



Employment & Unemployment in the Western Region Update 2010

Briefing Note for Western Development Commission (Rev)

Summary

The **West, Border and Dublin regions were the only regions nationally to experience a decline in their population between April 2009 and 2010.** All regions experienced a decline in their population aged 15-29 years, with the West and Dublin experiencing above average declines. This may indicate growing levels of outward migration from the Western Region.

The **Western Region's labour force contracted** by -1.0% since 2007, less than in the rest of the state. The decline in employment in the region (-9.2%) since 2007 was also less than in the rest of the state (-11.4%). This may be partly due to rising levels of part-time working, as **the region has a higher share of part-time employment.** The gap between male and female participation has also narrowed, with female participation increasing, particularly among older age groups. However the **gap in participation rates between the region and the rest of the state has persisted.**

Self-employment is more prevalent in the region, particularly among men – **31% of men in the Western Region are self-employed,** it is only 23.7% in the rest of the state. The extent of farming and construction in the region influences this.

Employment in the region is most reliant on **local and public services and the traditional sectors.** Wholesale and retail, industry, health, education and accommodation and food service are the main employers. On the other hand knowledge intensive services employ relatively few. The most dramatic employment change in the region in recent years was the **-54.5% fall in construction employment between 2007 and 2010** meaning 28,100 fewer people now work in the sector. Manufacturing sectors supplying construction have also been hardest hit.

In 2010 there are 44,300 people unemployed in the region. The region (12.4%) has a lower unemployment rate than the rest of the state (13.0%). This is true for unemployment rates across all gender, age (except 25-34 yrs) and education groups.

Employment prospects are closely linked to education levels. People in the region with a Junior Certificate or below face an unemployment rate of 18.1% whereas it is only 7.2% if you have a third level qualification. A positive outcome of the downturn is that **more young people, in particular young men, are staying in or returning to education.** Labour force participation among younger age groups has fallen, the share with a third level qualification has grown, as has the number of students in the region.



Employment & Unemployment in the Western Region Update 2010

Briefing Note for Western Development Commission (Rev)

1. Introduction

This Briefing Note provides an updated picture of the labour market situation in the Western Region based on 2010 data.

It primarily highlights the key facts and trends emerging from a special run of data for the Western Region from the CSO's Quarterly National Household Survey (QNHS) for the first quarter of 2010. The QNHS is concerned with examining labour market trends and all figures refer to persons aged 15 years or over. Additional data sources (population and migration estimates, assisted employment, live register and notified redundancies) are also included to give a more comprehensive picture of the current labour market situation in the region.

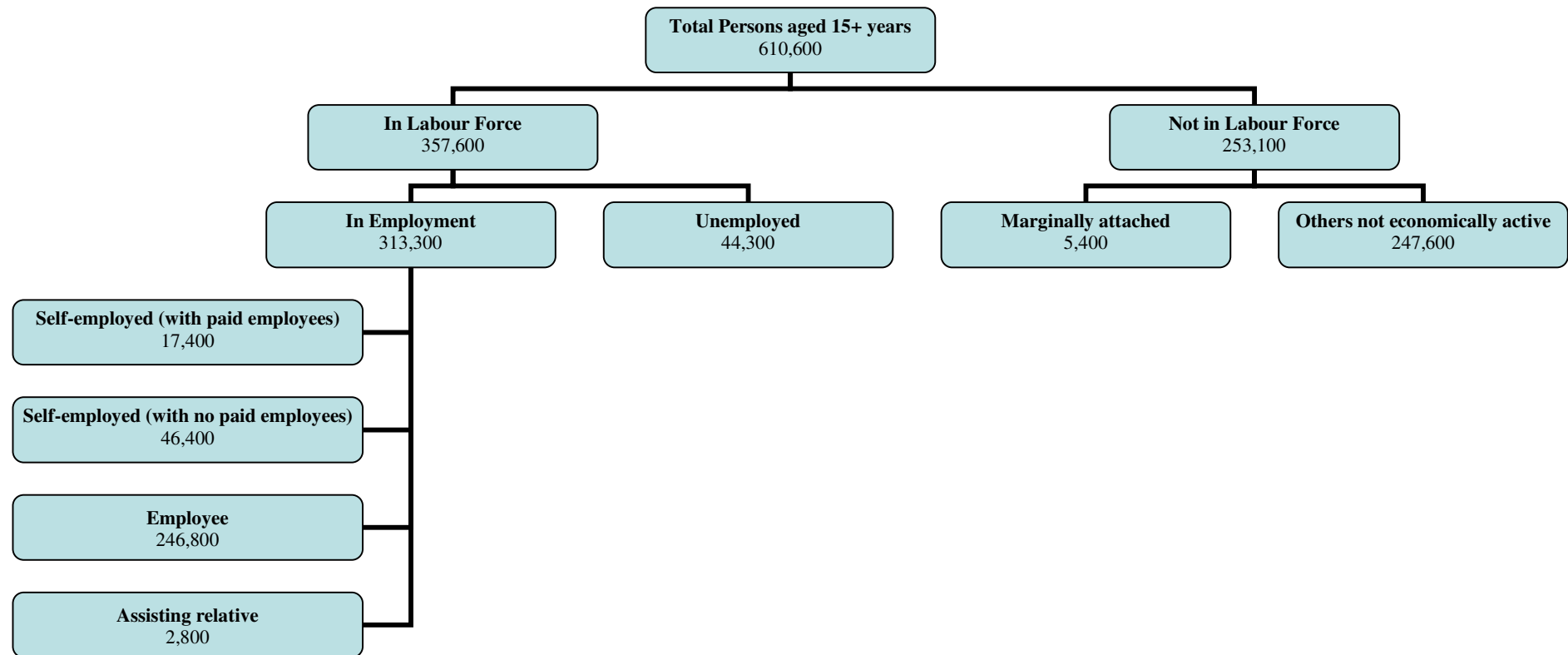
As much of the data used in this Briefing Note is based on special data runs for the seven county Western Region (Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare), which is not analogous to the NUTS 3 regional level¹ at which data is collected by the CSO, data may be subject to sampling or other survey errors. These are greater in respect of smaller values or estimates of change. Therefore data for the Western Region should be taken as **indicative of the relative position of the region rather than as accurate absolute figures.**

