



## Professional Services in the Western Region

This *WDC Insights* summarises the key findings of 'Professional Services in the Western Region: Regional Sectoral Profile'<sup>1</sup>, the latest in a series of reports analysing employment and enterprise data for economic sectors in the Western Region.

It covers two sub-sectors: 'Professional, Scientific & Technical Activities' (legal, accountancy, architecture, veterinary, graphic design, translation services etc.) and 'Real Estate' (auctioneers, valuers, property letting and management). Both are knowledge intensive services sectors, relatively high value and are highly sensitive to the level of overall economic activity.

### Employment in Professional Services in the Western Region

According to Census 2016, 14,499 people worked in Professional Services in the Western Region. This sector plays a significantly smaller role in the region's labour market than nationally (Table 1); 4.3% of total employment compared with 6.1%. In the region it is most important in Galway City (5.2%) though this is still well below the national average. Donegal (3.8%) is where it accounts for its lowest share of all jobs and is second lowest in the state.

Among western towns, Bearna in Co Galway has the highest share (8.1% of total employment) and is ninth highest of Ireland's 200 towns and cities. Within the region, Strandhill (7.1%), Loughrea (6.9%) and Bunrana (6.4%) are next highest. As this refers to residents of the towns, commuting to larger centres is clearly very important.

There was 10.8% jobs growth in Professional Services in the region between 2011 and 2016, considerably higher than overall jobs growth (7.5%) in this period, as the sector responded strongly to improving economic conditions and growing demand. Though strong, the sector's growth in the region was only about half that which occurred nationally (21.1%), widening the gap in the sector's relative importance to total employment. Leitrim (18.2%), Donegal (15.9%) and Sligo (13.1%) experienced the strongest growth in the region, indicating some strengthening of the sector in the North West.

Table 1: Selected employment indicators for Professional Services in the Western Region and state, 2016

County	No. Employed	% Change 2011 - 2016	Professional Services as % of Total Employment	% of Professional Services that is Female	% of Professional that is Self-employment
Clare	2,180	12.3%	4.4%	46.4%	31.8%
Donegal	2,204	15.9%	3.8%	46.2%	30.6%
Galway City	1,826	9.6%	5.2%	48.2%	28.9%
Galway County	3,425	7.9%	4.6%	48.3%	29.0%
Leitrim	564	18.2%	4.4%	48.6%	32.4%
Mayo	2,088	7.0%	4.1%	46.5%	31.7%
Roscommon	1,069	11.4%	4.1%	50.0%	27.5%
Sligo	1,143	13.1%	4.4%	46.9%	32.5%
Western Region	14,499	10.8%	4.3%	47.5%	30.3%
State	122,566	21.1%	6.1%	46.7%	25.7%

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

1. Download from <https://www.wdc.ie/publications/reports-and-papers/>



At 52.5%, men account for a majority of the workforce. As there was stronger Professional Services jobs growth among men in the region, than among women (13.3% v 8.2%) the male share increased between 2011 and 2016.

Of all those working in Professional Services, 30.3% are self-employed (employer or own account worker). This is among the highest rates of self-employment across all sectors. The Western Region has a higher incidence of self-employment than nationally (25.7%), indicating that the sector in the region is characterised by smaller businesses.

## Professional Services Enterprises in the Western Region

In 2017 there were 8,139 Professional Services enterprises registered in the Western Region.<sup>2</sup> This was 14% of total enterprises<sup>3</sup> in the region. The fact that the sector's share of all enterprises in the region (14%) is substantially greater than its share of all employment in the region (4.3%),<sup>4</sup> again illustrates that it is characterised by a large number of small enterprises. The number of Professional Services enterprises in the region grew 16.8% between 2012 and 2017, the highest growth across all sectors.

### Key Policy Issues

**Lower level of activity in Professional Services in Western Region:** Given that this is a knowledge intensive services sector offering high quality employment, increasing the level of Professional Services activity in the region could make an important contribution to diversifying and strengthening the region's labour market as well as increasing income levels.

**Responds strongly to economic cycles and changing domestic demand:** While several Professional Services activities can be traded internationally e.g. architectural services, most enterprises in this sector largely serve clients in the domestic market and often quite locally. It therefore relies heavily on the level of domestic demand in the economy including from the construction sector. The fact that economic recovery in the Western Region lagged that occurring elsewhere in the country<sup>5</sup> was an important factor in the region's lower jobs growth in this sector. As well as responding to the economic cycle, this sector also helps to facilitate it as Professional Services play a key role in business growth by providing legal and accountancy services, market research, advertising and so on, to enterprises. The presence of a strong Professional Services sector within the region is therefore a key driver for wider regional economic growth.

**Smaller scale operations and high self-employment:** Professional Services enterprises in the Western Region tend to be smaller in scale than the national average and it is characterised by high self-employment. As many Professional Services are outside the remit for direct financial supports from enterprise development agencies, continuation of existing, and the development of new, soft supports for self-employed and micro-enterprises in this sector is important, particularly in smaller urban centres and rural areas where self-employment can be a key pathway to work and this sector is an important source of professional career opportunities.

**Large urban locations play a critical role but there are also opportunities for growth beyond these:** More specialised Professional Services tend to be quite concentrated in larger urban locations. Nationally, there is strong concentration in Dublin and within the region Galway City is a key location. It is important that the locational advantages of Galway City and the region's other larger centres (e.g. office space, networking opportunities, digital infrastructure) are enhanced to allow them to play a greater national role as centres for Professional Services activity.

There is also potential for further expansion, at a suitable scale, in smaller centres and more rural areas, including through remote work. Access to high speed broadband is a critical factor in facilitating this sector to such areas.

For more detailed analysis see 'Professional Services in the Western Region: Regional Sectoral Profile' <http://www.wdc.ie/publications/reports-and-papers/>

2. Data in this section is from CSO, [Business Demography 2017](#)

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

4. Note that these shares refer to different years, 2017 and 2016 respectively.

5. WDC Insights Blog Post, 'Recent Trends in Regional GDP' 14 June 2019