth in full-time jobs but 4% growth in part-time in the Western Region. In the rest of the state growth of part-time and full-time jobs was more similar. Recent jobs growth in the Western Region was more likely to be part-time than in the rest of the state.

Part-time working is more common among women than men. While 16.1% of employed men in the Western Region were working part-time in 2014 it was 37.4% of working women.

An important question is the extent to which those working part-time choose to do so or if the person would prefer to work full-time if a full-time job were available (is underemployed). Part-time underemployment peaked in 2013 when the share of all part-time workers who were underemployed was 38.1% in the region and 33.5% in the rest of the state. It declined in 2014 but remains at around 31% in both areas.

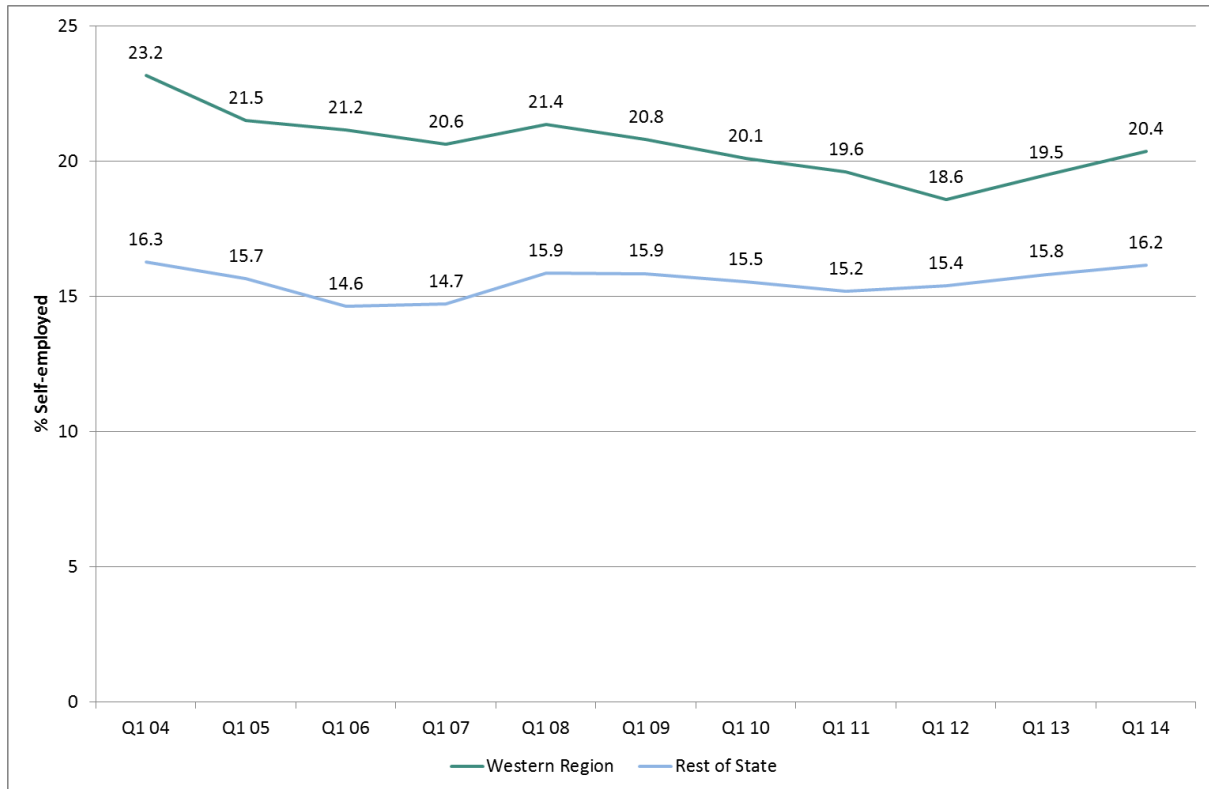
Self-employment

The vast majority of people in employment are employees, though this share is smaller in the Western Region at 79.1% compared with 83% in the rest of the country. The Western Region has a higher share of self-employment. Combining both types of self-employment (with and without employees), 20.4% of employed people in the region are self-employed, compared with 16.1% in the rest of the state. This differs between the types of self-employment however with the region having a considerably higher share of those without paid employees (16.3% in the region compared with 11.4%), and a lower share of those with paid employees (4.0% compared with 4.7%).

In the Western Region there are 51,000 people self-employed without employees. This would include farmers, tradespeople and providers of personal and professional services. Particularly in smaller urban centres and rural areas, this form of self-employment can be a means for a person and their family to continue living and working in an area which offers limited suitable job opportunities, helping to sustain such areas' economic viability.

The Western Region has always had higher total self-employment (with and without employees) than the rest of the state but this gap narrowed due to a steady decline in the region up to 2012 (Fig. IV). Since 2012 there has been an increase in self-employment however and in the region it has returned to a similar level to 2007. This increase is linked to high self-employment in the sectors which have shown the strongest recent growth (Agriculture and Professional services).

Fig. IV: Percentage of those at work who are self-employed (with and without paid employees) in the Western Region and rest of the state, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 5. Special run.

Males in the Western Region have consistently had the highest rate of self-employment and in 2014 30.5% of men in the region were self-employed compared with 23.6% in the rest of the state. The Skilled Trades occupational group, which includes farmers and construction trades, who are often self-employed, is the largest occupational group for males in the region. Self-employment among women in the Western Region (8%) is also higher than in the rest of the state (7.3%) indicating other factors also influence the region's higher self-employment.

Sector of employment

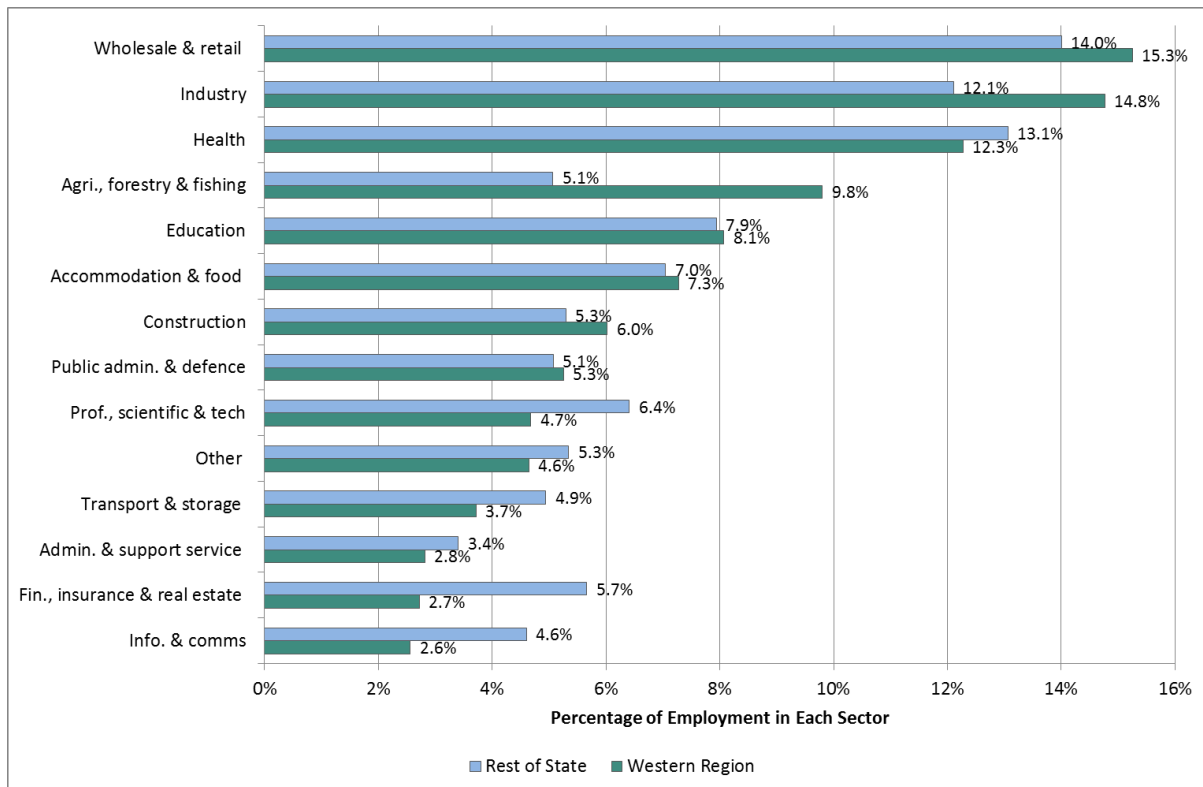
The two largest employment sectors in the Western Region are Wholesale and Retail, and Industry with around 30% of jobs (Fig. V). Health and Agriculture¹ are next most important. Of the region's top seven sectors, all (except Health) account for a greater share of jobs in the region than the rest of the state. Agriculture and Industry (manufacturing) are considerably more important in the region. Among the region's smaller sectors, including the knowledge intensive service sectors, the share working in them in the region is considerably below that in the rest of the state.

About a quarter of the region's employment is in the predominantly public sectors of Health, Education and Public Administration combined.² The share working in these sectors in the region (25.6%) was below that in the rest of the state (26.3%) for the first time in the 2004-2014 period.

¹ Note that the CSO has expressed some concerns about the impact of the introduction of the new sample structure on data for the Agriculture, Forestry and Fishing sector. Some caution is required in interpreting data on this sector.

² Not all employment in the Health and Education sectors is in the public sector.

Fig. V: Percentage of employment by sector in the Western Region and rest of the state, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

There are gender differences in the region's jobs profile with female jobs very dominated by Health (22%), with 41.1% of working women in the region working in the predominantly public sectors,³ for men it is just 12.9%. Accommodation and Food Service, 'Other NACE Activities', Financial, Insurance and Real Estate, and Administrative and Support Services are also more important to women's jobs than men's. Public and local services are the main areas of employment for women.

Industry, Agriculture, Construction, and Transport and Storage are the most male dominated, as is the knowledge services sector of Information and Communication. Employment in the region's largest sector, Wholesale and Retail, is equally important to men's and women's employment.

In general the Western Region's jobs profile relies more heavily than the rest of the state on the traditional sectors (Industry, Agriculture and Construction) and local services (Wholesale and Retail, and Accommodation and Food Service) which depend on domestic spending and tourism. The region's sectoral jobs pattern is influenced by its largely rural nature.

This jobs pattern can also be seen in the region's share of national total jobs in each sector. In total 16.5% of all jobs in the state are located in the Western Region. Agriculture (27.7%), Industry (19.5%) and Construction (18.4%) are the sectors where the region makes its largest contribution to national jobs. The region's share of all Industry employment nationally has increased very strongly in recent years from 16% in 2007 to its current 19.5%. This is due to the sector's relatively stable jobs performance in the region compared with more substantial declines elsewhere in the country.

³ Health, Education and Public Administration. Not all employment in Health and Education is in the public sector.

The three knowledge intensive services sectors are where the region accounts for its lowest shares of national jobs. Less than 10% of all Information and Communication, and Financial, Insurance and Real Estate jobs are based in the region and the region's share of both has declined since 2012. Not only does the region have low shares in these sectors but it is losing ground.

Recent changes in employment by sector

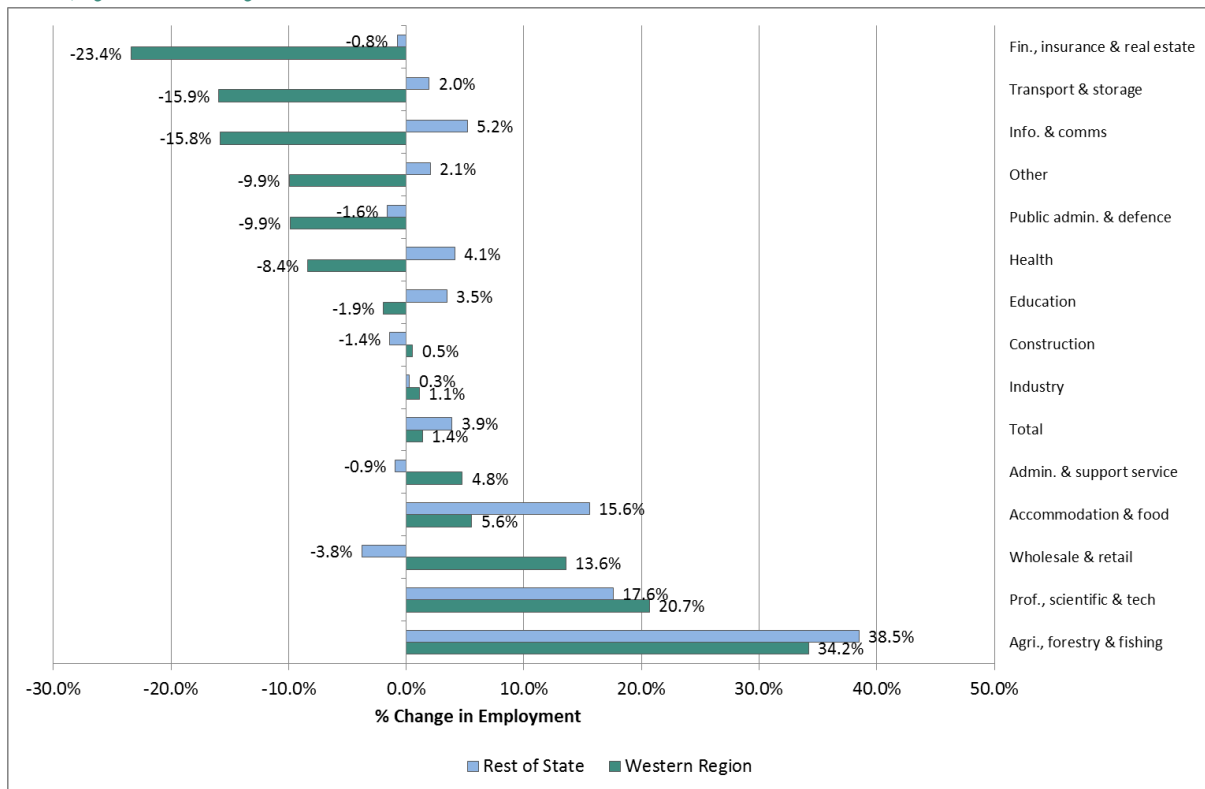
Between 2012 and 2014 half of sectors (7 of 14) experienced jobs growth in the Western Region (Fig. VI). Agriculture grew most strongly⁴ with Professional, Scientific and Technical activities next highest. Growth in these sectors contributed to the increasing share of self-employment. Wholesale and Retail also grew, in contrast to the rest of the state where employment fell over the same period. The other main local service, Accommodation and Food Service, also grew as this period coincided with an increase in overseas visitor numbers as well as consumer spending.

The Western Region experienced a far greater jobs decline than the rest of the state across many sectors, including knowledge intensive services and the public sector. In the case of Information and Communication, employment fell by nearly 16% in the region but it had the fourth largest growth in the rest of the country (5.2%). The reasons for the Western's Region poor, and weakening, jobs performance in this high growth potential sector need to be investigated.

Employment in Health and Education rose in the rest of the state but declined in the region, which also experienced a greater decline in Public Administration. This has impacted on women's jobs which declined by 0.4% between 2012 and 2014 compared with 2.9% growth for men. The impact on women's jobs would be particularly important in more rural areas which have a higher dependence on public sector jobs.

⁴ The CSO has noted concerns over the impact of the new sampling structure on the employment figures for Agriculture. However it does seem that employment is growing to some extent in the sector.

Fig. VI: Percentage change in employment by sector in the Western Region and rest of the state, Q1 2012 to Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

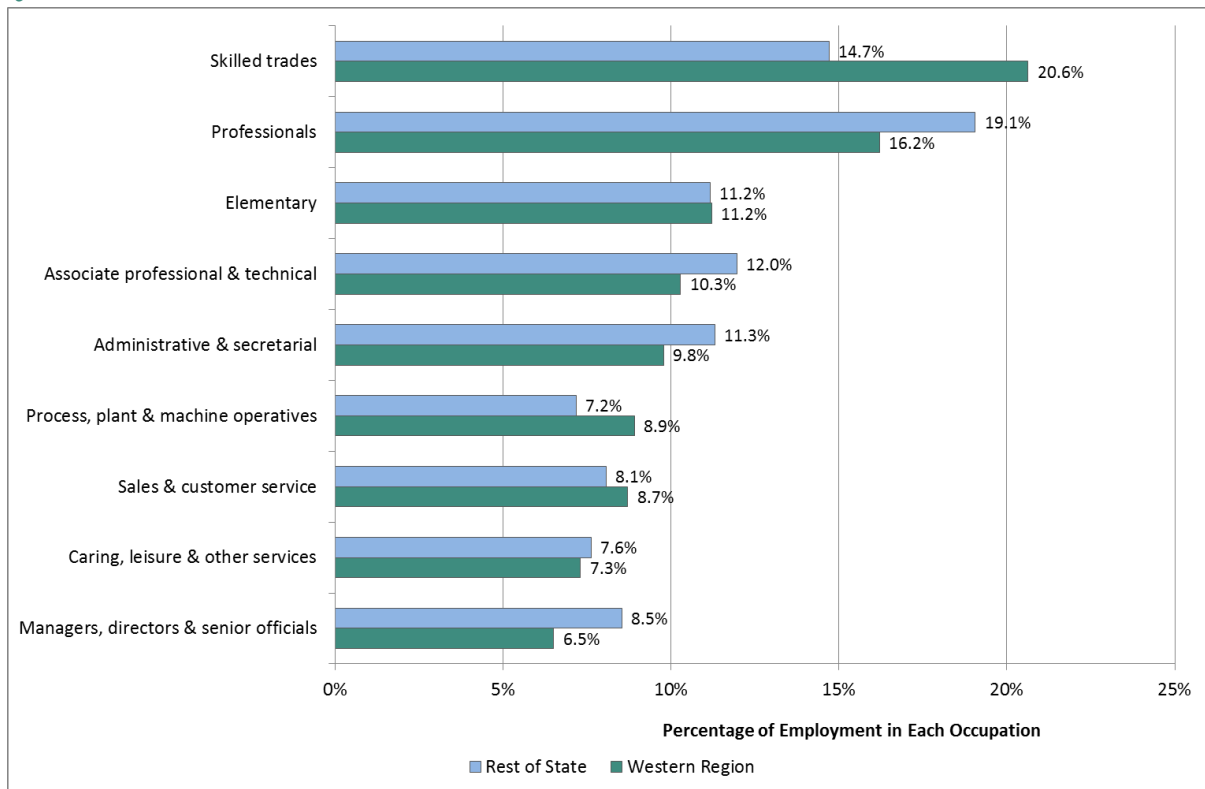
Employment by occupation

Employment is classified across nine occupational groups. Skilled Trades⁵ is the largest in the Western Region accounting for 1 in 5 jobs (Fig. VII). The share in the region is considerably higher than in the rest of the state where it is only the second largest group after Professionals. In addition to Skilled Trades, the region has a higher share working as Operatives (mainly in manufacturing) and Sales and Customer Service. These are among the lower paid occupational groups.

As well as Professionals, the region has a lower share working as Managers, Directors and Senior Officials, and Associate Professionals and Technical. These are the three highest paid occupational groups. The Western Region's occupational profile points to a lower paid jobs structure than the rest of the state.

⁵ The Skilled Trades occupational group includes farmers as well as construction trades.

Fig. VII: Employment by occupational group in the Western Region and the rest of the state, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 4. Special run.

The biggest difference in occupation by gender is in Skilled Trades which employ 34.5% of working men but only 3.8% of women. This is the largest occupational group for men by some distance, with Operatives, Associate Professionals and Technical, and Professionals next largest. The female occupational profile is not as dominated by a single grouping. Professionals is the largest, employing 21.5% of women including many in Health and Education. The next largest occupational groups for women are Administrative and Secretarial, and Caring, Leisure and Other Services.

Between 2012 and 2014, Skilled Trades was the occupational group that performed most strongly increasing by 18.2%. This was considerably greater than the 12.3% increase in the rest of the state. Sales and Customer Service occupations had the second highest growth in the Western Region, in contrast to decline in the rest of the state. This is consistent with the performance of the Wholesale and Retail sector.

The region had a decline in four occupational groups (Caring and Leisure, Operatives, Administrative, and Professionals) and it performed worse than the rest of the state in all of them. Of the four, all but Operatives are very important to women’s jobs. This contributed to the overall decline in female employment in the region. The increase in male jobs was mainly due to the growth in Skilled Trades.

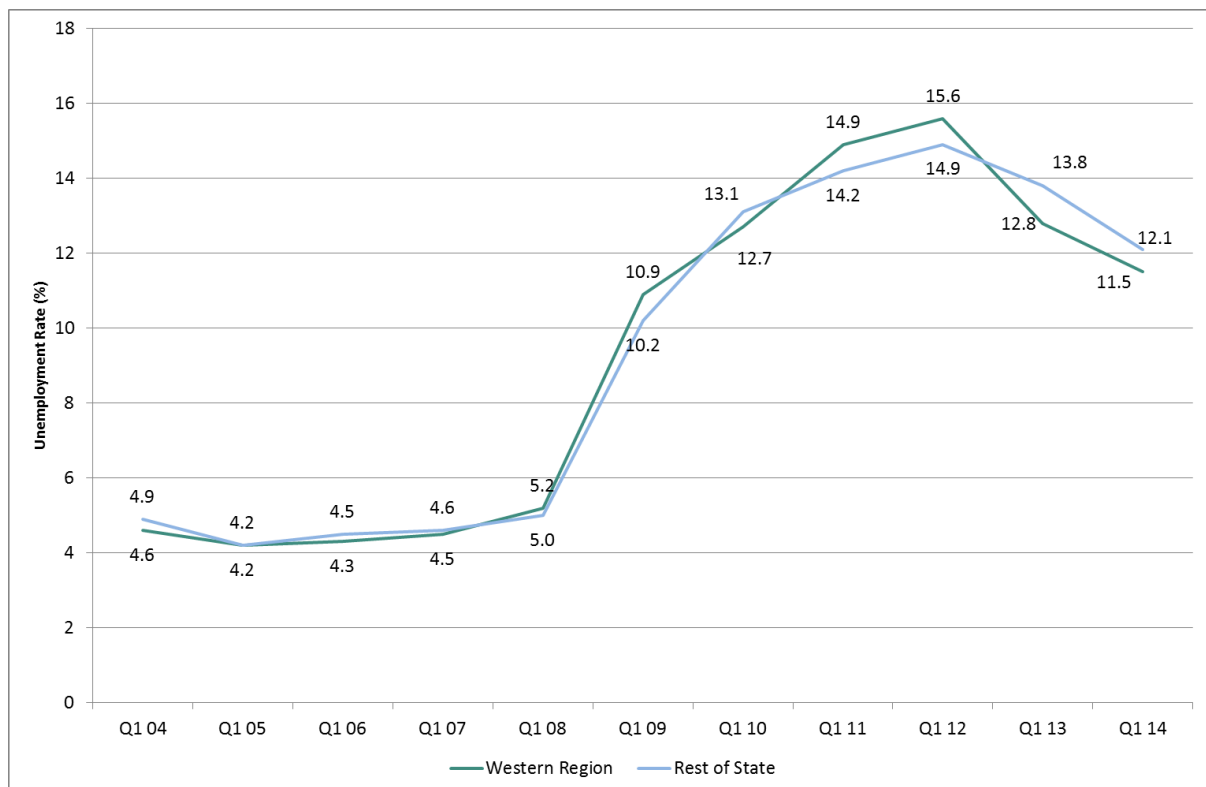
Unemployment

Unemployment has changed radically over 2004-2014. The unemployment rate held steady at just above 4% in the region and rest of the state until 2008 (Fig. VIII). By 2009 it had more than doubled and was higher in the Western Region. The collapse of the building sector and its suppliers was the initial cause, followed by job losses across other sectors, in particular local services relying on

domestic demand. This led to rising female unemployment. The unemployment rate peaked in 2012 at 15.6% in the region and 14.9% in the rest of the state. Since then rates have declined and in 2013 the unemployment rate in the region dropped below that elsewhere.

