

## 25 years of change in the Western Region: Key Economic Indicators

In 2024, the Western Development Commission is celebrating its 25<sup>th</sup> anniversary and has published a new Report [\[provide link\]](#) which both details the impact of the WDC in that time-period and highlights key areas of economic, social and demographic change in the Western Region generally over 25 years. It is a story of great, if uneven progress and development, of new opportunities and new challenges, of unique regional dynamics and in some cases, of persistent gaps between the national and regional picture.

In a **series of blogposts** released in late 2024, we describe in greater detail the changes and patterns highlighted in this Report and in doing so, illuminate a range of topics which are of relevance to life, economy and society in the Western Region<sup>1</sup>. In this third in the series, we focus on **economic indicators and trends**, including **Gross Value Added (GVA)**, **disposable income**, **labour market participation and shifting patterns in sectoral employment**.

### Growing disparities in Gross Value Added (GVA)

Gross Value Added (GVA)<sup>2</sup> provides us with a complex but very important and widely used indicator of regional economic activity and growth. The figures are stark:

- In 1999 the West and the Border Regions<sup>3</sup> accounted for a relatively small proportion of the Total GVA for the State at basic prices (6.3% and 7.37% respectively). There was also a significant gap in GVA per person: the figure for the West was 72.25% of the State average and for the Border, 75.37% of the State average. This compared to a figure for Dublin of 133%.
- The most recent year for which these region-based figures are available reveal a **now even wider gap**. While in 2021 the West accounted for a smaller proportion of the GVA of the

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<sup>1</sup> For this we rely on a number of data sources. Foremost amongst these is the landmark report *The State of the West* published by the WDC in 2001 and which examined its recent trends and future prospects. It, alongside a range of other sources including the 1996 Census, provides us with an excellent starting point for comparisons between then and now. For contemporary statistics, we largely rely on Census 2022 but draw on other data sources where relevant throughout the series.

<sup>2</sup> Gross value added (GVA) is an economic productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy, producer, sector, or region. For more, see the CSO explanation of GVA [Gross Value Added - CSO - Central Statistics Office](#)

<sup>3</sup> As we do not have county-level data, we are using the NUTS 3 regions of the West (counties Galway, Mayo and Roscommon) and the Border (counties Sligo, Leitrim, Donegal, Cavan and Monaghan) as a proxy. Clare is the only Western Region county not in these regions.

State as a whole than it did in 1999 – 5.07% vs. 6.3% - the Border region has experienced a much more significant decline from 7.37% in 1999 to 2.44% in 2022.

- The gap is similar and if anything more pronounced when we look at **GVA per person**. The average GVA per person in the State in 2021 was €81,573 but for the West it was €43,540 (or 53.37% of the State average) and for the Border, €24,227 (or just 29.7% of the State average). The figure for Dublin on the other hand was €141,965.

The differences in GVA share and growth among regions are complex and are partially the result of increased productivity and concentration in high value sectors such as finance, technology and pharmaceuticals in the wealthier regions – especially Dublin and the Southwest - and partly relate to different commuting patterns and the worker to population ratios. However, the stark variations and the widening gap over 25 years underline the importance of ensuring that there is a renewed focus on regional development needs and a **policy of investment and promotion of higher value sectors in all regions**.

**Table 1 Total GVA and GVA per person (1999 vs 2021)**

**1999**

	<b>Total GVA (€million)</b>	<b>As % of Total State GVA</b>	<b>GVA per person (€ per annum)</b>	<b>As % of State average</b>
State	89,029	-	21,171	-
West	5604	6.3%	15,298	72.25%
Border	6559	7.37%	15,958	75.37%
Dublin	30,874	34.67%	28,151	133%

**2021**

	<b>Total GVA (€million)</b>	<b>As % of Total State GVA</b>	<b>GVA per person (€ per annum)</b>	<b>As % of State average</b>
State	409,386	-	81,573	-
West	20,781	5.07%	43,540	53.37%
Border	10,013	2.44%	24,227	29.7%
Dublin	187,773	45.85%	132,259	162%

