



Trends in Agency Assisted Employment in the Western Region

Employment in businesses which have received support from one of the main enterprise agencies,¹ which are usually export oriented, is termed agency assisted employment. This *WDC Insights* presents data on these businesses for the Western Region of Ireland for the period 2004-2013² to provide useful insights for enterprise, job creation and regional development policy.

Less volatility in assisted jobs in the Western Region and lower recent growth

In 2013 there were 49,217 permanent full-time jobs and 7,405 temporary or part-time jobs in agency assisted companies in the Western Region, around 16% of all such jobs in Ireland.

In most years between 2004 and 2013 the Western Region had a smaller annual percentage change – either increase or decrease – in permanent assisted jobs than the rest of the state. For example in 2009 such jobs in the Western Region fell by -8.3% compared with a -10.4% decline elsewhere, while in 2012 there was growth of only +1.3% in the region compared with +3.2% in the rest of the state. The lower volatility in the region was partly due to the stability of Modern Manufacturing, including the region's significant medical devices cluster.

Assisted jobs growth has resumed since 2010. As growth has been lower in the Western Region, assisted jobs as a percentage of the region's total employment³ (18.2%) is below that in the rest of the state (19.1%). This is a reversal of the situation before the recession when assisted jobs accounted for a higher share of total employment in the Western Region.

Recent assisted jobs growth in Western Region more likely to be permanent full-time

In 2004 15.9% of all assisted jobs in the region were temporary/part-time compared with just 10.4% in the rest of the state. Such jobs were particularly common in the Irish owned sector and over a quarter of jobs in Agri-food were non-permanent. Recent growth in the region however has brought a higher share of permanent full-time jobs as it is driven by sectors with higher shares of such employment. The share of temporary/part-time jobs in the region has now dropped to 13.1%, very similar to that in the rest of the state.

Assisted jobs more concentrated by sector - Western Region strong in manufacturing

Assisted employment in the Western Region is concentrated in manufacturing activities with international services playing a smaller role (Fig. 1). Of the five sectors, Modern Manufacturing is the region's largest, followed by Traditional Manufacturing, Information and Communication and Agri-food. Business, Financial and Other Services is the smallest sector. In the Western Region 62.1% of permanent assisted jobs are concentrated in the top two sectors compared with just 49.2% in the rest of the state. This highlights the reliance on these key sectors and the need for increased diversity in the region's assisted sector.

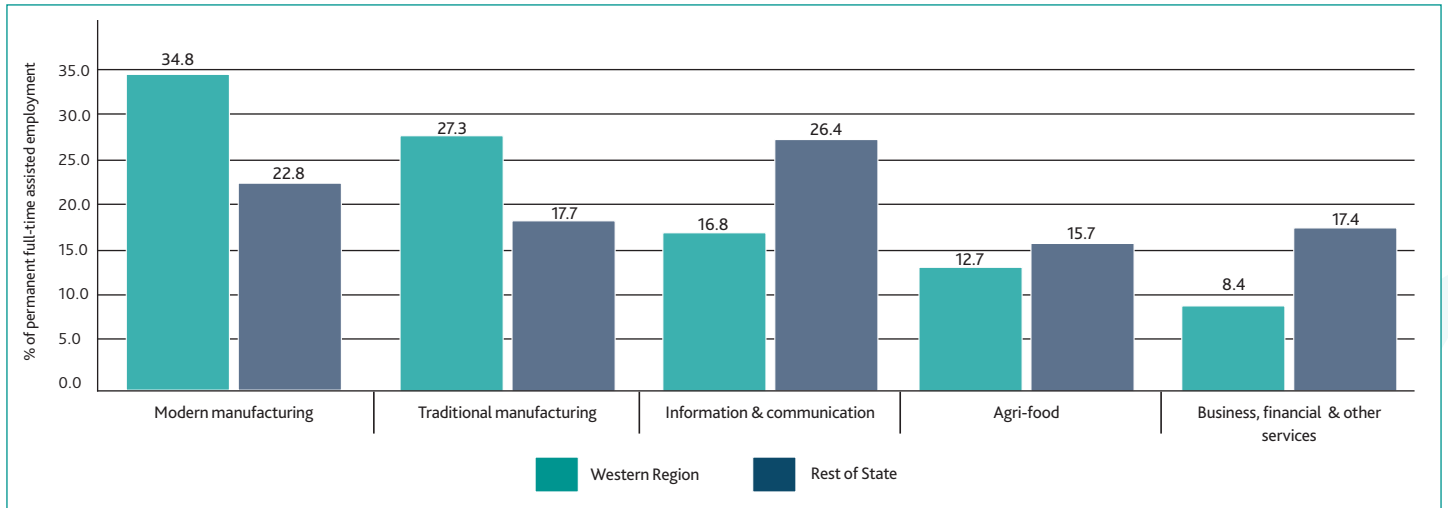
1. IDA Ireland, Enterprise Ireland, Údarás na Gaeltachta and former clients of Shannon Development.

2. All data from a special run of the *Annual Employment Survey* conducted each year by Forfás. From 1 August 2014, Forfás' policy functions have been integrated with the Department of Jobs, Enterprise and Innovation.

3. Total employment in Quarter 1, 2013 from a special run of the CSO *Quarterly National Household Survey*.



Fig. 1: Percentage of permanent full-time agency assisted jobs in each broad sector in the Western Region and rest of the state, 2013



Source: Forfás, Annual Employment Survey 2013

Strongest growth in Modern Manufacturing and Information and Communication

The largest declines in total assisted employment (permanent and temporary) in the Western Region over 2004-2013 occurred in Agri-food (-23.8%) and Traditional Manufacturing (-20.4%) largely driven by losses in meat processing, construction-supplying businesses and textiles and clothing. Traditional Manufacturing has begun to show signs of recovery in recent years. Business, Financial and Other Services (-15.1%) also declined.

Total assisted jobs in Information and Communication (+19.6%) and Modern Manufacturing (+10.9%) grew quite strongly and they have driven the resumption of growth since 2010. These are the two sectors with the highest shares of foreign ownership, with over 70% of jobs in foreign companies. This has led to stronger growth in the foreign owned sector where total assisted jobs grew by +13.3% between 2010 and 2013 compared with +3.8% in Irish owned companies.

Assisted jobs in the western counties in 2013

Among the western counties, assisted jobs as a proportion of total employment⁴ is highest in Galway (23.5%) followed by Clare (20.3%). These are the only western counties above the state average (19.3%). Mayo is next highest (16.9%) followed by Sligo (15.3%) and Donegal (14.7%). Roscommon (9.7%) has the lowest share of its total employment in the assisted sector in the region and second lowest nationally, with Leitrim (11%) also relatively low. Four counties experienced growth in total assisted job numbers between 2012 and 2013: Roscommon (+6%), Mayo (+4.9%), Donegal (+4.4%) and Galway (+3.5%).

Implications

Agency assisted employment is a key policy tool for job creation and unemployment reduction. Recent growth in assisted jobs in the Western Region has not been as strong as elsewhere, particularly among Irish owned businesses. Agency assisted job creation in the Western Region needs to focus on increasing sectoral diversity and strengthening the Irish owned sector. Addressing the lower levels of assisted employment in the counties of the North West should also be a policy priority.

A detailed WDC Report on the Forfás Annual Employment Survey 2013 as well as individual county profiles for each of the seven western counties can be downloaded from <http://www.wdc.ie/publications/reports-and-papers/>

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4. Total number of employed people living in each county in 2011.