In 2014 the Western Region had an 11.5% unemployment rate, with over 40,000 people unemployed. The number of people unemployed in the region declined by 28.4% between 2012 and 2014. This was caused by two main factors: an increase in employment, but even more so by a fall in the adult population. It is likely that movement out of the region would have been more common among those who are unemployed, contributing to the reduction in the number of unemployed people living in the region.

Fig. VIII: Unemployment rate in the Western Region and rest of the state, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Unemployment rate by gender and age

The number of unemployed men is considerably higher than women, leading to a higher unemployment rate. The male unemployment rate peaked at 18.2% in 2011 but has declined very sharply since to 13.3% in 2014. The female unemployment rate followed a similar trend but at a lower level and lagging about a year behind. The female rate has also declined since 2012 but more slowly than the male, narrowing the gender gap. In 2014 the female unemployment rate was 9.3%.

Unemployment rates are highest among the younger age groups. While the total unemployment rate in the Western Region is below that in the rest of the state, the region has a higher rate among 25-34 year olds, one of the most economically active age groups. It also has a higher youth (15-24 year olds) unemployment rate, one of the most serious consequences of the recession and a major long-term challenge. The youth unemployment rate peaked at 31.1% in the Western Region in

2011, declining only slightly since to 29.2% in 2014. It has declined far more strongly in the rest of the country and in 2014 was 24.6%. This is the opposite to what occurred to the total unemployment rate, showing that youth unemployment is an even greater challenge in the region than elsewhere.

Long-term unemployment

Since 2011 there have been more people long-term unemployed than short-term and in 2014 there were 15,200 short-term unemployed in the region and 24,600 people who had been unemployed for over a year. The long-term unemployment rate held steady at under 1.5% from 2005 to 2008 before increasing dramatically to over 9% in 2012. It has dropped since, with the region (7%) having a lower rate than elsewhere (7.3%) in 2014.

Between 2012 and 2014 long-term jobseekers as a share of total unemployment declined more in the rest of the state than in the region. Reducing the share of jobseekers who are long-term unemployed is a key labour market objective, as the longer a person is unemployed the more difficult it is to find work.

Ten Key Findings

Ten key aspects of the Western Region's labour market emerging from this analysis are:

1. Lower labour force participation
2. Higher share of self-employment
3. Higher share of part-time working and recent jobs growth more likely to be part-time
4. Greater reliance on traditional sectors and local services
5. Small and declining share working in knowledge services
6. Large contribution by Western Region to Industry
7. Lower employment growth
8. Recent jobs growth in agriculture, professional and local services; jobs declining in knowledge intensive and public services
9. Lower paid occupational profile
10. Higher youth unemployment rate

Conclusions

The Western Region's labour force has contracted since 2012, largely because of outward migration. As a region's available human resource is a key determining factor in regional growth, this has implications for the Western Region's capacity for economic growth and viability. The region has consistently had lower labour force participation rates than the rest of state, reflecting the smaller share of its population that is economically active.

The youth labour force participation rate has changed most dramatically in recent years, particularly among young men, with declining labour force participation coinciding with increasing educational participation. Young people who remain in the labour force however, face a higher risk of unemployment in the region than the rest of the state. Given that the region's total unemployment rate is lower, this indicates that youth unemployment is a particularly serious challenge for the region.

The Western Region's labour market is characterised by higher part-time, under- and self-employment, for both men and women. This reflects distinct differences in the nature of the region's labour market and may point to certain weaknesses which need to be addressed by tailored job creation actions for the region. There has been a small return to jobs growth since 2012 but this is lower in the region than the rest of the state and the region's recent jobs growth was more likely to be part-time.

The percentage of all employment that is self-employment has risen since 2012 indicating that it has played an important role in overall jobs growth. The region has a far higher degree of self-employment (without paid employees) than the rest of the state and the role of such employment in sustaining the viability of rural economies requires further investigation and policy focus.

The Western Region's jobs profile relies more heavily on traditional sectors and local services, which depend on domestic spending and tourism. Knowledge intensive services play a substantially smaller role and indeed the region's national role has declined further in recent years. The reasons for the region's deteriorating position in these high growth sectors need to be investigated. The opposite is the case in Industry however, as the region's relatively more stable recent performance in manufacturing has greatly increased its national role. The region's manufacturing strength is a key national asset. In recent years agriculture, professional and local services have grown most strongly in the region leading to increases in Skilled Trades, Sales, Elementary, and Associate Professional occupations.

The region's occupational profile points to a lower paid labour market with lower shares working in the highest paid occupational groups and higher shares in several of the lower paid; a situation that contributes to lower disposable income in the region.

Unemployment has declined since 2012 but this has only partially been caused by jobs growth. The greater part is due to the loss of unemployed people from the region, either overseas or to other parts of Ireland. The decline in unemployment in the region has been stronger than elsewhere, leading to its unemployment rate dropping below that in the rest of the state, reflecting the significant impact of out-migration on the region's labour market.

These key aspects of the Western Region's labour market should inform the development of the upcoming *Action Plan for Jobs* for the West, Border and Mid-West regions. The region's labour market characteristics should influence which policies are prioritised for the region and the sectors of focus for job creation strategies.



The Western Region's Labour Market 2004-2014

Quarterly National Household Survey

Western Development Commission (WDC) Report

March 2015

Section 1: Introduction

This Western Development Commission (WDC) report examines the labour market in the Western Region of Ireland for the period 2004 to 2014, focusing on the most recent years. This has been a period of upheaval in the region's, and indeed the country's, labour markets. The Celtic Tiger period of jobs growth, with close to full employment, was followed by significant job losses, initially from construction and related sectors and then spreading more widely across the domestic economy. In more recent years there has been some recovery.

A thorough understanding of what has occurred over this period, and in particular what is currently occurring in terms of jobs growth, is essential to developing policy for the Western Region that is relevant to reality. Policy across a wide range of areas, including job creation, enterprise and skills, needs to address the current labour market issues facing the region. It is hoped that this analysis will provide a useful input to the development of the *Action Plan for Jobs* for the West, Border and Mid-West regions due to be published by mid-2015, as well as the planned Regional Spatial and Economic Strategies and other relevant policies for the region.

1.1 Quarterly National Household Survey

The data analysed in this report is taken from the CSO's *Quarterly National Household Survey* (QNHS) which is conducted with a sample of households in each quarter. It collects information on the labour force activity of persons aged 15 years and over. The national sample is designed to be representative of the population and the results are weighted by age, sex and region. From Q4 2012 to Q4 2013 a new sample framework was introduced to reflect the results of Census 2011. This change in sample can lead to some level of variability in estimates, particularly at more detailed levels and some caution is required in the interpretation of trends involving the period of its introduction.

The sample size is 26,000 households nationally. The actual number of responses varies depending on the response level and in Q1 2014 the sample was 19,287 households.

This report presents an analysis of results for the Western Region, based on a special data run for the seven county Western Region (Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare). All data is from Quarter 1 (January – March) of the respective years. As the seven county Western Region is not aligned with the NUTS 3 regional level⁶ 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**.

This report examines the full labour force and employment across every sector. It can be read in conjunction with the recent WDC report 'Trends in Agency Assisted Employment in the Western Region' (January 2015) which examined the sub-set of total employment that is in export focused enterprises supported by the enterprise development agencies.

⁶ 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).

1.2 Structure of report

This report begins by considering the economic status of the Western Region's adult population. Section 3 then examines the labour force and participation rates. The analysis of employment in Section 4 includes the extent of part-time as well as self-employment. The region's sectoral and occupational jobs profile is outlined in Section 5 while Section 6 examines unemployment. Differences by gender and age group are analysed for much of the data and the Western Region is compared with the rest of the state (all counties in Ireland except the seven counties of the Western Region). The report concludes by highlighting ten key findings arising from the analysis.

The main results are summarised in two short *WDC Insights* publications:

- *WDC Insights* The Western Region's Labour Market, March 2015
- *WDC Insights* The Western Region's Sectoral Profile, April 2015

All documents are available at <http://www.wdc.ie/publications/reports-and-papers/>.

This report was written by Pauline White, Policy Analyst with the Western Development Commission. If you have any queries, please contact paulinewhite@wdc.ie or 094 986 1441.

The WDC would like to acknowledge the assistance of Brian Ring and Martina O' Callaghan of the Central Statistics Office.

Section 2: Population and economic status

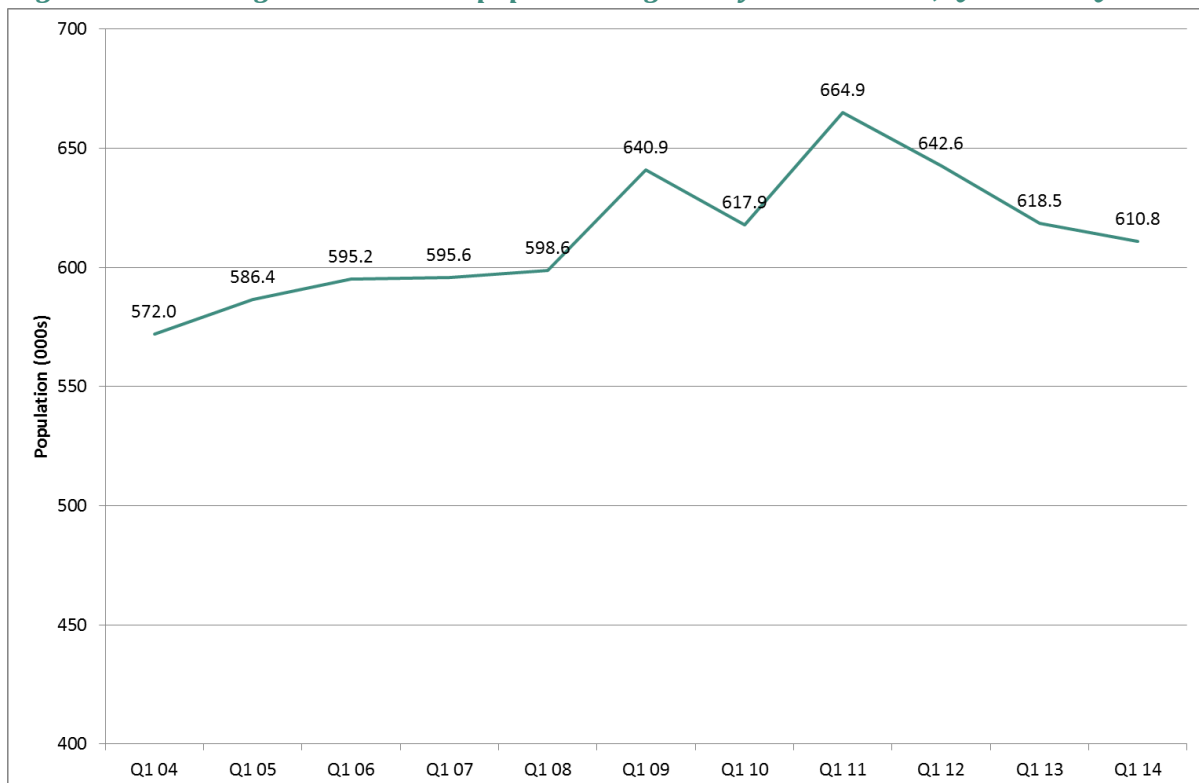
The QNHS is concerned with the economic and labour force status of the adult population (15 years and over). Economic status refers to whether a person is working, unemployed, retired, a student, engaged on home duties or otherwise outside of the labour force e.g. due to disability.

2.1 Population aged 15 years and over

In Quarter 1 2014 there were an estimated 610,800 people aged 15 years or over living in the seven county Western Region. This was 17% of the national population in this age group. From Fig. 1 it can be seen that the Western Region's adult population grew steadily between 2004 and 2008, followed by quite strong fluctuations to 2011. This fluctuation could partly be due to difficulties in estimating the population at a time of rising emigration. The figure for 2011 is based on the Census in that year and subsequent estimates are based on a new QNHS sample introduced to reflect the Census results.

It is estimated that the population of the Western Region aged 15 years or over has declined since 2011. Between 2012 and 2014 the region's adult population fell by 4.9%. Over the same period it increased by 1.2% in the rest of the state. The recent decline in the region's population is likely due to emigration, as well as internal migration to other areas of Ireland, and has implications for the region's labour market and available labour supply which will be examined in later sections.

Fig. 1: Western Region's estimated population aged 15 years and over, Q1 2004 – Q1 2014



Note: For ease of interpretation of the chart the vertical axis begins at 400,000.

Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

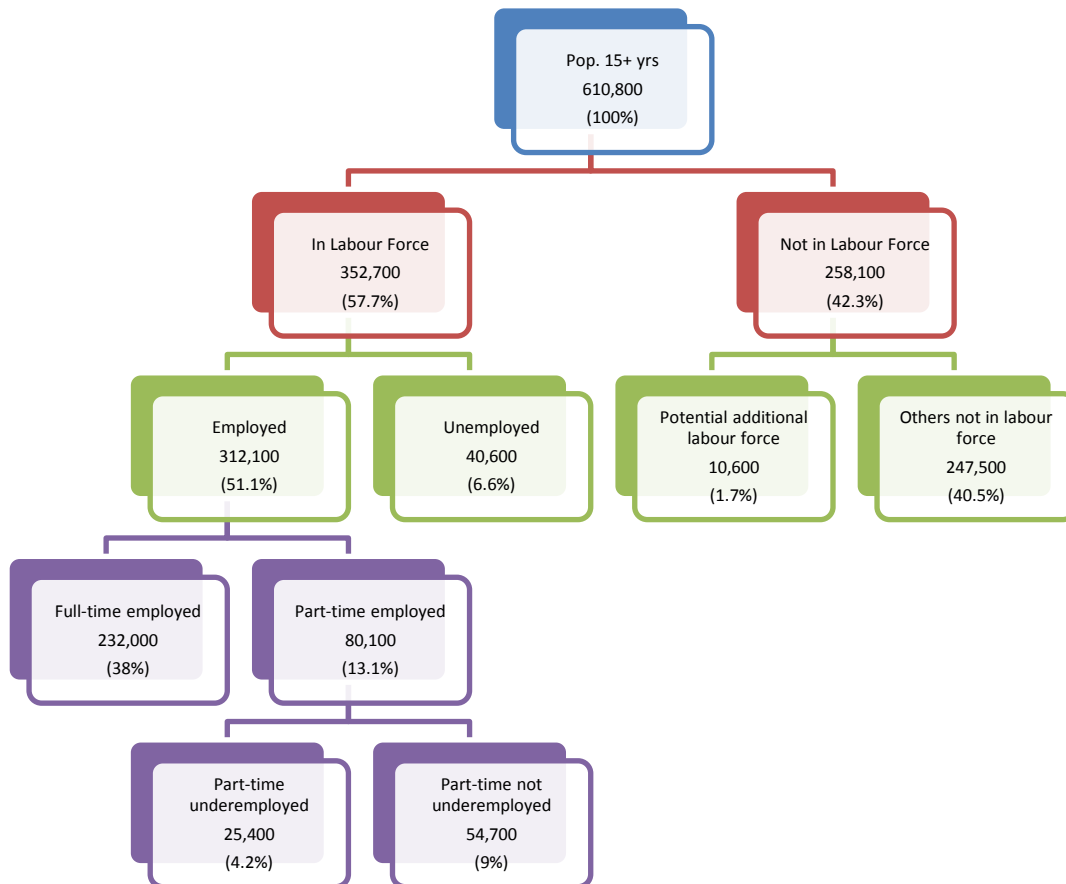
2.2 Economic status

Fig. 2 shows the economic status of the region's adult population. The labour force refers to people who are either working or seeking work and will be the focus of Sections 3-6.

About 42% of the population aged 15 years or over are not in the labour force. Many of these would be retired. It also includes students, those on home duties, people who cannot work due to disability and discouraged workers who have withdrawn from the labour market.

Although they are currently outside of the labour force, it is estimated that about 10,600 of these people would (re)join the labour force if job prospects improved.⁷ For example some of those on home duties or with a disability may join the labour force if there were suitable job opportunities. In recent years, the number of people counted in this 'potential additional labour supply' group has declined. Part of the reason may be that some have already moved back into the labour force.

Fig. 2: Economic status of Western Region's population aged 15 years and over, Q1 2014



Note: The percentages refer to the share of the adult population in each category. Therefore the percentage unemployed is not the same as the unemployment rate which refers to the number unemployed as a percentage of those in the labour force and not of the entire adult population.

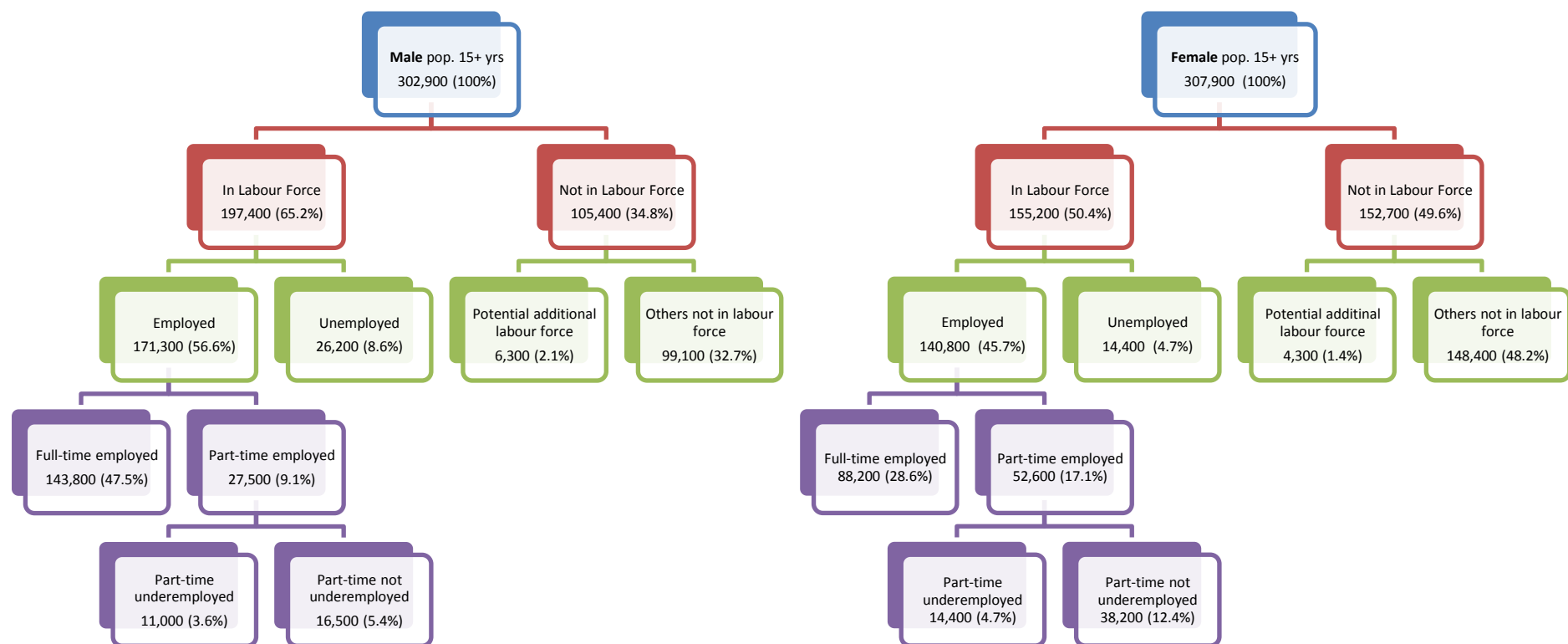
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

⁷ This potential additional labour force (PALF) is the sum of the two groups 'persons seeking work but not immediately available' and 'persons available for work but not seeking'. Persons in the PALF are not part of the standard labour force, which encompasses only employed and unemployed people, but they have a stronger attachment to the labour market than other persons not in the labour force.

2.2.1 Economic status by gender

Fig. 3 shows the economic status of males and females in the Western Region. There are slightly more adult women living in the region than men. The higher proportion of the male adult population in the labour force and the higher proportion of females not in the labour force is clear. The larger share of men who are unemployed and the greater degree of part-time working among women (and the extent to which this is voluntary part-time working i.e. not underemployment) are other key gender differences in the labour market experience. These will be examined in following sections.

Fig. 3: Economic status of Western Region's population aged 15 years and over by gender, Q1 2014



Note: The percentages refer to the share of the adult population in each category. Therefore the percentage unemployed is not the same as the unemployment rate which refers to the number unemployed as a percentage of those in the labour force and not of the entire adult population.

Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Section 3: Labour force and participation rates

The labour force is all those aged 15 years and over who are either working or looking for work and is a measure of the available labour supply. The labour force participation rate is the share of the adult population that is in the labour force and therefore economically active.

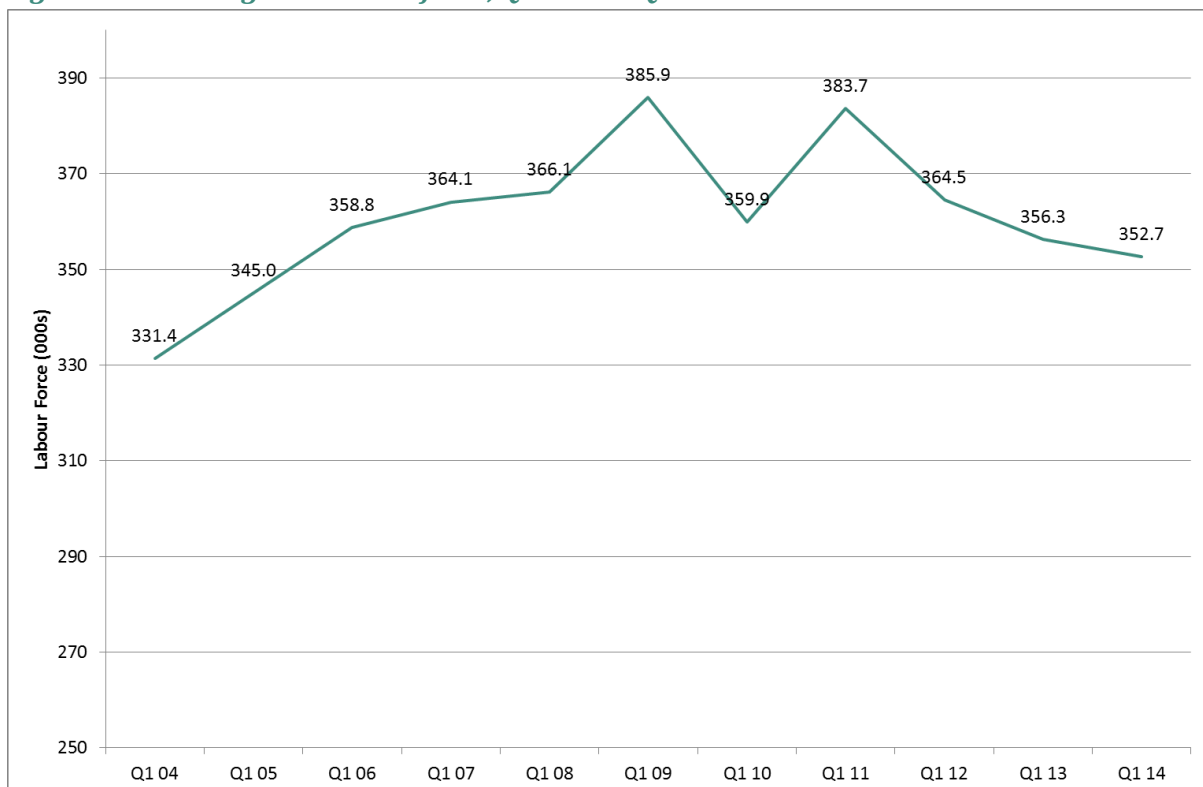
3.1 Western Region's labour force

The Western Region's total labour force in Quarter 1 2014 was estimated at 352,700. This includes those in employment, both part-time and full-time, and unemployed. The Western Region accounts for 16.4% of the country's total labour force. Due to its lower labour force participation rate, this is below the region's 17% share of the country's population aged 15 years or over.