Source: WDC Analysis of CSO data: CSO, 2000 [N:\CSO DUBLIN\National Accounts\Releases\County Income & Regional GDP\County Income & Reg GDP.vp](#); CSO RAA05 Gross Value Added Taxes and Subsidies by Region (2021)

## Changes in Average Disposable Income per Person

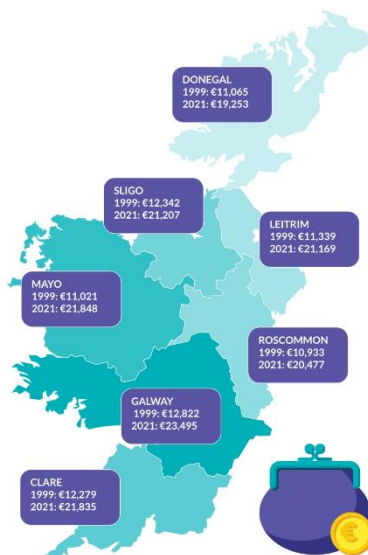
There has been a **substantial increase in average disposable income** per person in the Western Region and at national level between 1999 and 2021, the year for which we have the most up-to-date data. In 1999, the average for the Western Region was €11,685. By 2021 this had increased to €21,326, an increase of 82%.

However, as in 1999, the disposable income per person in the Western Region **remains lower than the state average**. In 1999, it was 11.1% below the state average and in 2021, it was 12.5% below. Put another way, disposable income per person per annum in the Western Region is now approximately €2000 lower than in the NUTS 2 Southern region and €4000 lower than in the Eastern and Midland Region. The gap between the Western Region average and Dublin is over €6500 per annum.

As Figure 1 shows, **Galway remained the county with the highest average disposable income** in the region in both 1999 and 2021: in 1999 it stood at €12,822 (or 97.5% of the state average) and in 2021 at €23,495 (or 96.38%). Roscommon was the county with the lowest average disposable income in 1999, at €10,933 (or 83% of the State average) but in 2021 this was Donegal, where the average disposable income was €19,253, only 79% of the state average and in fact the lowest in the state.

**Fig 1: Disposable income levels across the Western Region (1999 vs. 2021)**

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Disposable income levels  
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Source: WDC analysis of CSO data [https://www.cso.ie/en/media/csoie/releasespublications/documents/economy/1999/regincome\\_1999.pdf](https://www.cso.ie/en/media/csoie/releasespublications/documents/economy/1999/regincome_1999.pdf); CSO, 2021: <https://www.cso.ie/en/releasesandpublications/ep/p-cirgdp/countyincomesandregionalgdp2021/disposableincomebycounty/>

Source: WDC analysis of CSO data

[https://www.cso.ie/en/media/csoie/releasespublications/documents/economy/1999/regincome\\_1999.pdf](https://www.cso.ie/en/media/csoie/releasespublications/documents/economy/1999/regincome_1999.pdf); CSO, 2021: <https://www.cso.ie/en/releasesandpublications/ep/p-cirgdp/countyincomesandregionalgdp2021/disposableincomebycounty/>

## Labour Market Participation

One of the most significant shifts to have happened both nationally and in the Western Region in the last 25 years is increased participation in the labour force. The participation rates in the West and Border NUTS 3 Regions<sup>4</sup> have increased by 15.8% and 14.6% respectively between 1999 and 2023 and now stand at 65.1% and 62.1%. Participation rates are still below the state average of 65.4% – though only very marginally so in the case of the West – but are much more aligned with overall national patterns.

**Table 2: Changes in Labour market participation rates 1999 vs 2023 (Q4)**

	1999	2023 (Q4)	% change
<b>West</b>	56.2	65.1	+15.8%
<b>Border</b>	54.2	62.1	+14.6%
<b>State</b>	58.9	65.4	+11%
<b>Dublin</b>	61.7	67.9	+10%

*Source: CSO QNHS, 1998-2000 Special Runs on behalf of WDC; CSO Labour Force Survey Quarterly Series (QLF08)*

One of the most notable – and linked - shifts we can observe when we compare the **Principal Economic Status (PES)** statistics from Census 1996 and 2022, is the significant decline in the numbers stating their **principal status as ‘Looking after Home and Family’**. In 1996, fully 20% of people in the state over 15 were in this category and 99% of these were women. There was some variation across the Western Region with Leitrim and Roscommon both having 23% of the over 15 population in this category and Mayo and Donegal having 22%. Sligo and Galway both had slightly under the state average at 19% while Clare was the same as the state average at 20%.