The region's labour force grew from 2004 to 2009 (Fig. 4), caused by an increase in the population of working age (see Fig. 1) as well as increasing participation in the labour force by those of working age (see Fig. 5).

The region's labour force has contracted since 2011 and declined by 3.2% between 2012 and 2014. This was in contrast to slight growth (0.6%) in the rest of the state. The decline in the region was due to a decline in the working age population through emigration and migration to other parts of the country, as the region's labour force participation rate in fact increased over the same period (see Fig. 5).

Fig. 4: Western Region's labour force, Q1 2004 – Q1 2014



Note: For ease of interpretation of the chart the vertical axis begins at 250,000.

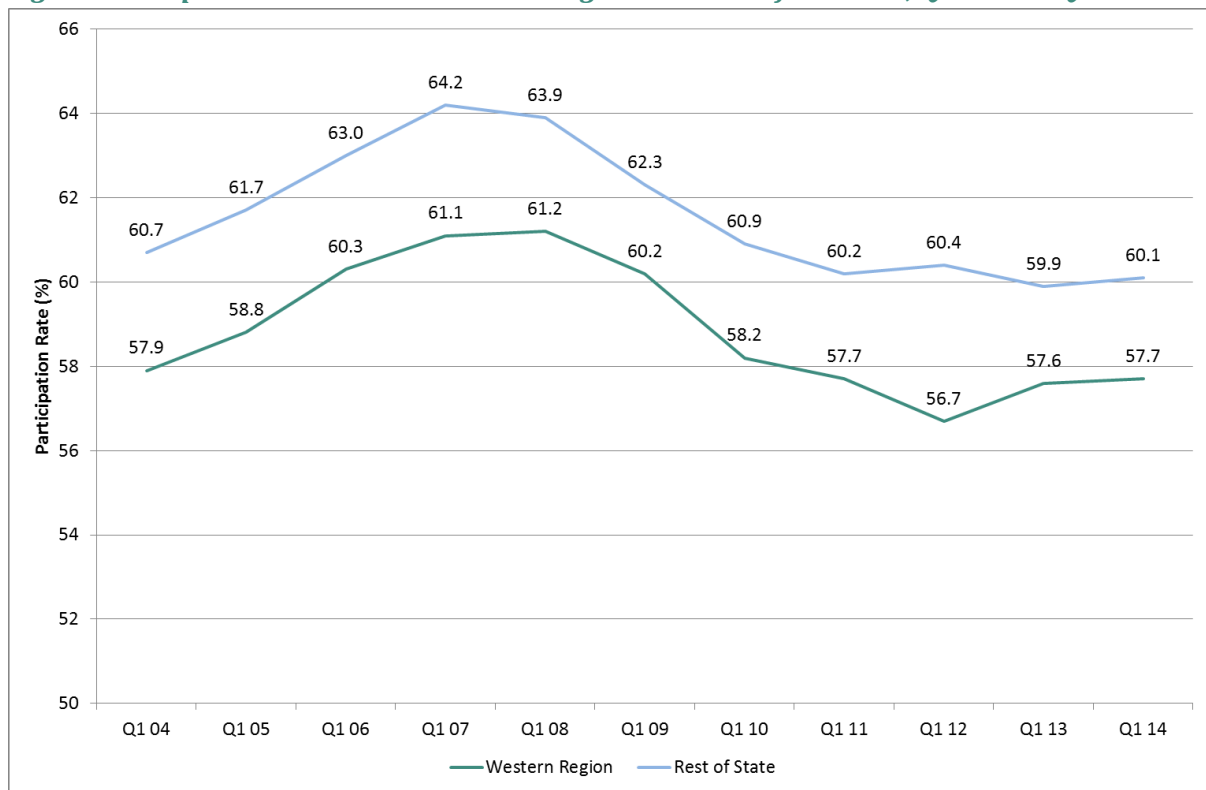
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

3.2 Labour force participation rates

The labour force participation rate measures the share of everyone aged 15 years and over that is working or seeking work. A higher participation rate indicates more of the population are economically active, a key indicator for a region's economic viability and capacity for growth. Lower participation rates indicate higher dependency, as there is a greater share outside of the labour force and economically dependent on those in the labour force.

In 2014 in the Western Region, 57.7% of those aged 15 years and over were participating in the labour force. This was lower than the 60.1% participation rate in the rest of the state (Fig. 5). The region's labour force participation rate has consistently been below that in the rest of the country. This means that a higher share of the Western Region's adult population is outside of the labour force, for example those with a disability, on home duties, retired, students or discouraged workers.

Fig. 5: Participation rates in the Western Region and rest of the state, Q1 2004 – Q1 2014



Note: For ease of interpretation of the chart the vertical axis begins at 50%.

Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Participation rates depend on a wide range of factors including the region's age profile. If an area has a higher share of its population in the most economically active age group (24-64 years) it will usually have a higher overall participation rate. In the case of the Western Region its older age profile, is a factor in its lower participation.⁸ At the time of Census 2011 the Western Region had an old age dependency rate of 20% (those aged 65 years and over as a share of those aged 15-64 years) compared with 17% in the rest of the state.

⁸ Although the impact of the region's older age profile would be mitigated somewhat by the fact that it has higher labour force participation among those aged 65 years and over (see Fig. 7).

Economic circumstances and jobs availability is another factor influencing participation. Rates rose strongly in response to growing job opportunities from 2004, reaching a peak in the Western Region in 2008. The recession led to declining participation, as some people withdrew from the labour market e.g. returned to education, retired. Participation rates among the youngest age groups changed most dramatically, which will be examined later. The region's participation rate fell to its lowest point in 2012 at just 56.7%.

Improved employment conditions have contributed to some increase since 2012 and it is likely that rates will continue to rise gradually as job prospects improve. As noted above, the decline in the size of the Western Region's labour force since 2012 has not been caused by a decline in participation rates, which have actually increased and therefore helped to offset to some extent the declining working age population (see Fig. 1).

3.2.1 Participation rates by gender

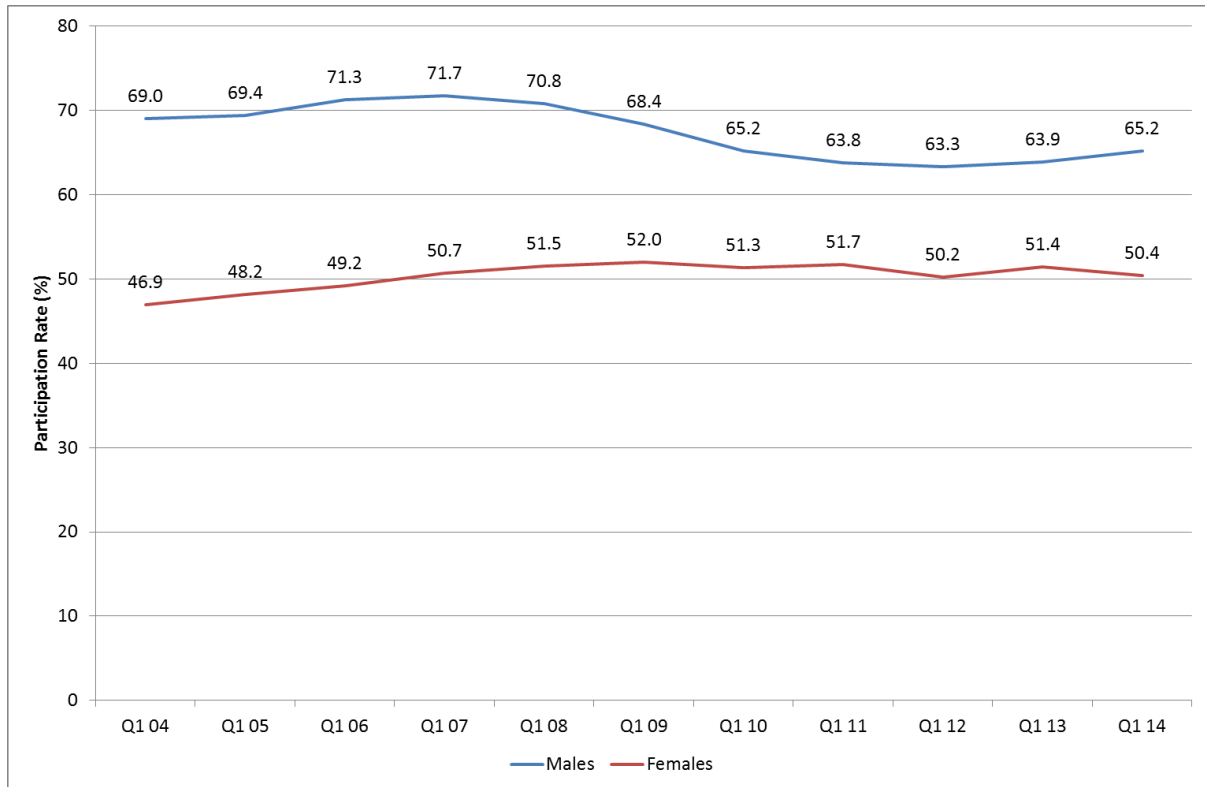
Participation rates vary between men and women. In 2014 the participation rate for men in the Western Region was 65.2% compared with 50.4% for women (Fig. 6). The trend over 2004-2014 also differed.

For men, participation rates increased to a peak of 71.7% in 2008 before declining to a low of 63.3% in 2012. This decline was strongly driven by falling participation among young men (15-24 years). There has been slight recovery in the past two years but the participation rate remains below the 2004 level. As will be shown in Section 5, the male dominated Agriculture sector and Skilled Trades occupational group have had the strongest employment growth since 2012 which has contributed to the recent increase in male labour force participation.

For women, the participation rate increased steadily from 2004 to 2009 when it reached 52%. This was the continuation of an ongoing trend of rising female labour force participation. The later peak for women reflects the fact that their labour market conditions deteriorated later, as job losses spread beyond the construction and construction-related manufacturing sectors. Female participation rates have remained quite steady since 2009, but declined somewhat in 2014. While the years of the recession saw a significant narrowing of the gender gap, it widened in 2014. Stronger recent jobs growth among men than women, influenced by the sectoral pattern of recent changes, would have contributed to this.

Both male and female participation rates in the Western Region were below those in the rest of the state for the entire 2004-2014 period.

Fig. 6: Participation rates by gender in the Western Region, Q1 2004 - Q1 2014



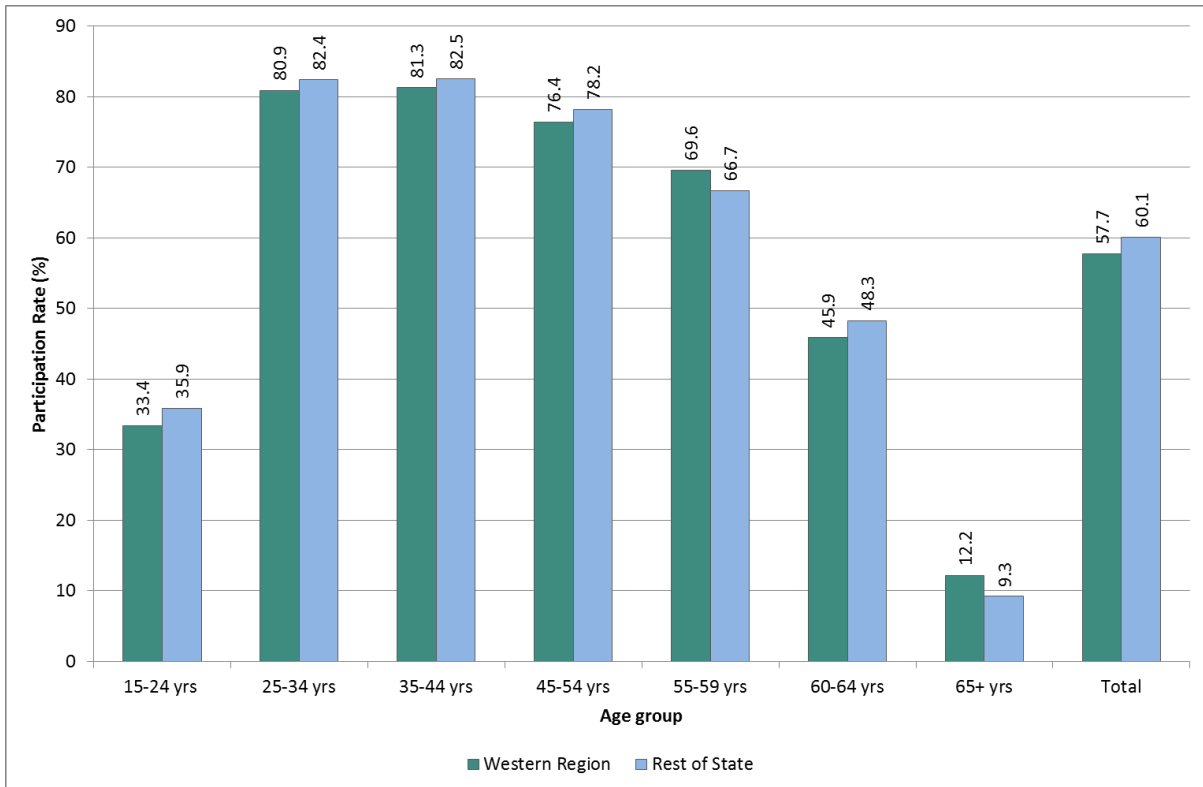
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

3.2.2 Participation rates by age group

Participation rates vary across age groups with 25-34 and 35-44 year olds having the highest, at over 80% (Fig. 7). The lowest rates are among the oldest and youngest age groups. The Western Region has lower participation rates than the rest of the state across almost all age groups except 55-59 and over 65. The region's higher rate in the over 65 age group is likely influenced by farming, as older farmers in more marginal areas continue working while in more commercial areas farms are more likely to be transferred.

The region has a lower labour force participation rate in the youngest age group which may be a positive indicator if it reflects higher rates of educational participation.

Fig. 7: Participation rates by age group in the Western Region and rest of the state, Q1 2014



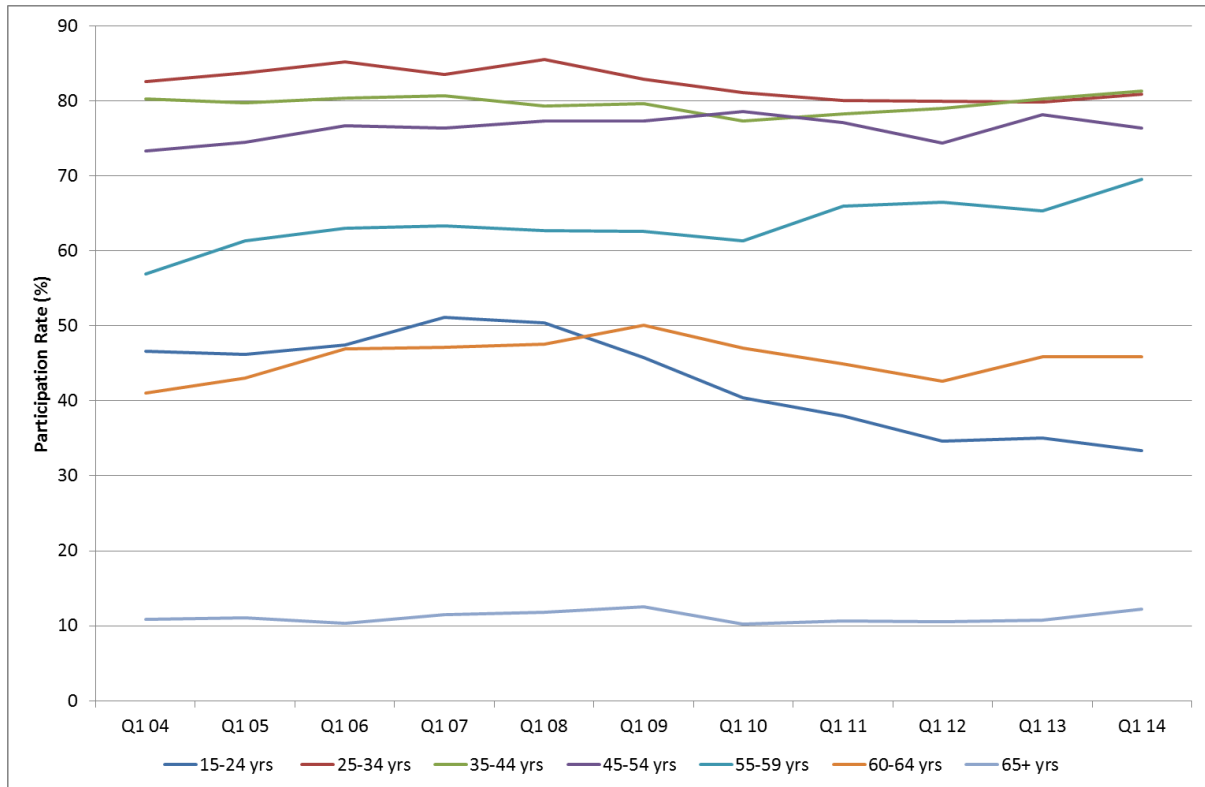
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 8a. Special run.

Fig. 8 shows that participation by age group varied across the period. For several age groups rates remained quite stable but participation among 55-59 year olds increased by almost 10 percentage points between 2010 and 2014. This could partly be due to the gradual moving through of earlier increases in female labour force participation as working women move into this age group.

The decline in participation among 60-64 year olds between 2009 and 2012 was influenced by early retirement incentives, particularly in the public sector. Also some people made redundant in this age group may have decided to retire rather than seek new employment. The participation rate in this age group has risen again since 2012, as new people entering this age category would not have the same early retirement incentive.

The youngest age category saw the biggest changes in participation, which is examined next.

Fig. 8: Participation rates by age group in the Western Region, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 8a. Special run.

3.2.3 Youth participation rates

Changes in participation in response to economic circumstances tend to most effect the youngest age groups. From Fig. 9 it is clear this also differs by gender.

Labour force participation among young men increased rapidly in the early years of the decade. By 2007, 57.4% of men aged 15-24 years in the Western Region were in the labour force. Within this, the rate was over 80% among 20-24 year olds. Well-paid jobs in the construction sector encouraged young males to enter the labour market early. The sector provided good opportunities for those with little interest in remaining in education and among those who did have an interest, it encouraged them to choose work and/or apprenticeship instead.

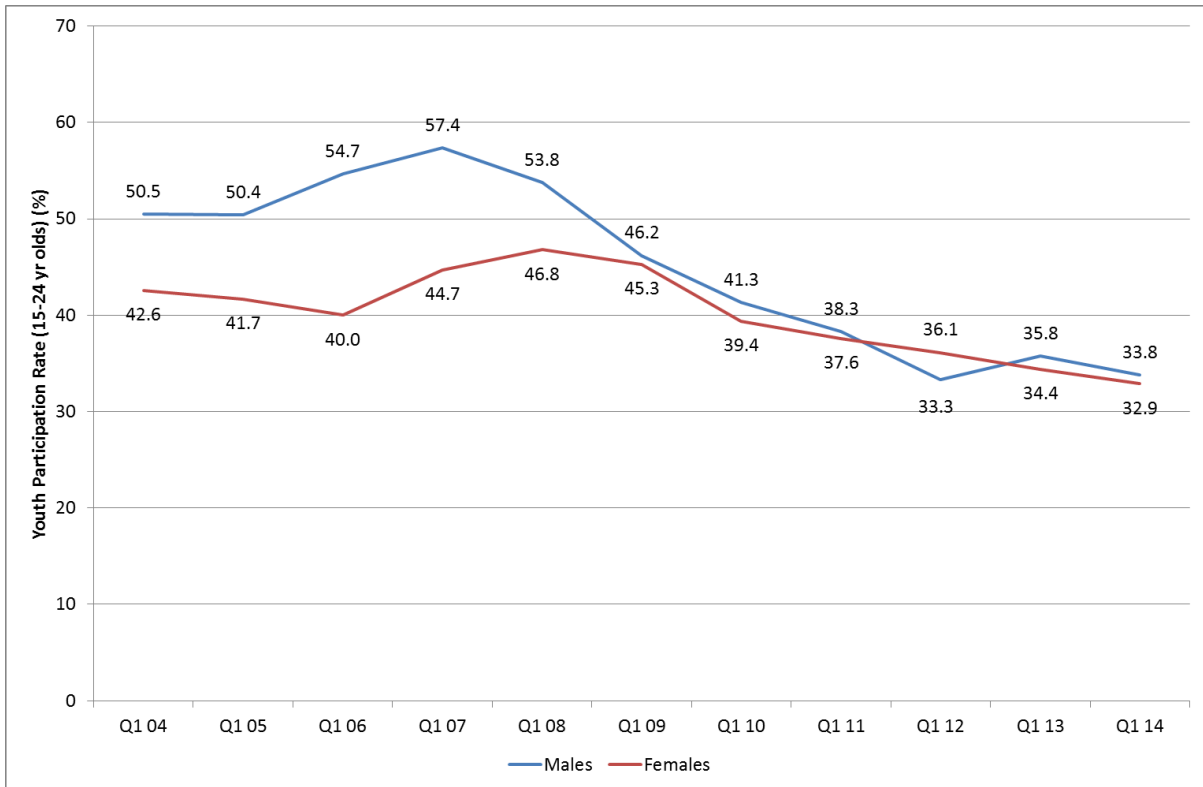
In this period, male participation in further and higher education was considerably lower than female. In 2006, while 11.3% of females in the region aged 15 years or over were in school or college, only 9.7% of males were. For women the region had a higher rate than in the rest of the state (10.8%) but for men it was the same as elsewhere. Lower male participation in education had consequences in terms of third level qualifications with 18.1% of women in the Western Region holding a third level degree or higher⁹ compared with just 13.8% of men (which was also far below the 18.3% share for men in the rest of the state).

Youth male labour force participation changed dramatically in 2007 with a very sharp decline to 36.1% by 2012. This decline was largely caused by reduced early school leaving, a return to education or training among those who had lost their job and movement out of this age group.

⁹ The percentage of those aged 15 years and over, whose full-time education has ceased, who hold a third level degree or higher. CSO, Census 2006.

Substantial cuts to Jobseekers Allowance payments for younger people, especially those aged under 20, would also have been a factor. By 2011, 11.1% of males aged 15 years or over in the region were in school or college, a considerable increase from 2006 (9.7%), and males are now quite close to females (11.5%). Rising male participation in education contributed to an increase up to 18.6% in the proportion of males in the region with a third level degree or higher by 2011, although there is still a considerable gender gap as the share was 26.3% for women.¹⁰

Fig. 9: Youth (15-24 year olds) labour force participation rates by gender in the Western Region, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 8a. Special run.

Labour force participation rates among younger women were considerably below those of men and in fact declined up to 2006. There were growing rates of progression to third level education among women at that time. Since 2008 female youth participation has declined similar to male. Youth labour force participation rates are now almost identical among young men and women.

Declining youth labour force participation rates is generally a positive development as it indicates increased participation in further and higher education or training, with the longer term benefits of improved employment prospects and regional skills base. One possible negative aspect would be the extent to which the reduction in youth labour force participation is also caused by more young people being outside of the labour force for reasons other than education or training such as disability or receipt of a lone parent payment. Ireland has the third highest rate in the OECD of people aged 20-34 who are in receipt of a disability payment.¹¹ Whether there are regional differences in this rate, and its consequences as young people become detached from the jobs market, would require further investigation.

¹⁰ CSO, Census 2011

¹¹ OECD (2010), *Sickness, Disability and Work: Breaking the Barriers*

3.3 Conclusion

The Western Region's labour force has contracted since 2012 due to a decline in the working age population, largely because of outward migration from the region. This was in contrast to a slight increase in the labour force in the rest of the state. As a region's available human resource is a key determining factor in regional growth, the decline in the region has possible implications for its capacity for economic growth and its viability, especially as out-migration is most common in the economically active age groups.

The Western Region has consistently had lower labour force participation rates than the rest of state, reflecting the smaller share of its population that is economically active. Following declines during the recession, as people withdrew from the labour force e.g. returned to education, retired, there have been signs of recent increases in participation again, though this is only occurring among men. Female participation rates in the region still lag those of men by 15 percentage points.

The youth participation rate has changed most dramatically in recent years, particularly among young men whose labour force participation declined hugely since 2007. This has coincided with an increase in the male population who are in school or college and narrowing of the gender gap in educational participation. A decline in the youth labour force participation rate can have positive long term impacts if it increases the level of qualifications and skills in the region. Young people who remain in the labour force however, face a higher risk of unemployment in the region than the rest of the state, as will be examined in Section 6.

Section 4: Employment

Employment covers both full-time and part-time jobs as well as those who are underemployed. It includes employees and self-employed as well as assisting relatives. The QNHS uses the ILO measure of employment which counts as employed any person who worked for at least one hour for payment or profit in the week before the survey. This is quite a broad measure and employment figures are higher than when the Principal Economic Status (PES) method is used (as in the Census) where a person is asked to select their economic status from a range of categories i.e. at work, unemployed, retired etc.

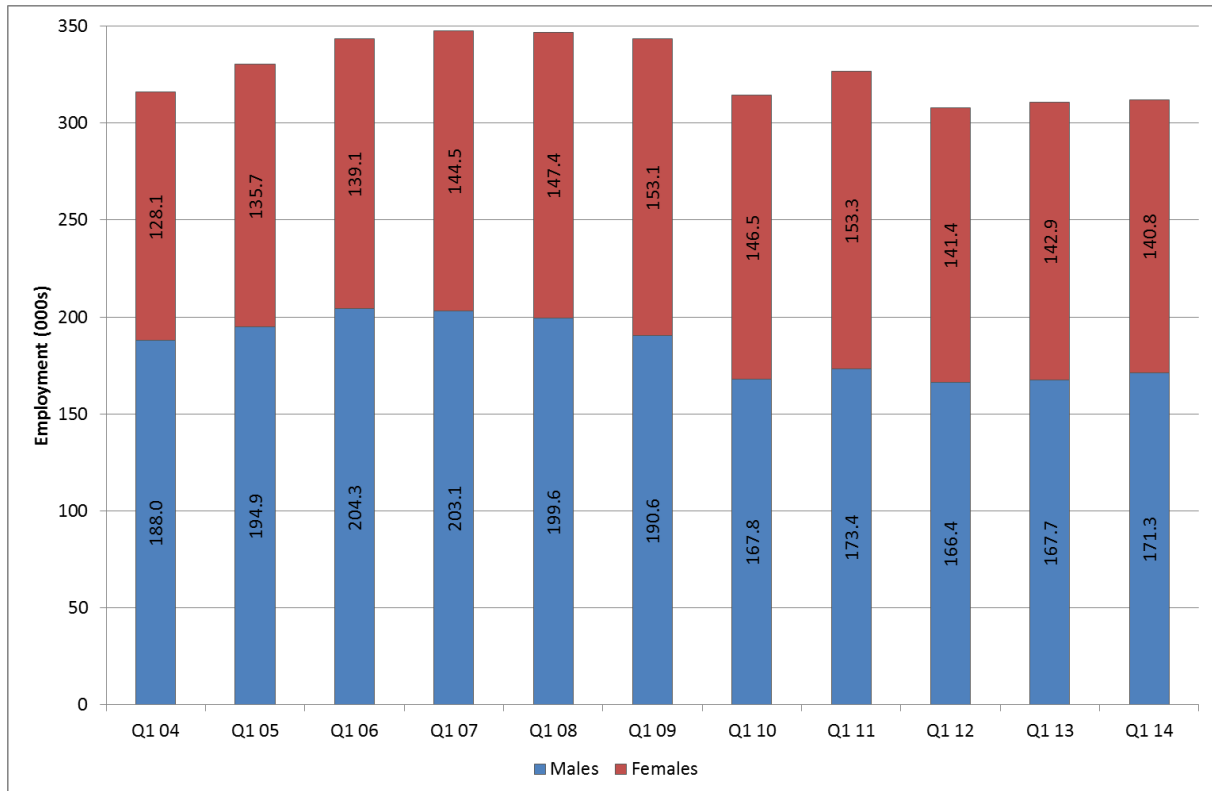
4.1 Total employment in the Western Region

In Quarter 1 2014 there were 312,100 people in employment in the Western Region. Total employment in the region grew strongly from 2004 to a peak of almost 350,000 in 2007-2008 (Fig. 10). This was followed by a substantial decline to the lows of 2010 and 2012. Total employment increased marginally (1.4%) between 2012 and 2014. This was considerably lower than the 3.9% increase in the rest of the state.

Male employment has varied more substantially than female. From a peak of over 200,000 in 2006-2007, by 2010 it had fallen by more than 36,000. This was largely caused by the collapse in construction and construction-supplying manufacturing. Male employment increased by 2.9% between 2012 and 2014. The male dominated Skilled Trades occupational group had the strongest growth over this period.

There has been less fluctuation in female employment. It expanded in the early years and continued to increase each year to 2009. It declined by about 13,000 between 2011 and 2014 and unlike male, was lower in 2014 than 2012. The decline in employment in the predominantly public sectors, particularly Health and Education which play large roles in female employment, was one of the main factors in this.

Fig. 10: Total employment by gender in the Western Region, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

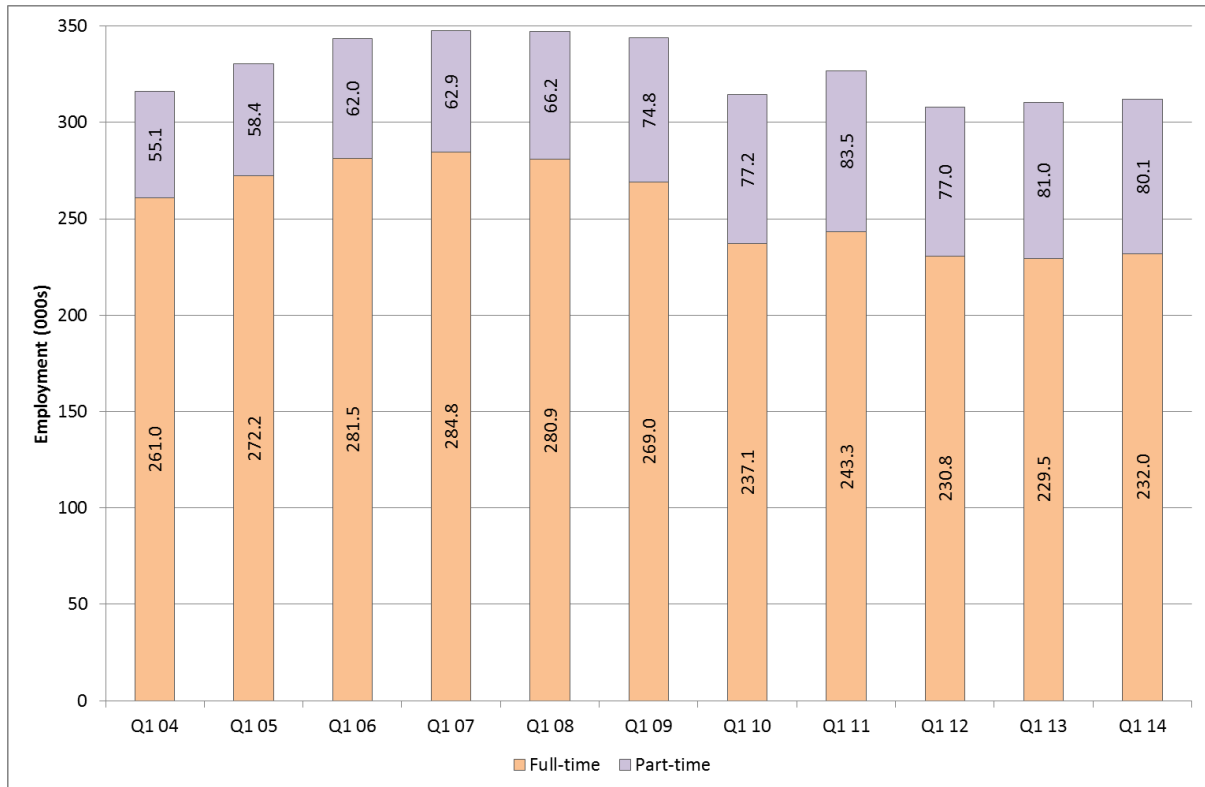
4.2 Full-time and part-time employment

The number in full-time employment was at its highest in 2007 (Fig. 11). Following a substantial decline (16.7%) to 2010, it has remained relatively stable since.

Part-time working increased in response to the recession. In 2007 there were 63,000 people working part-time in the Western Region, and it is now 80,000. In some cases this was due to previously full-time jobs becoming part-time e.g. moving to a three day week, as well as the growth of low or zero hour contracts. As part-time jobs tend to be more flexible, they are also the first to increase in response to improved economic conditions.

In the Western Region, between 2012 and 2014 there was only 0.5% growth in full-time jobs but 4% in part-time. In the rest of the state, growth in full-time and part-time jobs was more similar at 3.6% and 4.9% respectively. Therefore the jobs created in recent years in the Western Region were more likely to be part-time than jobs created in the rest of the state. As part-time jobs can be more insecure, including low or zero hour contracts, this raises concerns over the nature of recent jobs growth in the region. Agriculture, Wholesale and Retail, and Accommodation and Food Service are among the sectors with the strongest recent jobs growth in the region, all of which have relatively high levels of part-time working.

Fig. 11: Full-time and part-time employment in the Western Region, Q1 2004 - Q1 2014

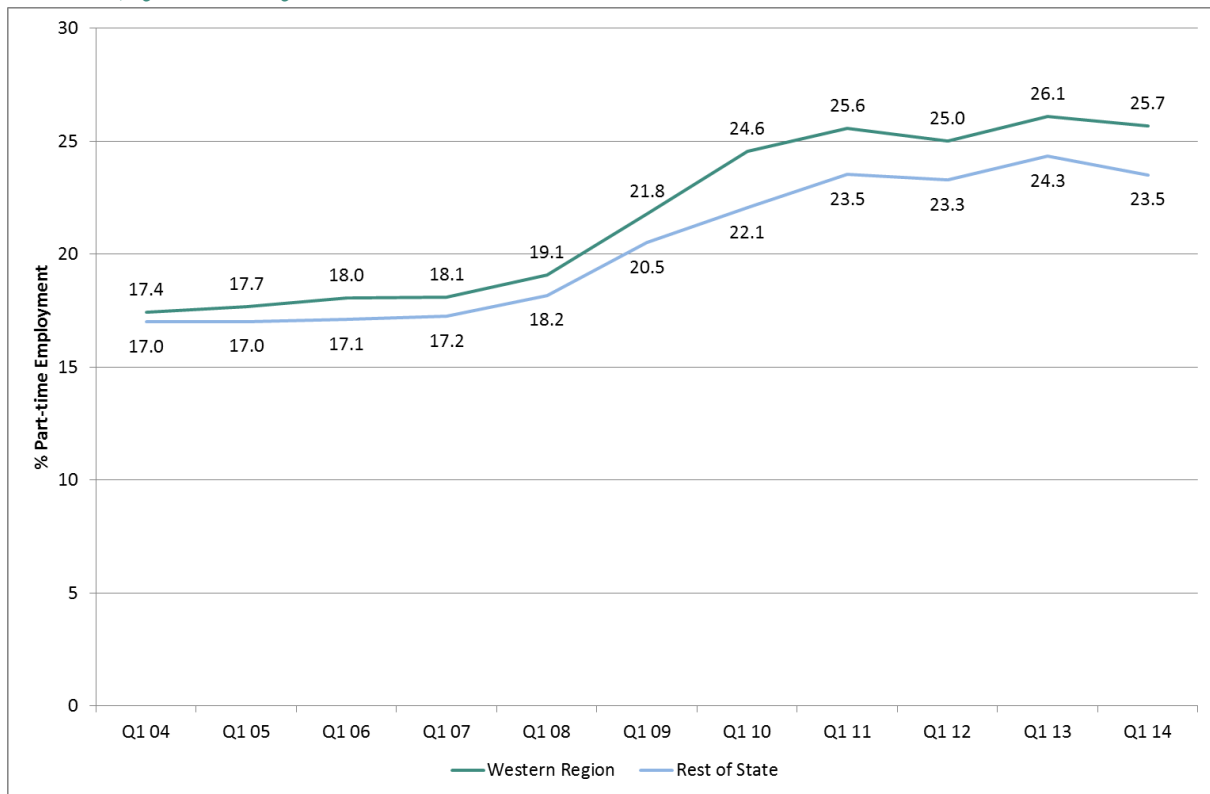


Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

4.2.1 Share in part-time employment

The share of total employment that is part-time changed radically in response to the recession and in the region it rose from 18.1% in 2007 to 25.7% in 2014 (Fig. 12). The Western Region has consistently had a higher share of part-time working than the rest of the state. Stronger growth in the region in the share of all jobs that were part-time widened this gap even more.

Fig. 12: Percentage of total employment that is part-time in the Western Region and rest of the state, Q1 2004 - Q1 2014

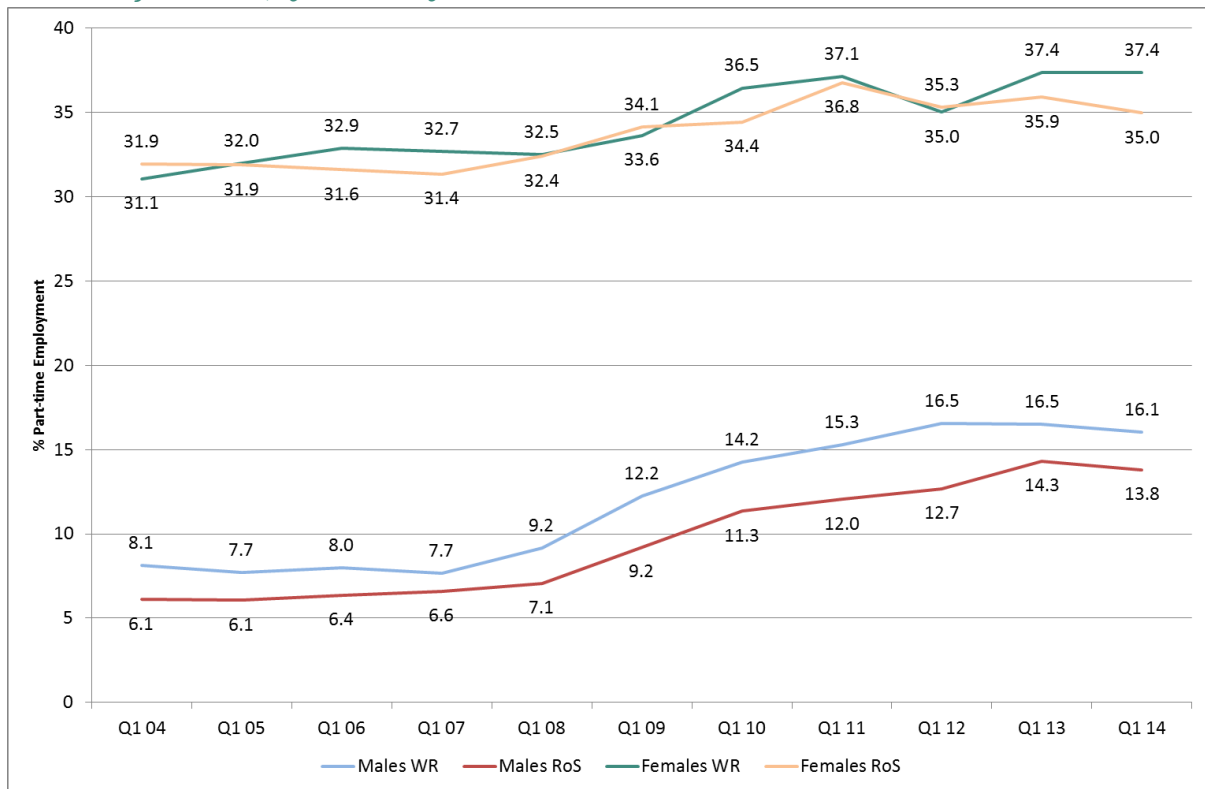


Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

4.2.2 Part-time employment by gender

Part-time working is considerably more common among women than men, often due to greater caring responsibilities. While 16.1% of employed men in the Western Region were working part-time in 2014 it was 37.4% of working women (Fig. 13). The share of part-time working increased for both up to 2012; for women it was a relatively gradual increase but for men it grew sharply after 2007. The extent of part-time working declined slightly among men in 2014 but remained steady for women.

Fig. 13: Percentage of total employment that is part-time by gender in the Western Region and rest of the state, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Compared with the rest of the state, there has consistently been higher part-time working among men in the region. This may reflect some weakness in the region’s labour market as well as the greater share of employment in Agriculture and its largely part-time nature in the region.¹²

For women, the picture is not as clear with relatively similar levels of part-time working in the region and rest of the state over most of the period. Since 2012 however the gap has widened. One reason for this could be that Health and Education, which have high shares of full-time jobs and are among the most important employers for women, have increased employment in the rest of the state but declined in the Western Region. Over the same period, Wholesale and Retail, also an important female employer but with more part-time working, has grown in the region but declined elsewhere.

4.2.3 Part-time underemployment

An important question is the extent to which those working part-time choose to do so, often because of caring or other commitments, and the extent to which it is involuntary part-time working. Would the person prefer to work full-time if a full-time job were available? If so, they are considered to be part-time underemployed.

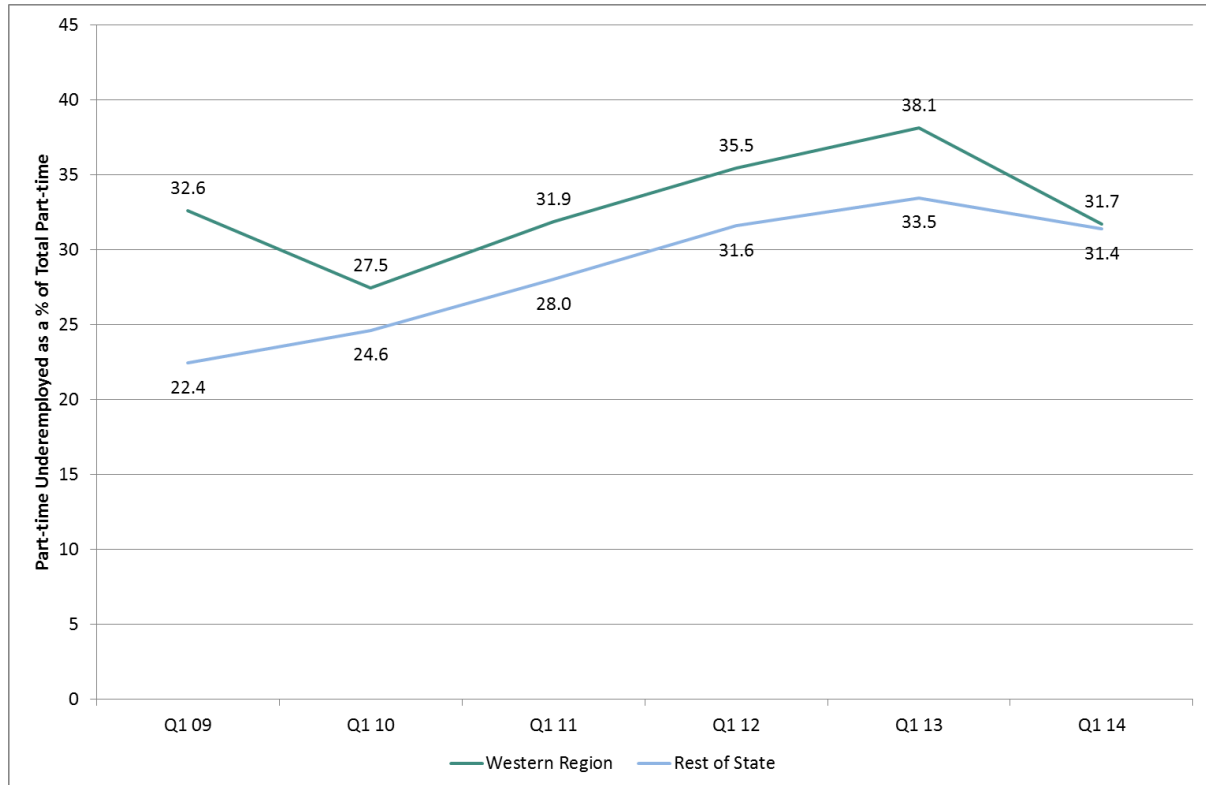
Data on part-time underemployment is available for 2009-2014 (Fig. 14). In 2009, 32.6% of all those working part-time in the Western Region would have preferred a full-time job. The share was ten percentage points higher than in the rest of the state, reinforcing the earlier point that the Western

¹² It should be noted that part-time farmers with a full-time off-farm job would be counted as full-time employed in that job and not counted under Agriculture.

Region's labour market responded more strongly by shifting to part-time employment, often involuntary part-time working, than elsewhere.

After a decline in the region in 2010, the share rose in both areas to a peak in 2013, at 38.1% in the region and 33.5% in the rest of the state. It declined in 2014 to around 31% in both areas. The decline in the share in 2014, combined with some growth in the numbers in full-time employment, means that some people who were part-time underemployed may have gained a full-time job.

Fig. 14: Percentage of all part-time workers who are part-time underemployed in the Western Region and rest of the state, Q1 2009 - Q1 2014



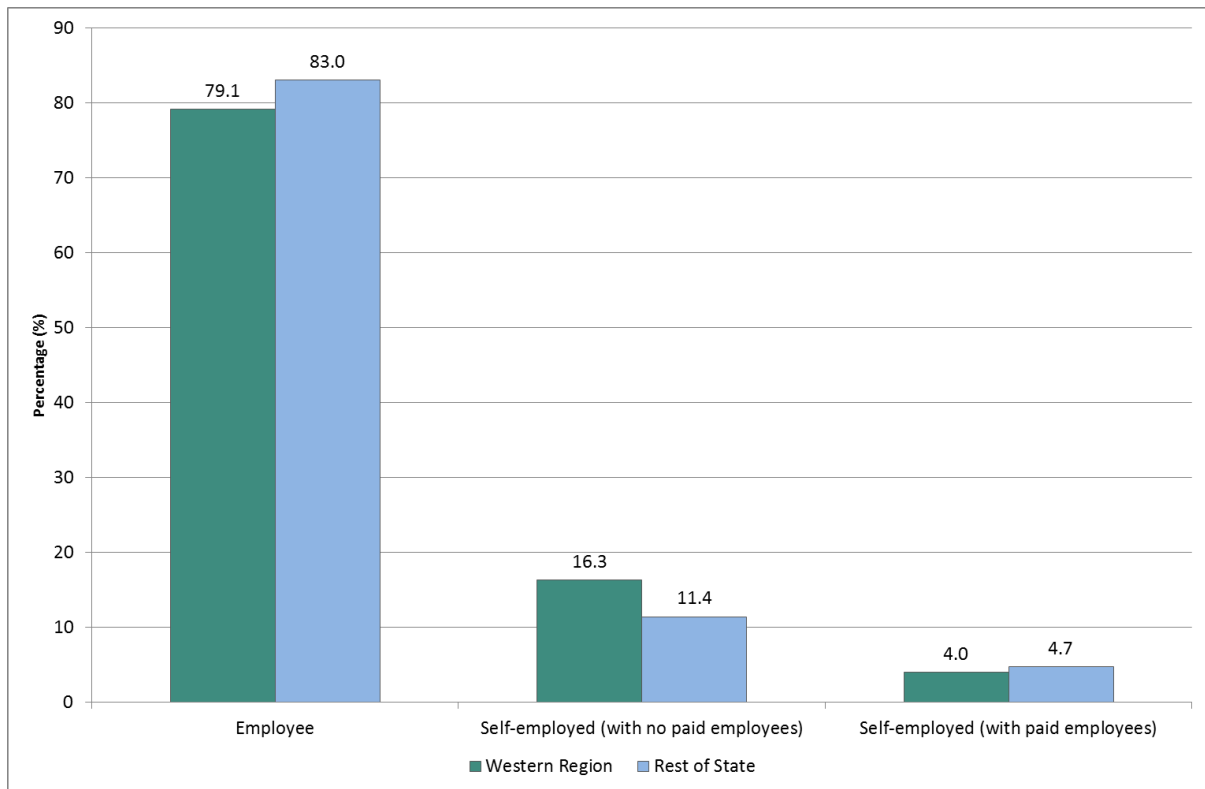
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

4.3 Employment status

A person in employment can be either an employee, self-employed or an assisting relative. The vast majority are employees, though this share is smaller in the Western Region at 79.1% compared with 83% in the rest of the country (Fig. 15).