In Census 2022, the state average had dropped to 6.6%, **a significant economic, social and cultural shift** which also happened in all Western Region counties. Clare, Galway County, Leitrim and Mayo hover around the same level as the state average while Roscommon (7.2%) and Donegal (7.1%) now have the highest proportion, compared to 5.1% in Sligo and 4.7% in Galway city.

<sup>4</sup> As we do not have county-level data for both of the relevant years, we are using the NUTS 3 regions of the West (counties Galway, Mayo and Roscommon) and the Border (counties Sligo, Leitrim, Donegal, Cavan and Monaghan) as a proxy. Clare is the only Western Region county not in these regions.

## Significant change and increased diversity in sectoral employment

The first point to note is that we can't easily or directly compare the figures for broad Industrial Groups in which people are employed from 1996 and 2022. The classification systems used in analysing the Census data from these years are very different. Only nine were delineated in 1996 whereas Census 2022 - using the NACE Rev.2<sup>5</sup> statistical classification of economic activities – has 18. However, by looking at the categories where there is some overlap and other available statistics, we can identify a number of important trends and themes:

### 1. *Decline in traditional sources of employment*

In 1996 just three sectors – Agriculture/Forestry/Fishing, Manufacturing and Construction – employed **44.1%** of the at-work population in the Western Region. In Census 2022, this figure had declined to just **24.4%**, just under a quarter of the at-work population.

**Manufacturing** decreased from 19.5% of the at-work population in the Western Region in 1996 to 13.2% in 2022, though not as significant a drop as was experienced at state level (from 19% to 9.6%). There is some notable intra-regional variation within these figures. Both Galway County (at 14.6%) and Clare (at 14.1%) have proportions higher than the regional average and substantially higher than the state average. Meanwhile, Donegal at only 7.5% has just over half the proportion of people employed in manufacturing than Clare and Galway. Other comparatively low proportions are found in Leitrim (10%) and Roscommon (10.3%). **Construction** also declined from 7.4% in 1996 to 6% in 2022 though as can be imagined, and as was highlighted in the previous blogpost on Rurality, Towns and Housing, there was significant variation in the relative importance of construction throughout the last 25 years.

However, by far the biggest change that we can observe in the Western Region in terms of sectoral employment in the last 25 years is the **huge decline in the numbers working in agriculture**. In 1996, 17.19% of people at work in the Western Region overall were employed in Agriculture, Forestry and Fishing compared to 10.25% of the at-work population in the State as a whole. In four counties, between a fifth and a quarter of the at-work population in counties worked in this industrial group: Roscommon (24.4%), Leitrim (23.4%) Galway (22.04%) and Mayo (21.77%). All counties in the Region were well above the State average: Clare (16.11%); Sligo (14.52%) and Donegal (13.63%) - with only the large urban population base of Galway City reducing the overall average.

Contrast this with Census 2022 where 5.23% of the population at work in the Region is now employed in Agriculture, Forestry and Fishing, less than a third of the 1996 figure. This is still above the State average of 3.54% and in some counties, the figure remains almost double this with Roscommon and Leitrim both at 6.8% and Mayo (6.18%) Galway County (5.74%) and Donegal

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<sup>5</sup> NACE Rev. 2 is a statistical classification of economic activities developed in the European Community. It will be replaced by NACE Rev. 2.1 from 2025.

(5.72%) retaining a relatively high proportion of the at-work population working in this industry group.

Agriculture remains comparatively important to the Western Region for a whole range of reasons: it remains a key source of employment itself but also supports employment and economic activity in the important wider agri-food sector and growing agri-tech sector, accounts for 70% of the land use, has a significant impact on other sectors such as tourism and amenity provision, is of enduring cultural and social significance, is fundamental to rural vitality and general renewal and has an unmatched reach into every corner of the region. But it is much less significant as a source of direct employment than it was 25 years ago.