The Western Region has a considerably higher share of self-employment. Combining both types of self-employment (with and without paid employees), 20.4% of employed people in the region, or 1 in 5, are self-employed compared with 16.1% in the rest of the state. This differs between the types of self-employment however, with the region having a higher share of those without paid employees, and a lower share of those with employees. It is interesting to note that in the region there are four times as many self-employed with no employees as those with employees.

Fig. 15: Employment status of those at work in the Western Region and rest of the state, Q1 2014



Note: The Assisting Relative category has been omitted as the number for the Western Region was too small to be reported by the CSO.

Source: CSO, Quarterly National Household Survey, Q1 2014, Table 5. Special run.

4.3.1 Self-employment

The region's overall higher incidence of self-employment is due to self-employed without paid employees who make up 16.3% of all those in employment in the region, much greater than the 11.4% in the rest of the state (see Fig. 15).

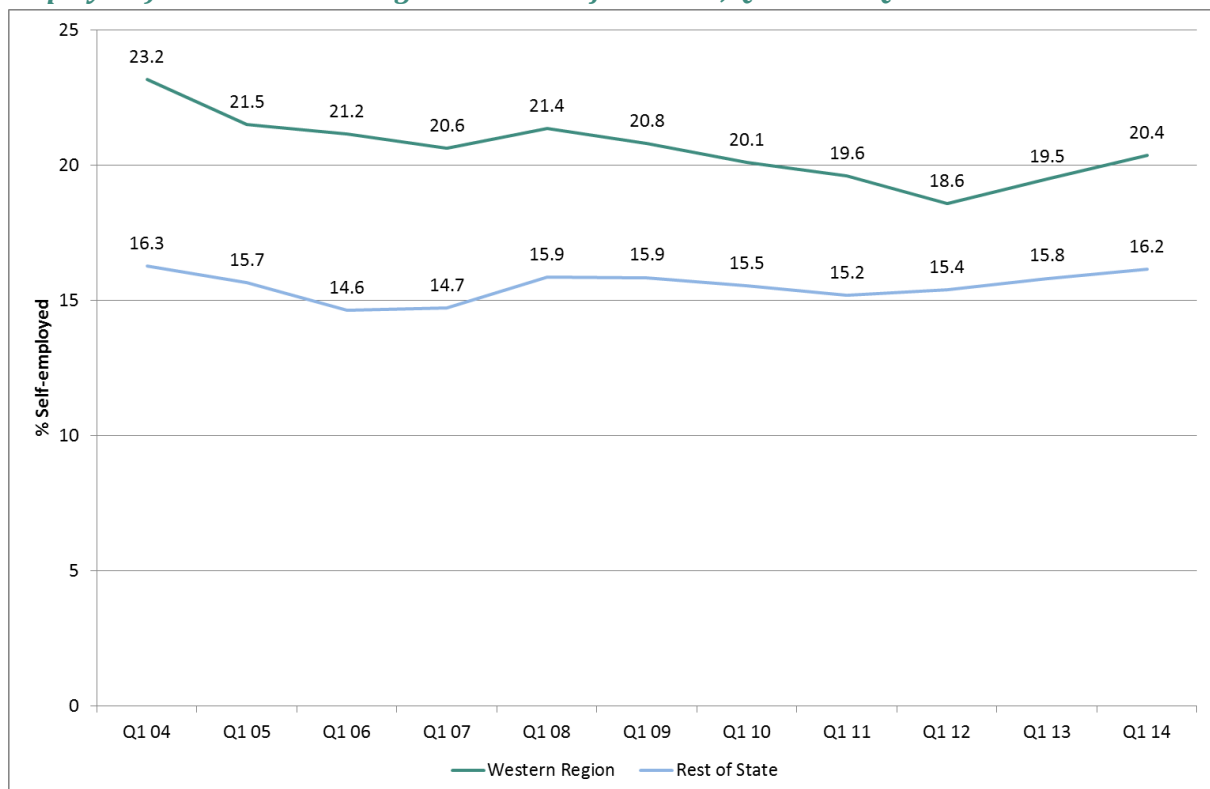
In the Western Region there are 51,000 people self-employed without employees. This would include farmers, tradespeople and providers of personal and professional services e.g. childminders, mobile hairdressers, architects, accountants, graphic designers. Particularly in smaller urban centres and rural areas, this form of self-employment can be a means for a person and their family to continue living and working in an area which offers limited suitable job opportunities. At times it may be necessitated by a person's location and self-employment plays a critical role in sustaining the population and economic viability of these areas. The needs of this group are not always clearly understood as they often work from home or are mobile and many are not within the remit of the enterprise agencies as they are involved in local services with limited export or job creation potential. Recognising the role, and identifying the needs, of this group requires further investigation.

The region has a lower share of self-employment with employees (4.0% compared with 4.7%), which would represent larger operations including bigger farms, retail, cafes, etc. The region's lower share in this group has implications for enterprise policy for the region and encouraging job creation. It may reflect some potential to increase the scale of some of those who are currently self-employed with no employees.

Rates of total self-employment (with and without paid employees) have varied across the 2004-2014 period (Fig. 16). The Western Region has always had a higher level of total self-employment than the rest of the state but this gap narrowed due to a steady decline in the region up to 2012. The decline in construction trades after 2008 would partly explain this, as well as the earlier decline in farming.

Since 2012 there has been an increase in self-employment and in the region it has returned to a similar level to 2007. This increase is linked to the sectors which have grown over this time, with Agriculture, Professional services, Wholesale and Retail, and Accommodation and Food Service having the strongest jobs growth (see Section 5). All of which have notable levels of self-employment.

Fig. 16: Percentage of those at work who are self-employed (with and without paid employees) in the Western Region and rest of the state, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 5. Special run.

4.3.2 Self-employment by gender

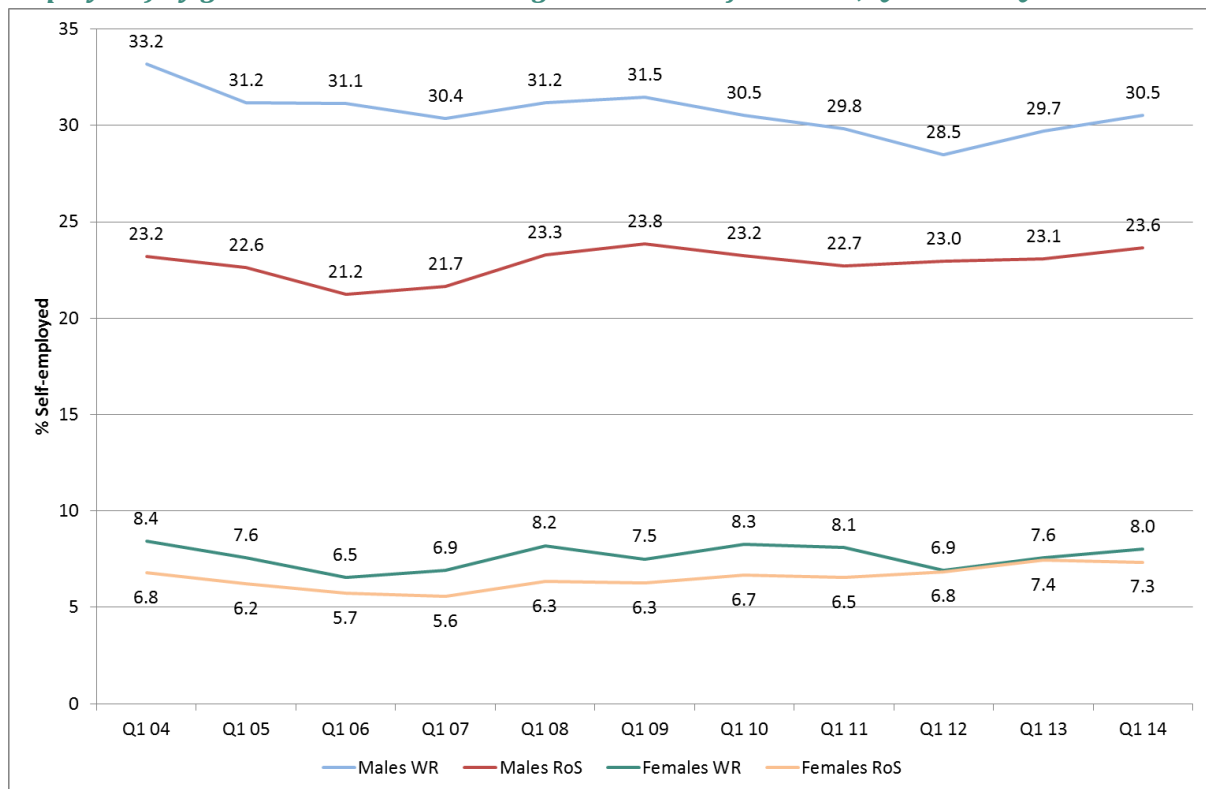
Self-employment is considerably more common among men, and even more so in the Western Region than the rest of the state (Fig. 17). Males in the Western Region have consistently had the highest rate of self-employment at over 30%. The Skilled Trades occupational group, which includes farmers and construction trades, has very high levels of self-employment and is the largest

occupational group for men in the region (see Section 5). In the rest of the state 24.8% of men are in Skilled Trades occupations but it is 10 percentage points higher in the Western Region (34.5%), contributing to its higher share of male self-employment.

Self-employment among women in the Western Region is also higher than in the rest of the state, indicating that factors other than farming and construction influence the region's higher incidence of self-employment. More limited job opportunities in smaller centres and urban areas, necessitating self-employment, may be an important reason for both sexes. The region also has higher shares of women working in Accommodation and Food Service, Wholesale and Retail, and Agriculture than the rest of the state, which have quite high self-employment.

Self-employment among men in the region declined until 2012, but has risen since, as it has for women. The sectoral pattern of recent growth, referred to in the previous section, is largely the cause.

Fig. 17: Percentage of those at work who are self-employed (with and without paid employees) by gender in the Western Region and rest of the state, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 5. Special run.

4.4 Conclusion

The Western Region's labour market is characterised by more part-time working, underemployment and self-employment, for both men and women. This reflects distinct differences in the nature of the region's labour market and may point to certain weaknesses which need to be addressed by tailored job creation actions for the region.

Employment in the region expanded very strongly up to 2007. Following massive job losses, there has been a small return to growth since 2012, entirely due to growth in male employment. Since

2012 the region experienced lower employment growth than the rest of the state however, 1.4% compared with 3.9% and the region's recent jobs growth was more likely to be part-time. This raises concerns about the nature of recent growth and the question of how policy can stimulate greater full-time jobs growth in the region. The sectors that have grown most strongly in recent years in the region include some with relatively high part-time working e.g. Wholesale and Retail.

The percentage of all employment that is self-employment has also risen since 2012 indicating that it has played a role in overall jobs growth. The Agriculture, Professional services, Wholesale and Retail, and Accommodation and Food Service sectors have experienced the strongest jobs growth in this period, all of which have high levels of self-employment. The region has a far higher degree of self-employment (without paid employees) than the rest of the state. The role of such employment, especially in areas with limited alternative job opportunities, in maintaining their economic viability and population requires further investigation and policy focus.

Section 5: Sectoral and occupational jobs profile

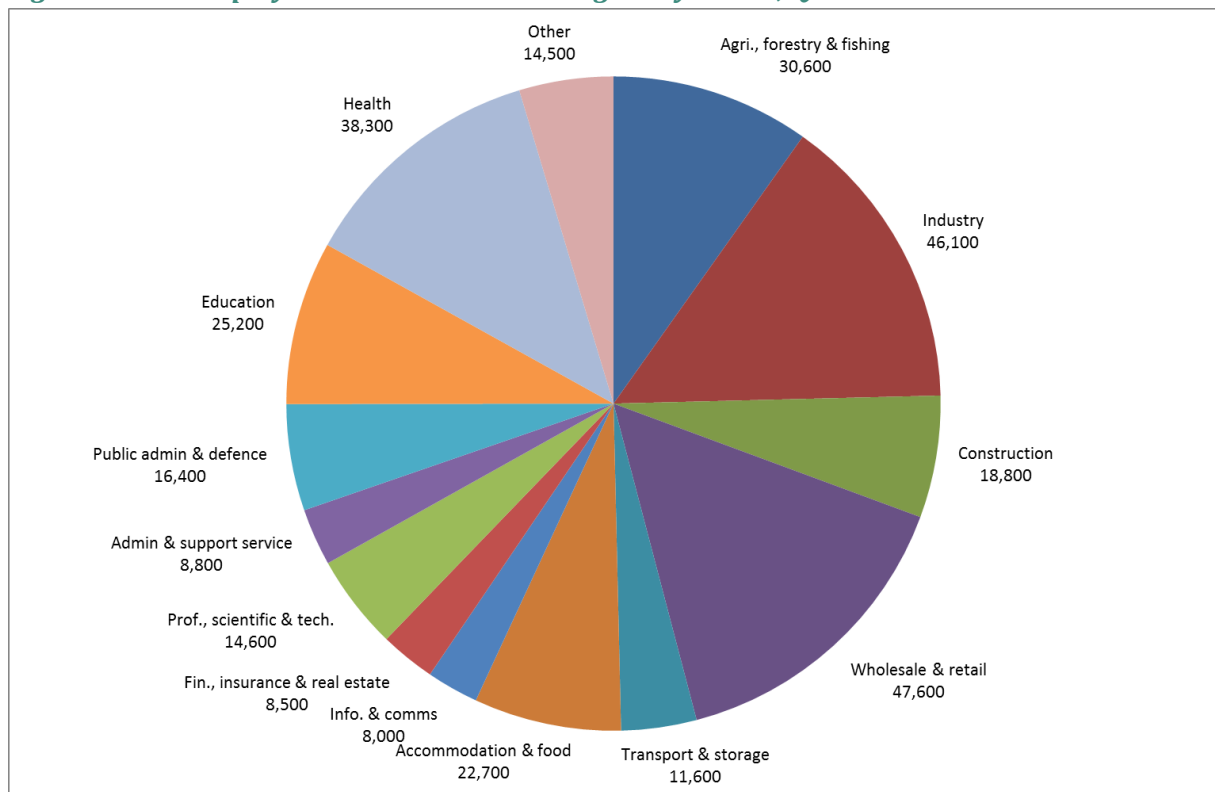
Total employment can be analysed according to the economic sector¹³ in which people work as well as their occupation.¹⁴ The sectoral jobs profile in particular provides a good insight to the structure of the region's economy and helps identify areas of economic activity where job numbers are growing or declining. As already noted, the sectoral and occupational pattern of recent employment changes has influenced the differing employment performance by gender as well as the extent of part-time and self-employment.

5.1 Sector of employment

Employment is classified across 14 economic sectors. Agriculture, Forestry and Fishing, Industry, Construction and 11 services sectors ranging across local, professional, knowledge intensive, personal and public services.

The two largest employment sectors in the Western Region are Wholesale and Retail, and Industry with around 30% or 112,500 people working in these two (Fig. 18). Health and Agriculture¹⁵ are next most important.

Fig. 18: Total employment in the Western Region by sector, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

¹³ The economic sectors are based on the Eurostat NACE Rev 2 classification for industrial activity. For more detail <http://www.cso.ie/en/surveysandmethodology/classifications/classificationofindustrialactivity/>

¹⁴ The occupational groups are based on the UK Standard Occupational Classification 2010 (UK SOC2010). For more detail <http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/soc2010/index.html>

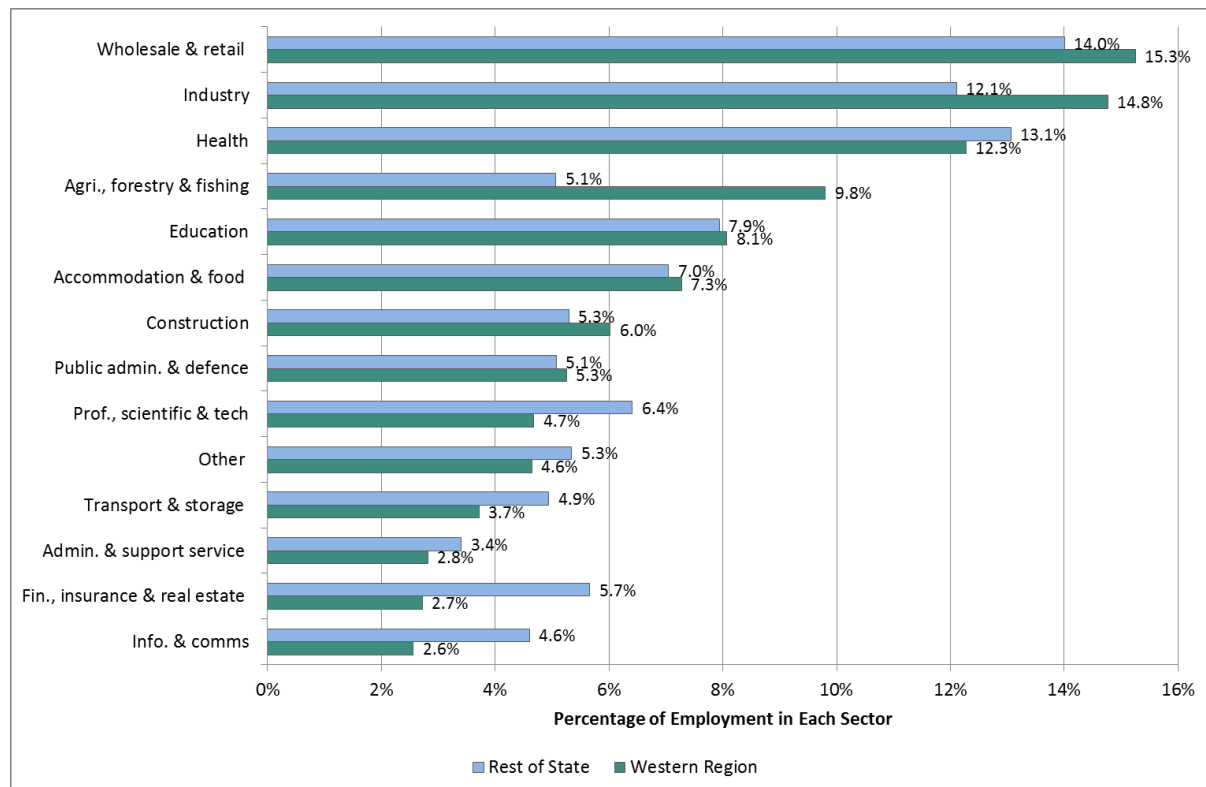
¹⁵ Note that the CSO has expressed some concerns about the impact of the introduction of the new sample structure on data for the Agriculture, Forestry and Fishing sector. Some caution is required in interpreting data on this sector.

Of the region's top seven sectors, all (except Health) account for a greater share of jobs in the region than the rest of the state with almost twice as large a share working in Agriculture (Fig. 19). Industry (manufacturing) is also considerably more important as a source of employment in the region.

About a quarter (25.6%) of the region's employment is in the predominantly public sectors of Health, Education and Public Administration combined.¹⁶ The share working in these sectors in the region was just slightly below that in the rest of the state (26.3%). For the first time in the 2004-2014 period, the Western Region has a lower share of public sector employment.

Among the region's smaller sectors, the share working in them in the region is considerably below that in the rest of the state. This is very much the case for the knowledge intensive service sectors of Financial, Insurance and Real Estate as well as Information and Communication, often seen as a key future growth sector. The other knowledge intensive services sector of Professional, Scientific and Technical activities is also a less important employer in the region, though the difference is smaller.

Fig. 19: Percentage of employment by sector in the Western Region and rest of the state, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

In general the Western Region's jobs profile relies more heavily on the traditional sectors (Industry, Agriculture, and Construction) and on local services (Wholesale and Retail, and Accommodation and Food Service) which depend on domestic spending and tourism. Knowledge intensive services, which include internationally traded services, play a substantially smaller role in the region's

¹⁶ Not all employment in the Health and Education sectors is in the public sector. Health employment would include those working in private nursing homes, dentists, etc. Education would include private sector training companies, driving schools, etc. Comparing the CSO's national estimates for public sector employment in Q1 2014 (CSO, *Earnings, Hours and Employment Costs Survey*) which are a more accurate reflection of public sector employment, with the QNHS estimates for these sectors, about half of all Health employment and three-quarters of Education employment is in the public sector.

employment structure. The region's sectoral pattern of jobs is influenced by its largely rural nature with the more traditional sectors and local services particularly important in rural areas and smaller towns, while knowledge intensive services are quite concentrated in Galway city and the larger towns.

5.1.1 Western Region's share of national employment by sector

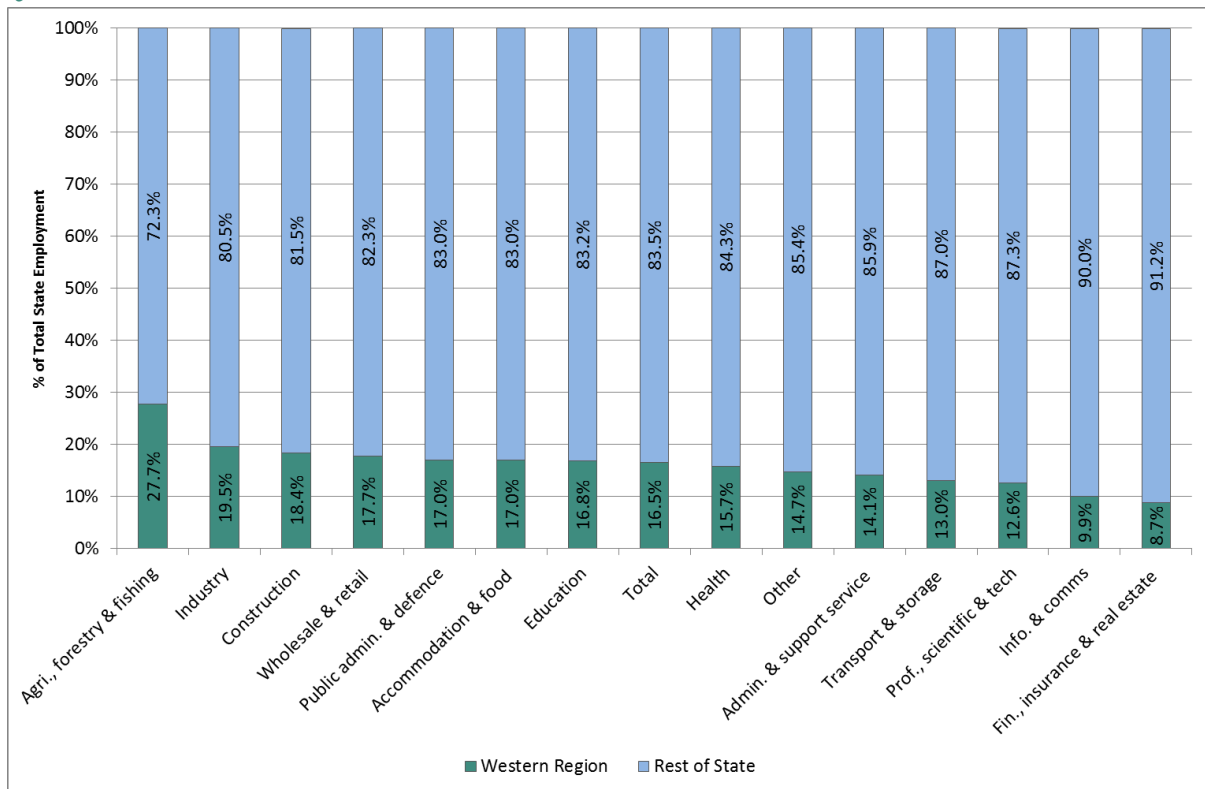
This jobs pattern can also be seen in the region's share of national employment in each sector. On average 16.5% of all jobs in the state is located in the Western Region. This is a decline from 16.9% in 2012 and over 17% in 2004. Agriculture is where the region makes its largest contribution with 27.7% of all Agriculture jobs based in the region (Fig. 20).

Industry (19.5%) and Construction (18.4%) are other sectors where the region plays a large national role. The region's strength in Industry (manufacturing), recently highlighted in the WDC's analysis of agency assisted employment,¹⁷ is also evident here. The Western Region's share of all Industry jobs nationally has risen very strongly from 16% in 2007 to its current 19.5%. This has not been caused by strong manufacturing jobs growth in the region however, but rather by its relatively stable jobs performance (-4.4% between 2007 and 2014) compared with more substantial declines elsewhere in the country (-21.5% over the same period). The region's MedTech cluster is an important contributor to Industry's relative stability.

The three knowledge intensive services sectors are where the region accounts for its smallest shares of national jobs. Less than 10% of all Information and Communication, and Financial, Insurance and Real Estate jobs in the country are based in the Western Region. The region's share in both these sectors has declined since 2012, from 12.1% and 11% respectively down to its current 8.7% and 9.9% shares (close to its lowest of the entire 2004-2014 period). Not only does the region account for low shares in these sectors but it is losing ground. The region has performed better in the Professional, Scientific and Technical sector, with its national share rising slightly since 2012.

¹⁷ WDC Insights Trends in Agency Assisted Employment in the Western Region, January 2015
<http://www.wdc.ie/publications/reports-and-papers/>

Fig. 20: Percentage of total employment in the state based in the Western Region by sector, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

5.1.2 Sector of employment by gender

There are very considerable gender differences in the region's employment profile (Fig. 21). One of the most striking is the 22% of female jobs in Health. Combined with Education and Public Administration a total of 41.1% of working women in the region work in the predominantly public sectors,¹⁸ marginally above the rest of the state (40.8%). For men in the region the figure is just 12.9%, below the rest of the state (13.6%). Changes in public sector employment have a greater impact on female than male jobs.

Accommodation and Food Service, 'Other NACE Activities'¹⁹, Financial, Insurance and Real Estate, and Administrative and Support Services²⁰ also account for a greater share of women's than men's jobs. All of these are predominantly local services. Therefore public and local services are the main areas of employment for women.

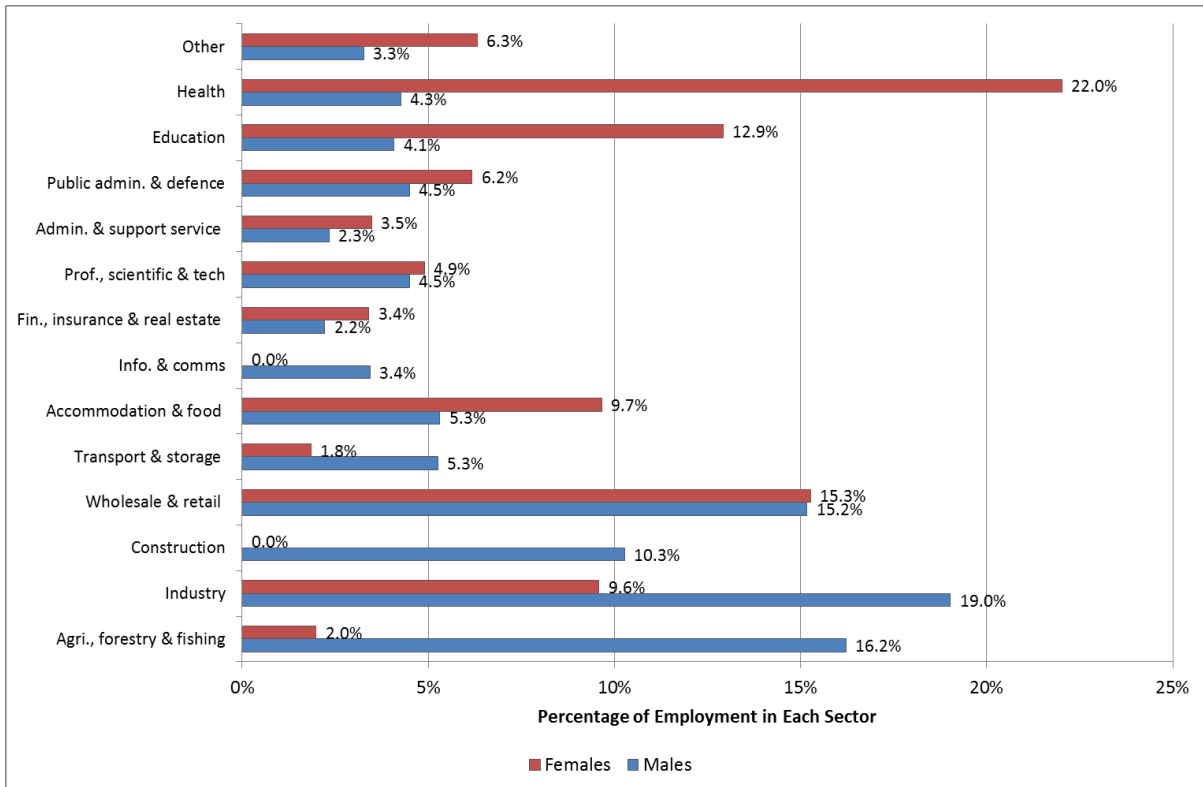
Industry, Agriculture, Construction, and Transport and Storage are the most male dominated. Industry accounts for twice as large a share of all male jobs as female. For the others, their share of all female jobs is very low. It is notable that the knowledge services sector of Information and Communication, often seen as a key future growth area, accounts for a far higher share of male than female jobs. The region's largest sector, Wholesale and Retail, is equally important to men's and women's employment.

¹⁸ Not all employment in Health and Education is in the public sector.

¹⁹ 'Other NACE Activities' includes activities such as hairdressing, creative arts, recreation and computer repairs.

²⁰ Administrative and Support Services includes activities such as recruitment, tour operators, landscaping and security.

Fig. 21: Percentage of employment by sector and gender in the Western Region, Q1 2014



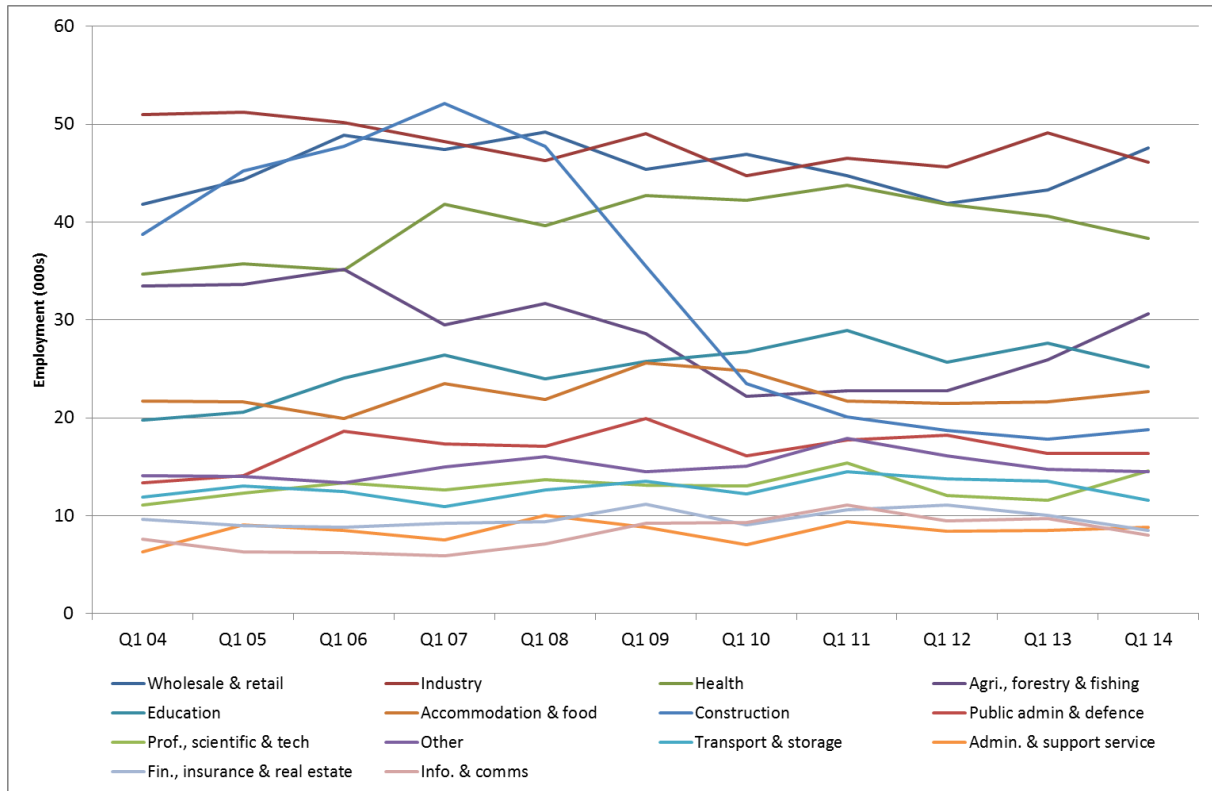
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

5.1.3 Trends in sectoral employment

Considering trends over 2004-2014, Construction has clearly had the most dramatic changes (Fig. 22). In 2007 it reached its peak as the largest employment sector in the region employing 52,000 people. From there it collapsed to just under 18,000 by 2013. As noted previously, this had a massive impact on male employment. In 2014, the first increase in employment in the sector since 2007 occurred.

Following decline from 2006 to 2010, Agriculture has grown since, particularly strongly in recent years. This has contributed to the stronger recent jobs performance of men. Health is another large sector that has shown considerable variation, growing strongly during 2006-2011 but declining since, with employment in 2014 the lowest since 2006. This decline has contributed to the recent fall in total female employment.

Fig. 22: Employment by sector in the Western Region, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

5.1.4 Recent changes in employment by sector

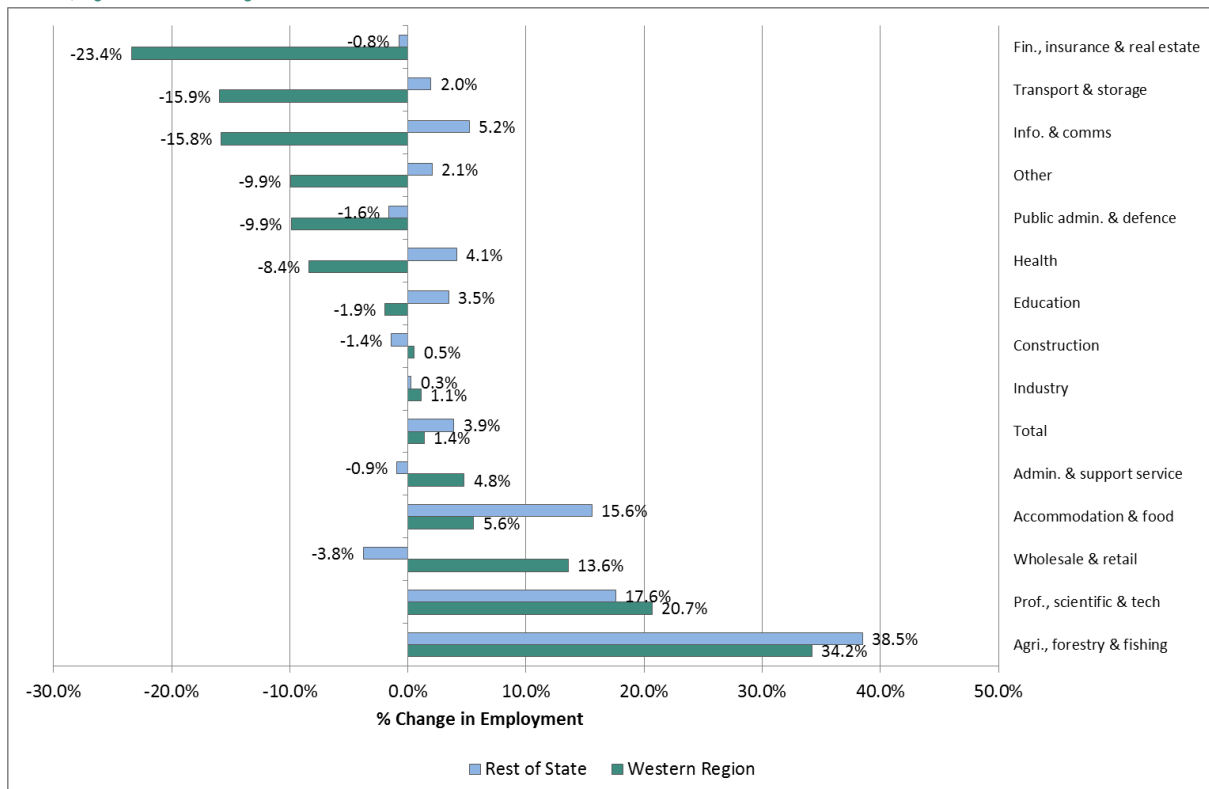
Between 2012 and 2014 half of sectors (7 of 14) experienced an increase in employment in the Western Region (Fig. 23). This was fewer than in the rest of the state where nine sectors grew.

Agriculture increased most strongly, by a third in the region and by even more in the rest of the state. While the CSO has noted concerns over the impact of new sampling on the employment figures for Agriculture, it does seem that employment is growing in the sector. The relatively strong recent performance of the agri-food sector, especially in exports, is a likely factor but this is a trend that requires further examination.

Professional, Scientific and Technical activities had the next largest increase, up by a fifth in the region (higher than in the rest of the state). As can be seen from Fig. 22 above however, this was actually a return to its 2011 level. Given that Agriculture, and Professional, Scientific and Technical activities are likely to have relatively high shares of self-employment, their growth would have contributed to the increasing share of self-employment in the region since 2012.

Wholesale and Retail had the next largest growth in the region, which was in contrast to the rest of the state where jobs fell over the same period. The other main local services sector, Accommodation and Food Service, also grew though not as strongly in the region as elsewhere. This period coincided with growth in overseas visitor numbers, as well as some improvement in consumer sentiment, increasing demand for these sectors.

Fig. 23: Percentage change in employment by sector in the Western Region and rest of the state, Q1 2012 to Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 2. Special run.

What is most notable from Fig. 23 however, is the far greater jobs decline experienced in the Western Region across many sectors, including knowledge intensive services and the public sector. The region had a far worse performance in the Financial, Insurance and Real Estate, and Transport and Storage sectors than the rest of the state. In the case of Information and Communication, while employment fell by nearly 16% in the region, it was the sector with the fourth highest growth in the rest of the country (up 5.2%). The reasons for the Western's Region poor, and weakening, jobs performance in this high growth sector need to be investigated.

In the predominantly public sectors, jobs in Health and Education rose in the rest of the state but declined in the region, which also experienced a greater decline in Public Administration employment. The far weaker performance of these sectors in the Western Region has led to the combined share of jobs in the predominantly public sectors in the Western Region dropping below that in the rest of the state for the first time.

This weaker performance in the predominantly public sectors has also impacted on women's jobs which declined by 0.4% between 2012 and 2014 compared with 2.9% growth for men. The contraction of employment in these sectors in the region, while it grows elsewhere, could have significant implications for women's jobs. This would particularly be the case in more rural areas which have a higher dependence on these sectors, partly due to limited alternative professional or clerical career opportunities. The role and recent performance of these sectors in the region, including both the public and private elements of Health and Education, requires further investigation.

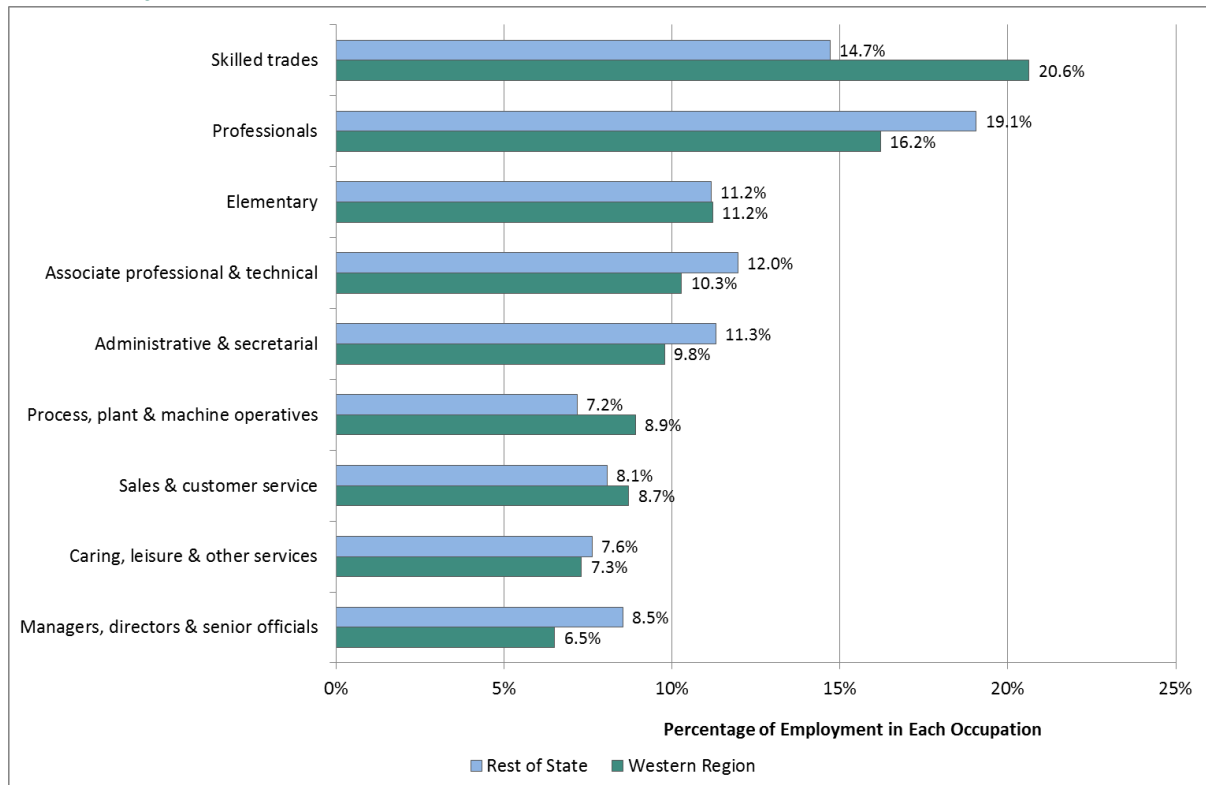
5.2 Occupation

Employment is classified across nine occupational groups. Each group includes a range of occupations which are considered to have similarities in terms of the qualifications required, activities undertaken and pay rates.²¹

Skilled Trades²² is the largest occupational group in the Western Region accounting for 1 in 5 jobs (Fig. 24). The share working in these occupations in the region is considerably higher (6 percentage points) than in the rest of the state where it is only the second largest after Professionals. A notably lower share of jobs in the region are Professionals.

In addition to Skilled Trades, the other occupational groups with a higher share of the region's jobs are Operatives (mainly in manufacturing) and Sales and Customer Service. These are among the lower paid occupational groups. As well as Professionals, the region also has a lower share of Managers, Directors and Senior Officials, and Associate Professionals and Technical jobs. These are the three highest paid occupational groups.²³

Fig. 24: Percentage of employment by occupational group in the Western Region and rest of the state, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 4. Special run.

The Western Region's occupational profile points to a lower paid jobs structure than the rest of the state. Greater shares of workers in the region work in several of the lower paid occupational groups with smaller shares working in higher paid occupations. There is a greater incidence of lower paid

²¹ The occupational groups are based on the UK Standard Occupational Classification 2010 (UK SOC2010). For more detail <http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/soc2010/index.html>

²² The Skilled Trades occupational group includes farmers as well as construction trades.

²³ It should be noted that pay rates are not straightforward with some Skilled Trades occupations more highly paid than some occupations in these groups for example.

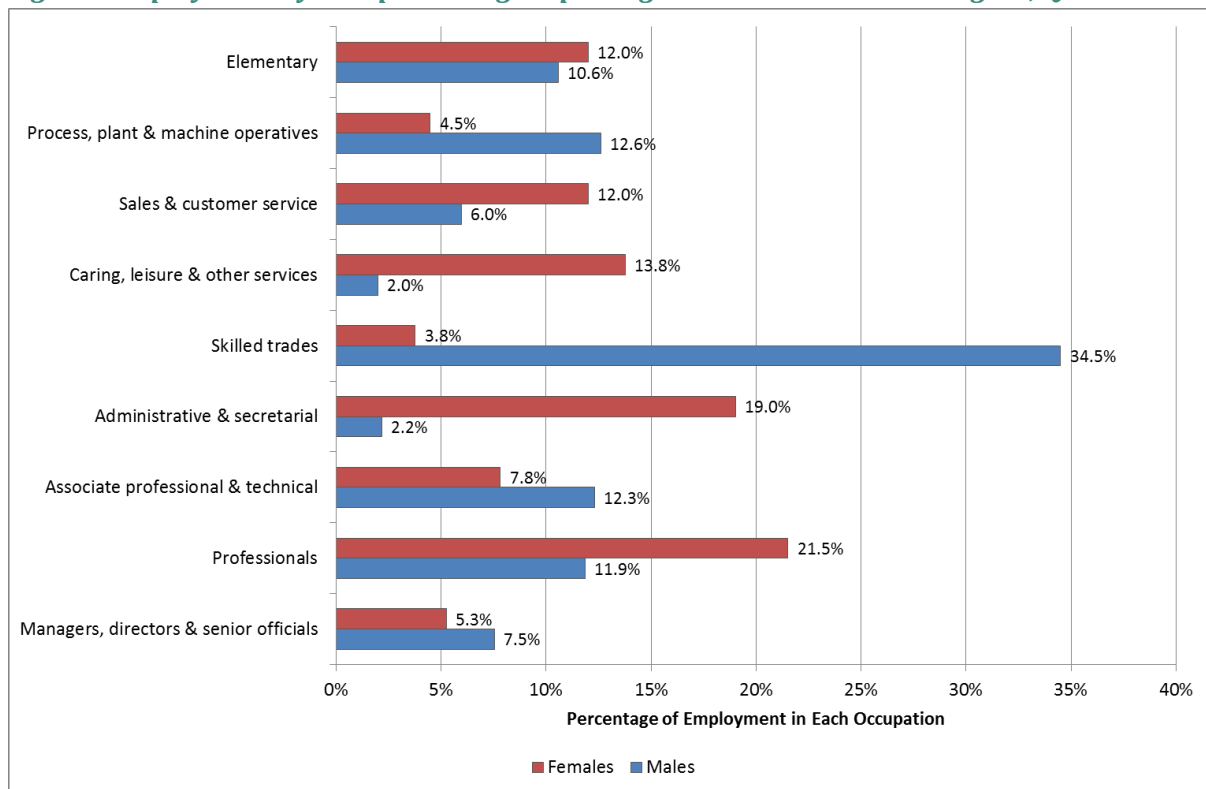
jobs in the Western Region's labour market compared with the rest of the state. This is reflected in regional and county incomes data which shows that counties in the Western Region have relatively low disposable income, with all western counties below the national average.²⁴

5.2.1 Occupation by gender

The biggest gender difference in occupations is in Skilled Trades which employs 34.5% of working men but only 3.8% of women (Fig. 25). This includes male dominated occupations such as farming and construction trades. This is the largest occupational group for men by some distance, with Operatives, Associate Professionals and Technical, and Professionals next largest.