## ***2. Growth in public sector employment***

It is difficult to directly compare numbers employed in the public sector in 1996 vs 2022. In 1996, three of the classifications – Public Administration and Defence, Professional Services and Industry not Stated – could potentially encompass a range of public sector employees but there was no further differentiation as is the case in Census 2022. In it, Human Health and Social Work and Education are delineated, in addition to the category of Public Administration and Defence which is common to both Census. However, even with these provisos, it is clear that there has been both an **increase in public sector employment in the region** over the last 25 years and that the **proportion of the population working in this broad category is higher in the Western Region** than in the state as a whole.

- According to Census 2022, 6.4% of the regional workforce work in Public Administration and Defence. This is both a small increase on the proportion in 1996 (5.61%) and higher than the proportion at national level (5.14%).
- 12.6% of the at-work population in the Western Region work in Human Health and Social Work. This compares to 10.6% nationally.
- 10.3% of the region's workforce work in Education, compared to 8.4% nationally.

## ***3. Proportionately fewer in high-value private sector employment***

Having highlighted differentials in levels of GVA and disposable income per person, it is not surprising to find that the **proportions of people working in high-value private sector employment are lower** in the Western Region than in the state as whole:

- 3.6% of the at-work population work in Information and Communication, compared to 5% nationally. There are some notable differences within the region: in Galway City, the proportion of the population employed in this sector is higher than the national average at 6.03% while in Mayo is just under 2%.
- Only 2.7% work in Financial and Insurance Activities compared to 4.2% nationally.
- 4.8% work in Professional, Scientific and Technical Activities compared to 6.3% nationally.

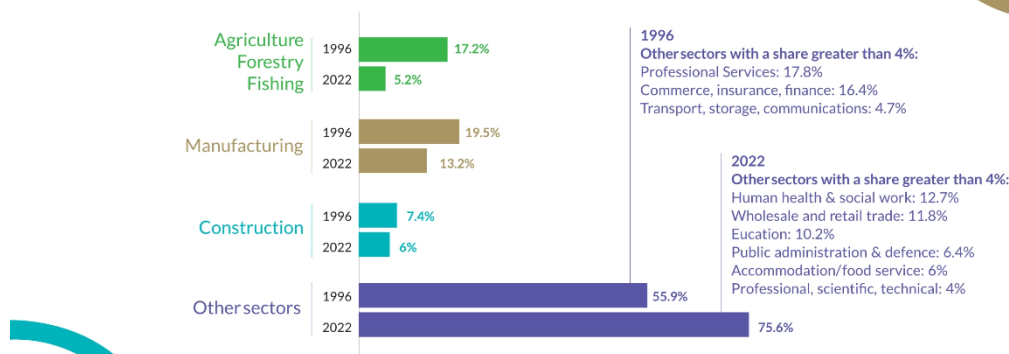


- On the other hand, every county in the region other than Roscommon has a higher proportion than the state average of 4.84% working in Accommodation, reflecting the importance of the tourism industry in pockets of the Western Region. Employment in tourism tends to be on the lower end of the income scale, more seasonal and as the significant impact of Covid-19 restrictions demonstrated, more vulnerable to external shocks and pressures. Galway City has 7.6% of its at-work population working in this sector, followed by Donegal at 6.41% and Mayo at 5.63%.

#### 4. More diverse employment base

Although measurement is difficult across this time period given the much more differentiated categorisation used in 2022, we can say with confidence that there are now more people at work in the Western Region than in 1996 and that there is a much more diverse base of employment. However, there are still notable differences between the region and the state as whole in terms of sectoral employment distribution. This is most obvious in both the greater reliance on agriculture, public sector employment and tourism and in the lower proportions working in high-value sectors. This distribution reflects the region’s historical and geographical context but also signals areas where growth in both high-value and in the more established or traditional sectors could enhance economic stability and opportunity.

**Fig 2: Sectoral Employment Western Region 1996 vs 2022**



Source: WDC analysis of CSO data (Census 1996 and Census 2022)



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