The female occupational profile is not as dominated by a single grouping. Professionals is the largest, with 21.5%, almost twice its share of men's jobs. Professionals includes many Health (doctors, therapists, nurses, dentists) and Education occupations, two sectors which high female employment. The next largest occupational groups for women are Administrative and Secretarial, and Caring, Leisure and Other Services, both very female dominated.

Fig. 25: Employment by occupational group and gender in the Western Region, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 4. Special run.

Operatives and Sales also have considerable gender differences. The greater prevalence of Operative occupations among men can be explained by the fact that Industry, which accounts for many of these occupations, is considerably more important to male employment.

It is notable however that, while the Wholesale and Retail sector accounts for a very similar share of all male and female jobs (see Fig. 21), Sales and Customer Service occupations are considerably

²⁴ WDC Insights County Incomes and Regional GDP, July 2014 <http://www.wdc.ie/publications/reports-and-papers/#toggle-id-2>

more important for women's jobs. This could indicate that other types of Sales and Customer Service occupations (e.g. call centres) are more female dominated and also that more of the managerial positions in Wholesale and Retail are held by men (and would be counted under Managers). The Managers, Directors and Senior Officials occupational grouping accounts for more male than female jobs.

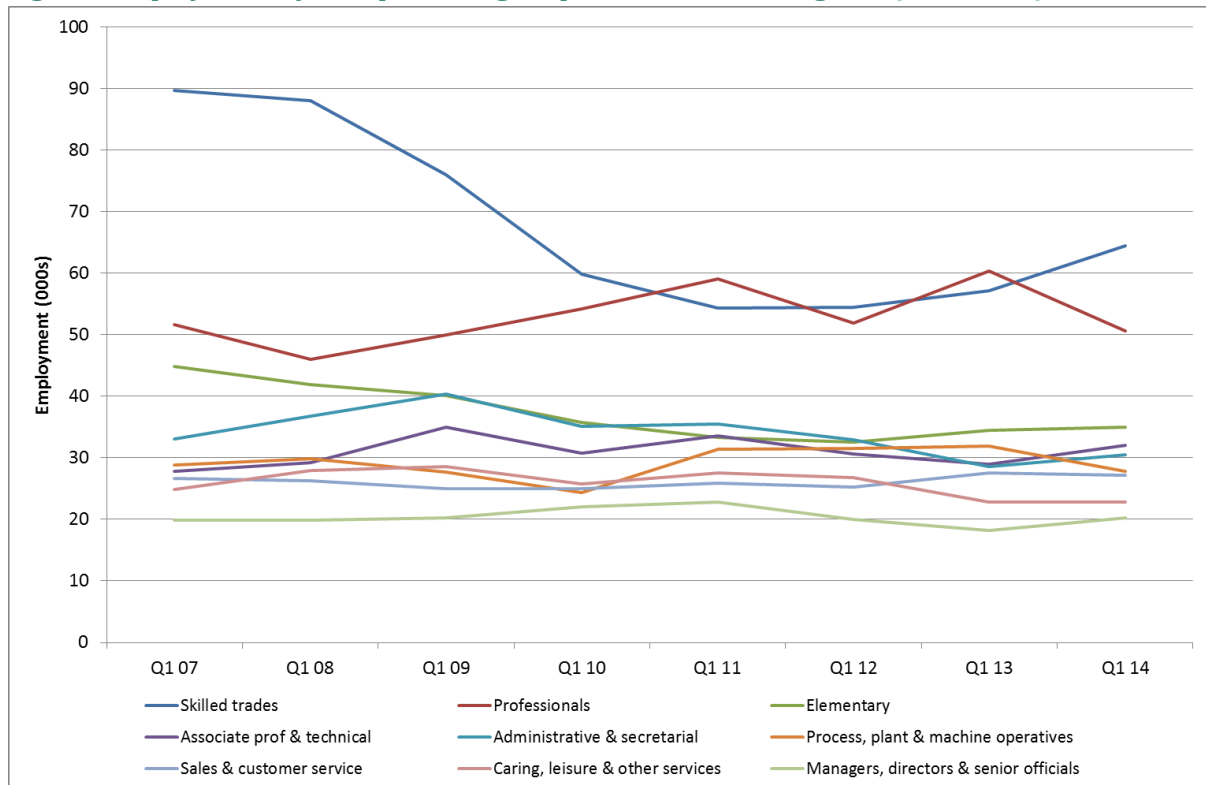
5.2.2 Trends in occupation

Fig. 26 shows the trend in occupational groups from 2007-2014.²⁵ Most striking is the exceptionally high numbers working in Skilled Trades occupations at the start of the period, the height of the construction boom, and their dramatic decline. Skilled Trades have shown some recovery since 2011, influenced by rising employment in Agriculture as well as some growth in Construction.

The Elementary occupational group also went through substantial changes. This group includes building labourers as well as other relatively low paid occupations; farm workers, kitchen assistants and cleaners. These occupations fell very substantially from 45,000 in 2007 down to 32,000 in 2012. There has been some growth since then, influenced by Agriculture and Construction as well as growth in Accommodation and Food Service.

After very strong growth from 2008 to 2011, the Professionals occupational grouping declined in 2014. This was likely due to job declines in both the Health and Education sectors, which are large employers of Professionals.

Fig. 26: Employment by occupational group in the Western Region, Q1 2007 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 4. Special run.

²⁵ From Q1 2011 the CSO adopted the new UK SOC2010 classification for occupation. The CSO has re-coded previous quarters as far back as 2007. With the introduction of a new classification, comparability of estimates over time can be impacted - readers should bear this in mind when comparing results from quarters prior to Q1 2011 to those from Q1 2011 onwards.

5.2.3 Recent changes in occupation

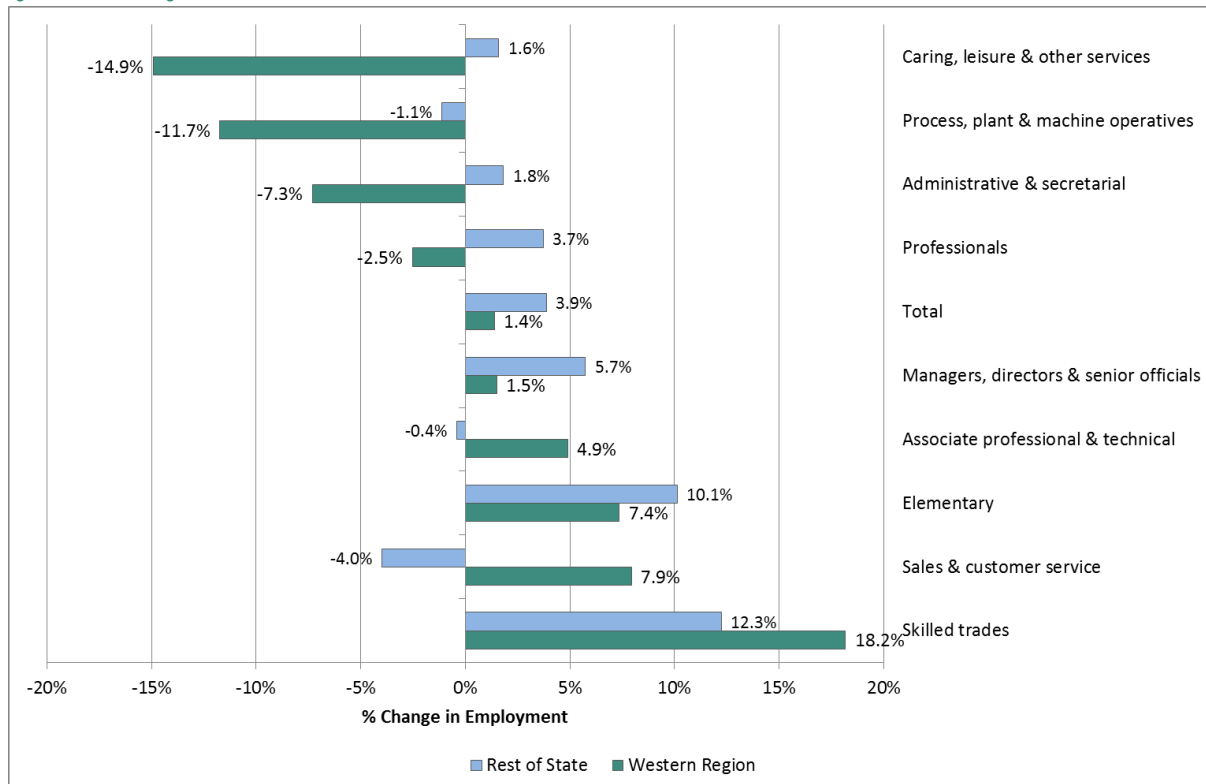
Between 2012 and 2014, Skilled Trades was the occupational group that performed most strongly increasing by 18.2% in the region (Fig. 27). This was considerably greater than the 12.3% increase in the rest of the state. Growth of the Agriculture sector is likely the main reason. One reason why the Western Region had higher growth in Skilled Trades than the rest of the state, when it had lower growth in the Agriculture sector (see Fig. 23), is because the region's smaller farm size means agricultural employment growth is more likely to be among farmers (Skilled Trades occupation group) than farm workers (Elementary occupation group) when compared with the rest of the state.

Sales and Customer Service occupations had the second highest growth in the Western Region, in contrast to decline in the rest of the state. This is consistent with the performance of the Wholesale and Retail sector which also grew in the region but declined elsewhere.

In the four occupational groups where the region experienced a decline, it performed worse than the rest of the state in all of them. There were declines of over 7% in the Administrative and Secretarial, Operative, and Caring, Leisure and Other Services sectors, compared with marginal decline or growth in the rest of the state.

Of the four groups that declined, all but Operatives are more important for women's jobs. This contributed to the overall decline in female employment in the region. The increase in male employment was mainly due to growth in Skilled Trades occupations with growth also in Associate Professionals, and Managers, all of which are more important to men's employment.

Fig. 27: Percentage change in employment by occupational group in the Western Region, Q1 2012 to Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 4. Special run.

5.3 Conclusion

The Western Region's jobs profile relies more heavily on the traditional sectors of Industry, Agriculture, and Construction, as well as local services which depend on domestic spending and tourism. Knowledge intensive services, often seen as key growth sectors as well as enablers of innovation, play a substantially smaller role. Indeed not only do these sectors account for a small share of all employment in the region, but the region's share of national employment is declining. The region's position in the knowledge services sector is weakening. The opposite is happening in Industry however, as the region's relatively more stable recent performance in manufacturing has increased its national role.

In recent years the Agriculture, Professional services, Wholesale and Retail, and Accommodation and Food Service sectors have shown the strongest growth in the region. There seems to have been some recovery in local services and domestic demand. This has led to strong increases in Skilled Trades, Sales, Elementary, and Associate Professional occupational groups. The strong growth in Agriculture and Skilled Trades, the largest male occupational group, is the reason for recent male jobs growth.

Female jobs on the other hand have declined since 2012 influenced by the fact that three of the four occupational groups which have declined – Caring, Administrative and Secretarial, and Professionals – are quite heavily female dominated. The decline in Health jobs in the region, the largest female employer, was a key contributor.

The region's occupational profile points to a lower paid labour market. The region has lower shares working in the three highest paid occupational groups and notably higher shares working in several of the lower paid. The greater prevalence of lower paid jobs is a reflection of the region's sectoral profile and results in below average disposable income.

Section 6: Unemployment

Unemployment measures people who are actively seeking work, either for the first time, after the loss of another job or on re-entering the workforce e.g. after a period studying or on home duties. It does not include people who are working part-time, even if they are seeking full-time work.

There are a number of ways to measure unemployment. The Census uses the PES method where a person self-selects their economic status from at work, unemployed, retired, student etc. The QNHS uses the ILO method where any person who worked for payment or profit for at least one hour in the week before the survey is counted as employed. The number of people who count themselves as unemployed under the PES approach would be greater than the number classified as unemployed using this ILO system. Therefore the unemployment figures from the QNHS, analysed here, are lower than unemployment figures reported in the Census.

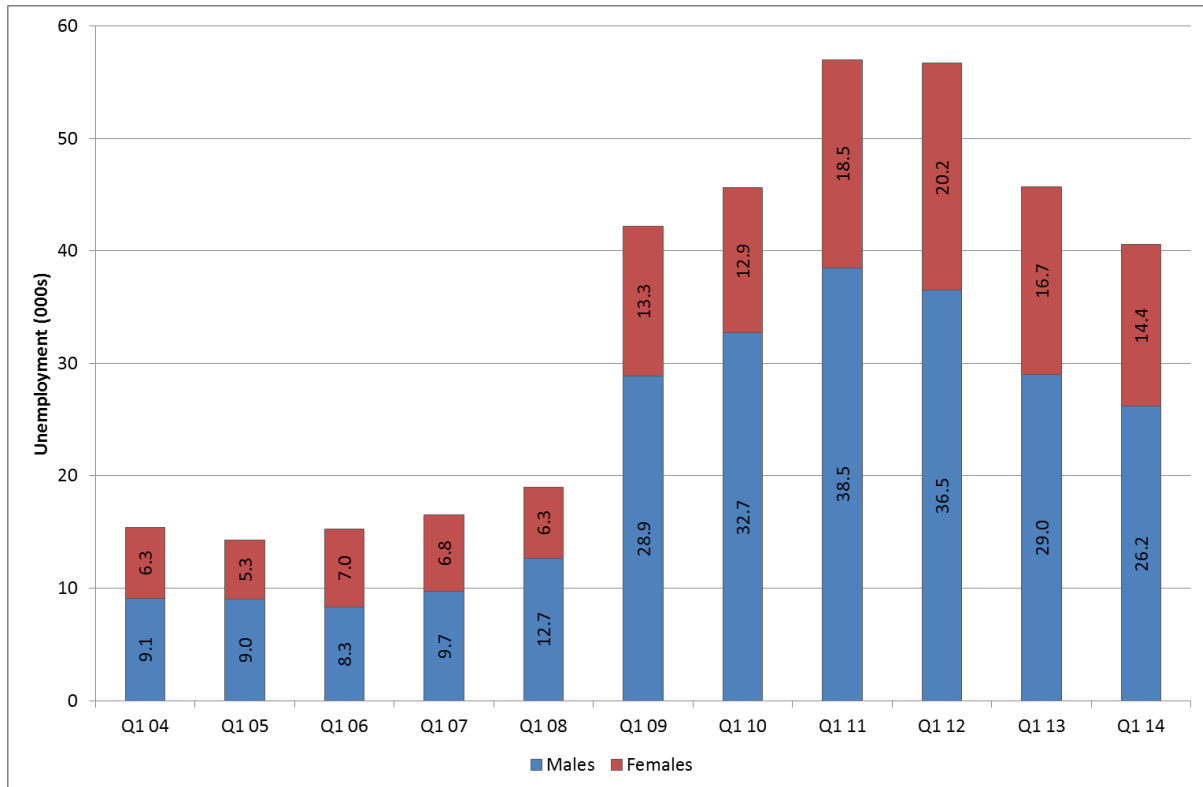
6.1 Unemployment in the Western Region

Unemployment has changed radically over 2004-2014. It was very low up to 2007 when a total of 16,500 people were unemployed in the Western Region (Fig. 28). Men outnumbered women throughout this period.

Unemployment more than doubled between 2008 and 2009 to 42,200 people, with a massive increase in male unemployment. The collapse of the building sector and its suppliers was the initial cause, followed by job losses across other sectors, in particular local services relying on domestic demand. This led to rising female unemployment, as did cuts in the public sector. In 2010, 28.3% of all jobseekers were women, by 2014 this had risen to 35.5%. There are implications for job creation (including in the public sector), training and care provision policies in a situation where women account for a growing share of unemployment.

Total numbers out of work in the region peaked in 2011 at 57,000. Since then unemployment has declined and at the start of 2014 it had fallen to below the 2009 level, but was still above 40,000. The number of people unemployed in the region declined by 28.4% between 2012 and 2014 (a decline of 16,000). This was caused by two main factors: the 1.4% increase in employment (4,300 people) over this period; and a quite large fall in the adult population (see Fig. 1). The decline in the adult population in this period was largely caused by emigration and movements to other areas of Ireland. It is likely that movement out of the region would have been more common among those who are unemployed, leading to a reduction in the number of unemployed people living in the region.

Fig. 28: Total unemployment by gender in the Western Region, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

6.2 Unemployment rate

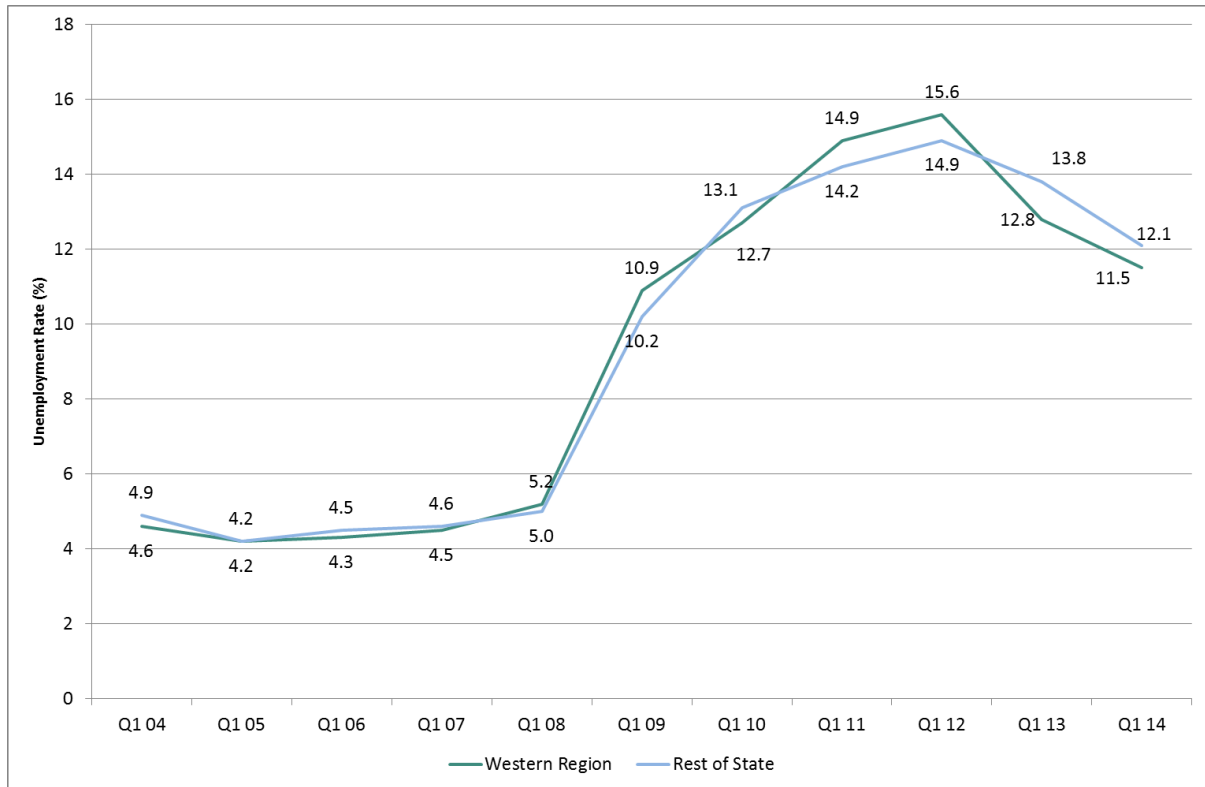
The unemployment rate measures the percentage of the labour force that is unemployed. It held steady at just above 4% in the region and rest of the state until 2008 (Fig. 29). By 2009 it had more than doubled and was higher in the Western Region. Unemployment rates peaked in 2012 at 15.6% in the region and 14.9% in the rest of the state. They have declined since then and in 2013 the unemployment rate in the region dropped below that elsewhere. In 2014 the Western Region had an 11.5% unemployment rate.

As has already been discussed, between 2012 and 2014 the number of people at work in the Western Region grew by 1.4%, less than half the 3.9% growth in the rest of the state. Therefore the region's lower unemployment rate is not due to stronger jobs growth.

The Western Region's labour force declined in this period due to out-migration from the region overseas or elsewhere in Ireland (see Fig. 4), while it increased in the rest of the state. The percentage decline in the number of unemployed living in the Western Region (-28.4%) however was much greater than the decline in the labour force (-3.2%). This led to a substantial fall in the region's unemployment rate.²⁶ In the rest of the state, the number unemployed fell by considerably less than in the Western Region (-18%) while its labour force actually increased slightly. As there was less of a difference between the change in unemployment and the change in the labour force in the rest of the state, its unemployment rate fell more slowly. The greater loss of unemployed people from the Western Region has brought its unemployment rate below that elsewhere.

²⁶ As the region's labour force participation rate also increased over this period, the decline in the number unemployed since 2012 has not been caused by movement out of the labour force.

Fig. 29: Unemployment rate in the Western Region and rest of the state, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

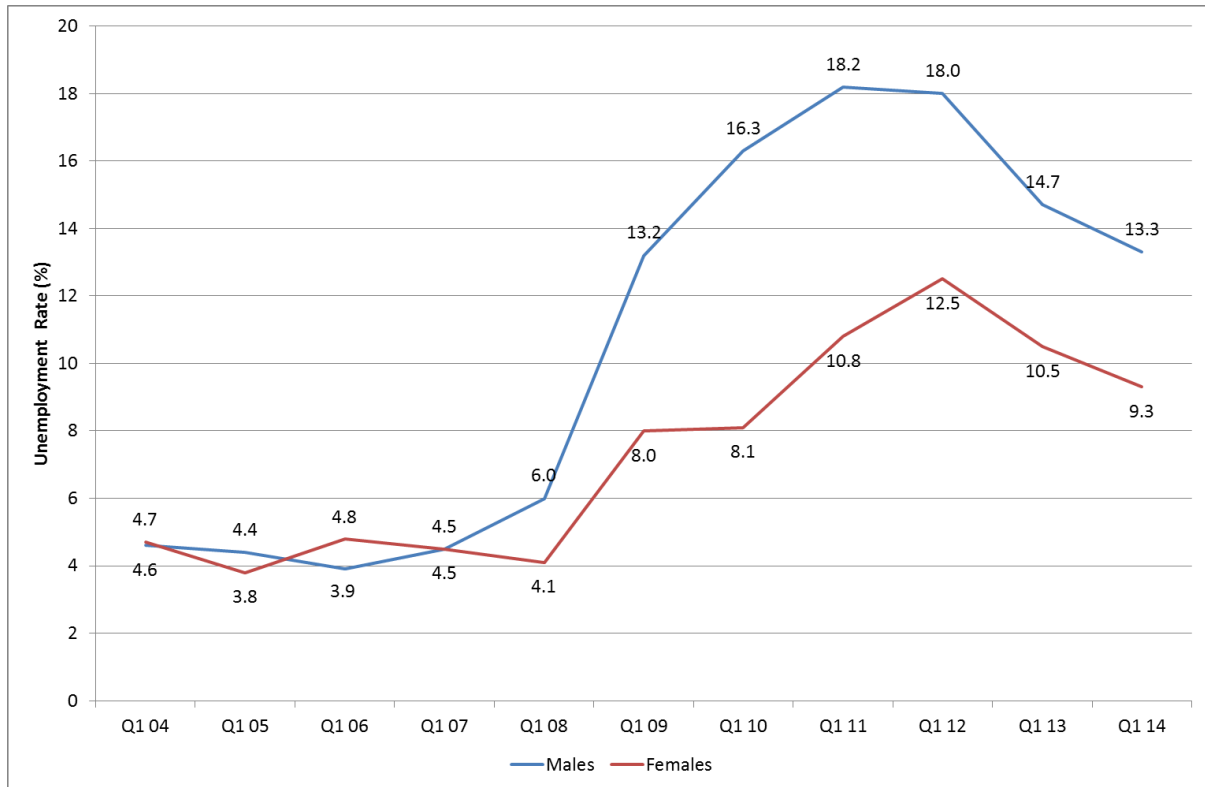
6.2.1 Unemployment rate by gender

The number of unemployed men is considerably higher than the number of unemployed women contributing to a higher unemployment rate. The male unemployment rate rose from 4.5% in 2007 to a peak of 18.2% in 2011 with almost 1 in 5 of all men in the Western Region’s labour force out of work (Fig. 30). It has declined very sharply since to 13.3% in 2014.

While the female unemployment rate followed a similar pattern, it was at a lower level and lagged about a year behind. It rose from 4.1% in 2008 to a peak of 12.5% in 2012. Rising female unemployment tended to result from the knock-on, rather than direct, impacts of the construction collapse as well as reduced demand for local services and cuts in public spending. While the female unemployment rate has also declined since 2012 this has been at a slower rate than male, narrowing the gender gap.

The greater decline in male than female unemployment rates would partly be due to the male dominated Skilled Trades occupational group having the strongest recent jobs growth.

Fig. 30: Unemployment rate by gender in the Western Region, Q1 2004 – Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

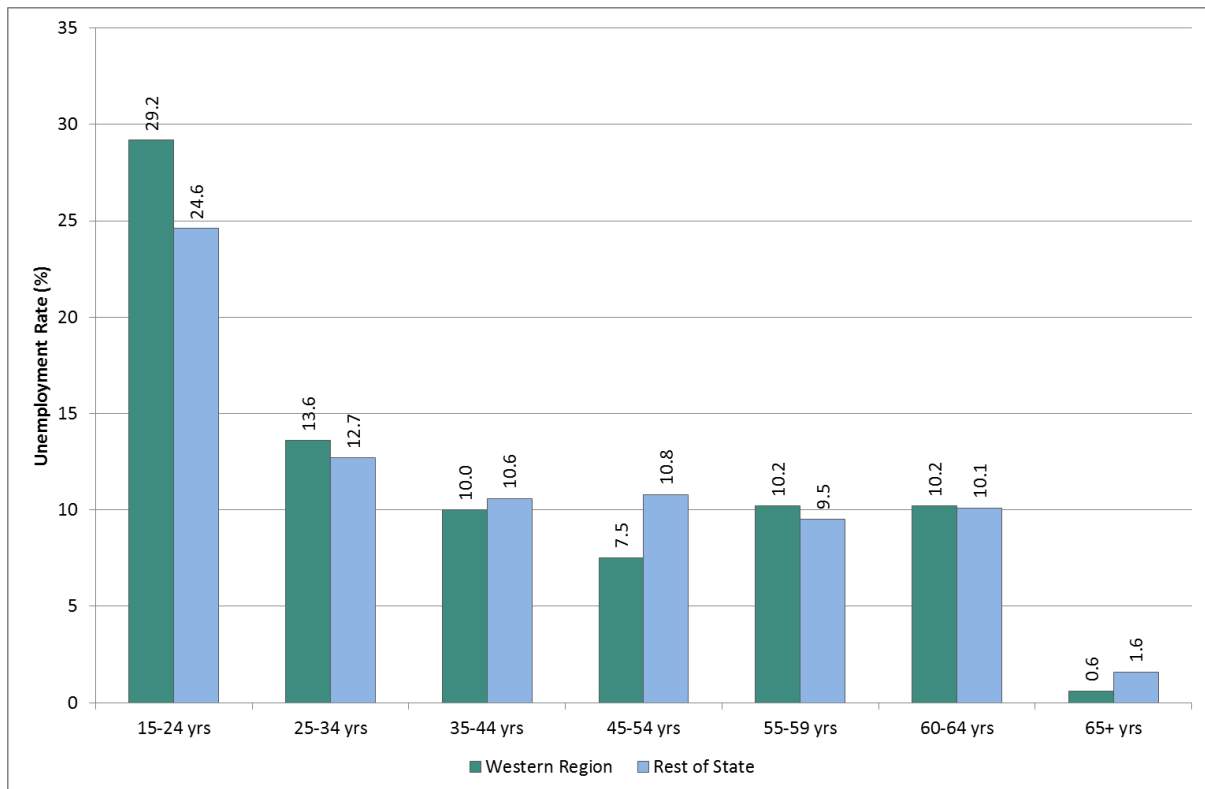
6.2.2 Unemployment rate by age group

Unemployment rates are highest among the younger age groups (Fig. 31). In the region those aged 45-54 have the lowest²⁷ unemployment rate at just 7.5% and tend to have quite stable employment.

While the total unemployment rate in the Western Region is below that in the rest of the state, this is not true for all age groups. Most notably the region has a considerably higher youth unemployment rate which will be examined in the next section. The region also has higher unemployment among 25-34 year olds, with males in this age group in the region facing a 17% unemployment rate. This is one of the most economically active age groups and one considered important for a region's economic vibrancy and ability to take advantage of emerging growth opportunities and new technology. The age group where the region's unemployment rate is most notably lower than that in the rest of the state is 45-54 years.

²⁷ With the exception of those aged over 65 with an unemployment rate of 0.6%. This group has a low labour force participation rate and most people in this age group who are in the labour force are employed (many in farming). If they are not employed, they are more likely to be retired rather than unemployed.

Fig. 31: Unemployment rate by age group in the Western Region and rest of the state, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 8a. Special run.

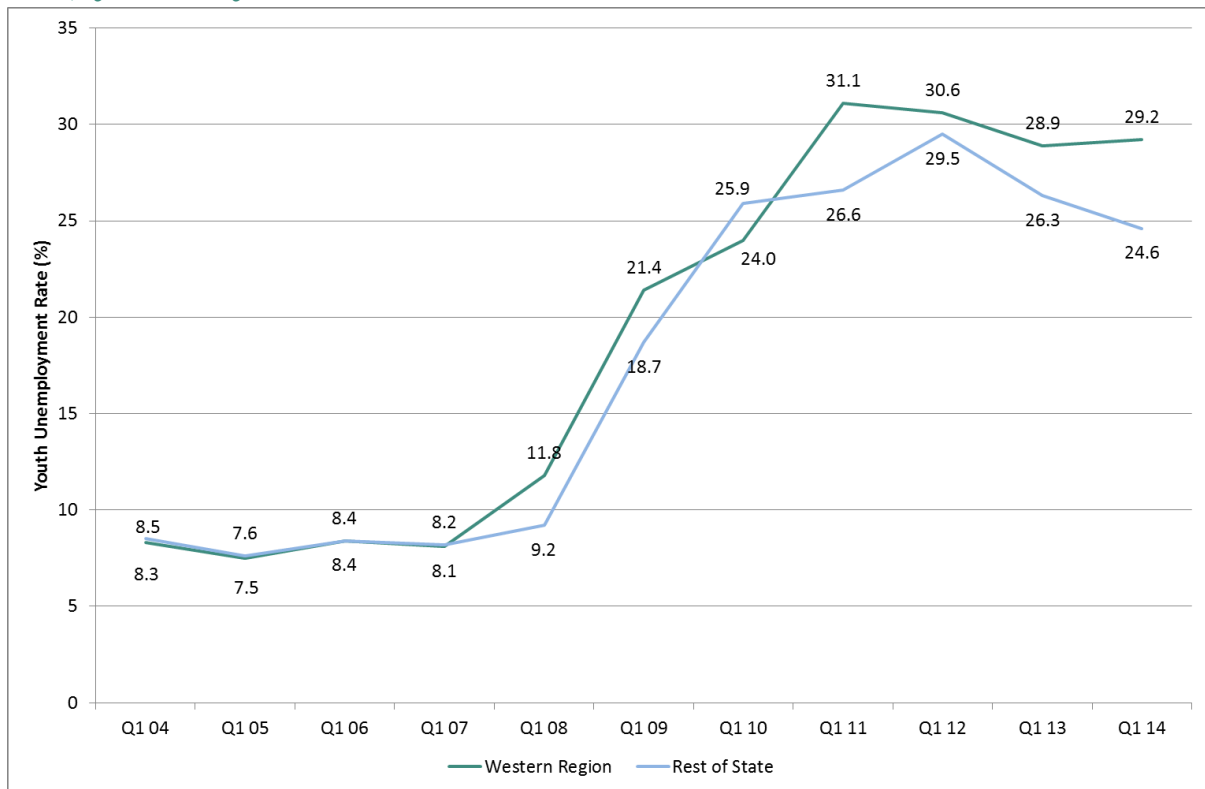
6.2.3 Youth unemployment rate

Youth unemployment is one of the most serious consequences of the recession and is a major long-term challenge. It has been shown that an extended period of unemployment at a young age has long-term impacts on the person's future career and earnings potential. In 2014 there were 8,400 unemployed 15-24 year olds in the Western Region. There is a 1 in 3 unemployment rate among young men and it is 1 in 4 for young women.

At the start of the period the youth unemployment rate was around 8% in both the region and rest of the state (Fig. 32). This was double the total unemployment rate at the time, as young people always face higher unemployment as new entrants to the labour market with limited experience. Also as the unemployment rate only includes people in this age group who are in the labour force (i.e. not in education) it would include early school leavers who often face particular difficulties finding work.

The youth unemployment rate rose massively during the recession to a peak of 31.1% in the Western Region in 2011, declining only slightly since. With the exception of 2010, the youth unemployment rate in the Western Region has been higher than in the rest of the state. Since 2012 the youth unemployment rate has declined far more strongly in the rest of the country than in the region. The number of unemployed young people in the rest of the country fell by 26.8% between 2012 and 2014 but only declined by 20.8% in the region. This is the opposite to what occurred in total unemployment, where the region had a greater decline, which means that youth unemployment is an even greater challenge for the region than elsewhere.

Fig. 32: Unemployment rate among 15-24 year olds in the Western Region and rest of the state, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 8a. Special run.

As noted in Section 3.2.3 previously, the recession led to declining youth labour force participation rates, largely because a greater share of young people remained in or returned to education or training and early school leaving declined. This drop in participation was also influenced by reduced social welfare payments for younger jobseekers. The number of people in this age group active in the labour force has therefore declined and those who remain may face particular challenges finding work. They are sometimes referred to as NEETs as they are Not in Employment, Education or Training. They can face considerable barriers in finding a job due to lack of experience and in some cases an extended period of unemployment and/or low qualifications. The region's higher youth unemployment rate is one of the most serious long-term impacts of the recession. Addressing the needs of young jobseekers to ensure they do not become trapped in long-term unemployment should be one of the main policy priorities for the region, as should reducing out-migration.

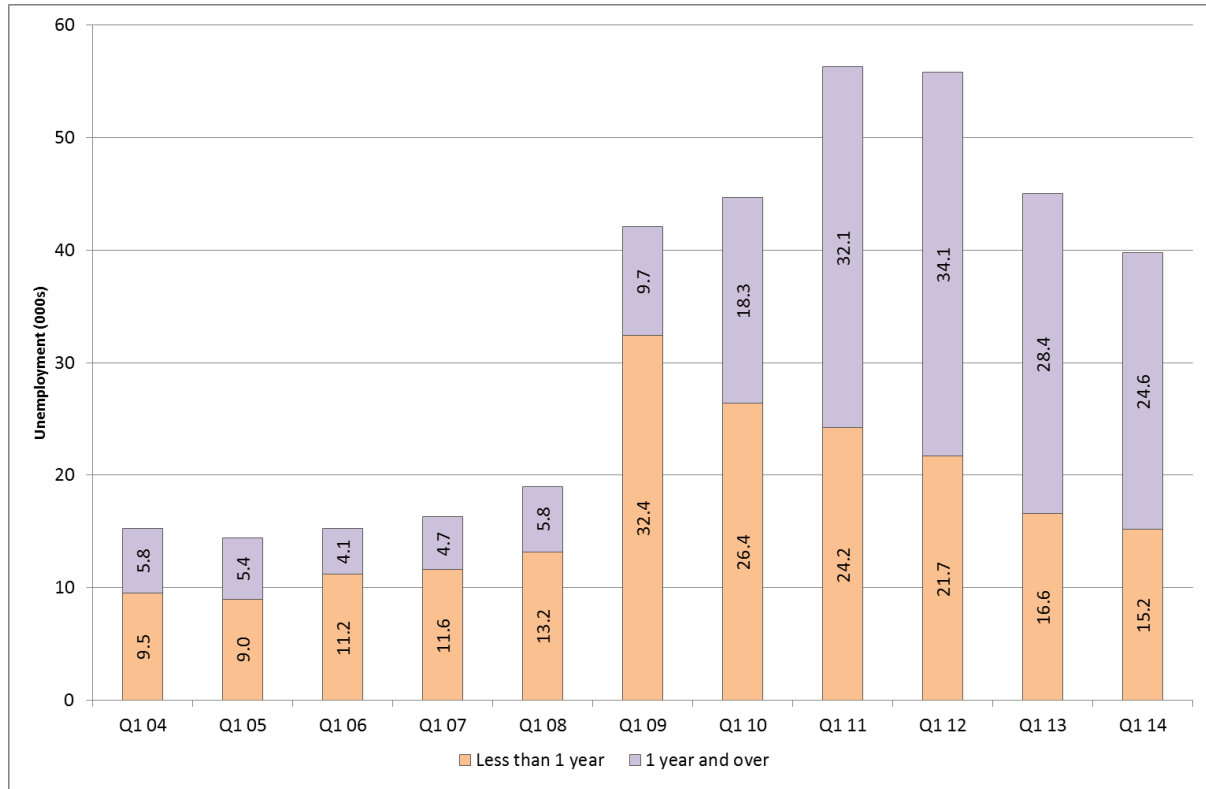
6.3 Long-term unemployment in the Western Region

Since 2011 there have been more people long-term unemployed (for over a year) than short-term (Fig. 33). The changes in each year include people moving from short-term into long-term unemployment. By 2014 there were 15,200 short-term unemployed in the region and 24,600 people who had been unemployed for over a year.

Between 2012 and 2014 the number of long-term unemployed in the region declined by 27.9%, less than the 30% decline in short-term. Both of these declines were greater than in the rest of the state (22.7% and 10.8%), however in the rest of the state long-term unemployment declined considerably more than short-term. This meant that long-term jobseekers, as a share of total unemployment,

declined more than in the region. Reducing the share of jobseekers who are long-term unemployed is a key labour market objective as the longer a person is unemployed the more difficult it is to gain a job. Long-term unemployment can greatly extend the impact of a recession.

Fig. 33: Unemployment by duration in the Western Region, Q1 2004 - Q1 2014



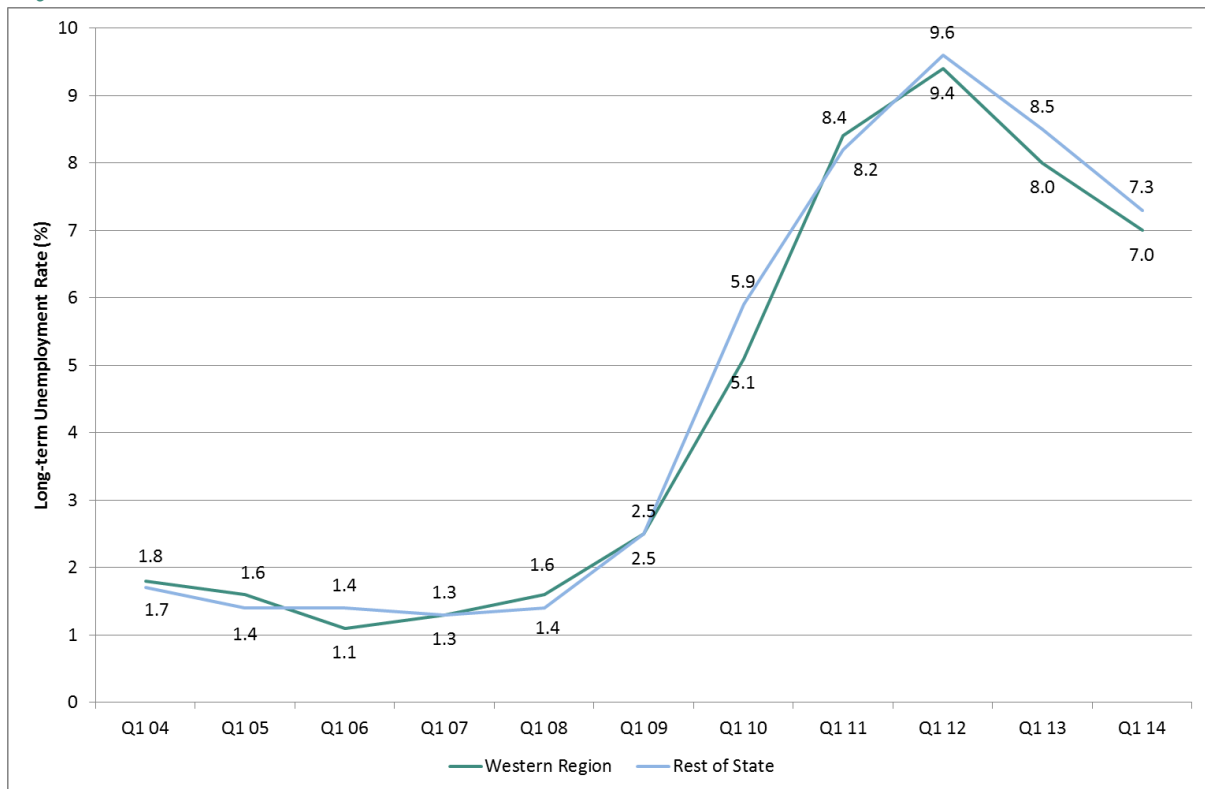
Source: CSO, Quarterly National Household Survey, Q1 2014, Table 6. Special run.

6.3.1 Long-term unemployment rate

The long-term unemployment rate is the percentage of the labour force that is in long-term unemployment. It held steady at under 1.5% from 2005 to 2008 before increasing dramatically (Fig. 34). It reached its peak in both the Western Region and rest of the state in 2012 at over 9%. Since then it has declined, with the region having a lower rate than elsewhere. The decline in the number in long-term unemployment in the Western Region between 2012 and 2014 (27.9%) was higher than the decline in the rest of the state (22.9%), leading to a greater decline in the region's long-term unemployment rate.²⁸

²⁸ The greater decline in the region's long-term unemployment rate was also due to the fact that the difference between the decline in the number in long-term unemployment and the decline in the labour force in the Western Region was greater than the difference in the rest of the state.

Fig. 34: Long-term unemployment rate in the Western Region and rest of the state, Q1 2004 - Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 6. Special run.

6.4 Conclusion

Unemployment during 2004-2014 has experienced massive fluctuations. The decline in unemployment since 2012 has only partially been caused by jobs growth, the greater part is due to the loss of unemployed people from the region, either overseas or to other parts of Ireland. The decline in the region has been stronger than elsewhere, leading to its unemployment rate dropping below that in the rest of the state. The region seems to have been impacted more by the loss of unemployed people that elsewhere in the country.

While men have consistently had a higher unemployment rate, it has declined more strongly since 2012 than for women. The greater share of unemployment accounted for by women has implications for care, training and job creation policy. The slower decline in the female unemployment rate is related to the sectoral and occupational pattern of recent jobs growth.

The Western Region has a considerably higher youth unemployment rate than the rest of the state. Given that its total unemployment rate is lower, this indicates that youth unemployment is a particularly serious challenge for the region. All young jobseekers face barriers in obtaining work, but those who have endured an extended period of unemployment are further disadvantaged. There is a very real danger that they may become trapped in long-term unemployment. The region's higher youth unemployment rate is one of its most serious economic and social challenges. The region's poorer performance at reducing the share of unemployment that is long-term is another key labour market challenge.

Section 7: Ten Key Findings

Ten key findings about the Western Region's labour market can be drawn from this analysis:

- 1. Lower labour force participation in the Western Region:** A smaller share of the Western Region's adult population is engaged in the labour market and therefore economically active. As human capital is among the most critical factors for regional economic development, this has negative implications for the region's economic growth and viability. The higher level of economic dependency, resulting from the larger proportion of the population outside of the labour force, also has important social impacts and increases the need for state transfers.
- 2. Higher share of self-employment:** The higher share of employment that is in self-employment (without employees) increases the importance of policy and supports to facilitate the self-employed to establish and sustain their businesses, such as soft business supports, quality broadband, networking, etc. Many may work from home or are mobile and are engaged in local services and therefore outside the remit of the enterprise agencies. They play a particularly significant role in sustaining rural communities and economies. This role, and their needs, requires further investigation and policy focus.
- 3. Higher share of part-time working and recent jobs growth more likely to be part-time:** There is a higher degree of part-time working in the region, including part-time underemployment. Recent jobs growth has been more likely to be part-time in the region than elsewhere. While part-time working can play an important role for those with caring and other commitments, the greater share of recent jobs growth in the region that is part-time raises some concerns over the nature of employment and the quality of recent jobs growth. A focus on stimulating more full-time jobs should be built into job creation policy for the region.
- 4. Greater reliance on traditional sectors and local services:** The region's jobs profile relies more on traditional sectors (Agriculture, Industry and Construction) and local services (Wholesale and Retail, and Accommodation and Food Service) which rely on local and tourism demand. Policy to support these sectors will have particular relevance for jobs growth in the region. Promoting and supporting growth in other sectors, to diversify the region's jobs profile, will also be important.
- 5. Small and declining share working in knowledge services:** Small shares of the Western Region's jobs are in the knowledge services of Finance, and Information and Communication. What is of greater concern is that their shares have declined since 2012 and the region's share of all jobs in these sectors nationally has also fallen. The Western Region is losing ground in these key growth sectors which are also important enablers of enterprise growth and innovation in other sectors. Why the region's position is deteriorating, and what can be done to stimulate growth of these sectors in the region, should be a focus for policy.
- 6. Large contribution by Western Region to Industry:** The region's position in Ireland's Industry (manufacturing) sector has strengthened considerably with 1 in 5 Industry jobs in Ireland now based in the Western Region. The region's role in manufacturing is a key regional strength to be built on. Facilitating existing enterprises, in both modern and traditional manufacturing, to sustain and expand their operations needs to be a key regional policy priority. The region's manufacturing capacity is an important national asset.
- 7. Lower employment growth:** Employment in the region grew over 2012-2014 but less than in the rest of the state. The jobs recovery in the region is lagging that elsewhere. Initiatives to

stimulate and facilitate job creation in regional locations are required to address the region's weaker jobs performance.

8. **Recent jobs growth in agriculture, professional and local services; jobs declining in knowledge intensive and public services:** Employment growth since 2012 has been strongest in Agriculture, Professional Services and the local services of Wholesale and Retail, and Accommodation and Food Service. These rely on local demand and tourism, indicating some upturn in consumer spending. However the region performed far worse than the rest of the state in a number of sectors, notably knowledge intensive services, Health and Education. In many of these sectors job numbers declined in the region while they increased elsewhere in the state.
9. **Lower paid occupational profile:** The region's occupational profile has smaller shares working in the more highly paid occupational groups and higher shares working in several of the lower paid. The overall occupational profile of the region is lower paid and the sectoral structure of the region, with greater shares working in traditional sectors and local services, is a key contributor. This results in below average disposable income in the region.
10. **Higher youth unemployment rate:** The Western Region's higher youth unemployment rate, when it has a lower total unemployment rate, indicates that youth unemployment is a more serious challenge for the region. High youth unemployment can have very significant long-term impacts, as a period of unemployment at a young age can hinder the person's career prospects and earnings potential. The needs of young jobseekers in the Western Region should be a key policy priority, nationally and for the region, both to prevent them from falling into long-term unemployment and also to reduce out-migration.

These ten key aspects of the Western Region's labour market should inform the development of the upcoming *Action Plan for Jobs* for the West, Border and Mid-West regions. The distinctive characteristics of the region's labour market profile should influence which policies are prioritised for the region and the sectors of focus for job creation strategies.