This Briefing Note is intended to update and supplement information contained in Chapters 2 and 3 of *Work in the West: The Western Region's Employment and Unemployment Challenge* (2009), which drew from the QNHS for the first quarter of 2009.

The structure of the Briefing Note largely follows that of Figure 1 which illustrates the breakdown, by labour force status, of the region's population aged over 15 years in Q1 2010. The Briefing Note examines the region's population, labour force, employment patterns, unemployment trends, educational attainment levels and the status of those outside of the labour force. Given that a number of trends are common across these areas there may be a degree of repetition in the paper.

¹ 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).

Figure 1: Persons aged 15+ yrs in the Western Region by labour force status, Q1 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 1 and Table 6, Special Run

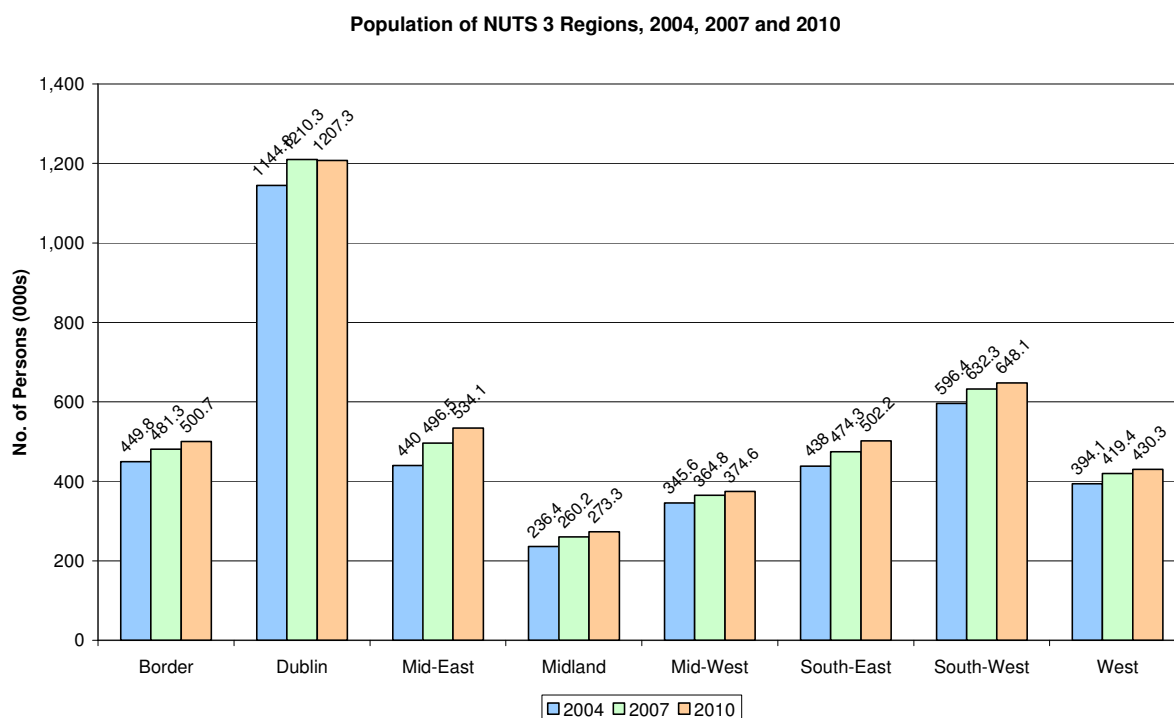
2. Population and Migration

How has the population changed in recent years?

The QNHS is not designed to measure population; its focus is the labour market. Therefore data from the CSO's Population and Migration Estimates will be used to examine population and migration. This data however is not available for the Western Region so data for the three NUTS 3 Regions of relevance to the Western Region (West, Border and Mid-West) will be used.

In 2010 the population of the West region is 430,300, it is 500,700 in the Border and the Mid-West has 374,600 people.² All NUTS 3 Regions nationally, except Dublin, have a greater population in 2010 than in 2007 (Fig. 2). **The Border region's population in 2010 is 4% higher than in 2007, it was 2.7% and 2.6% higher in the Mid-West and West Regions respectively.**

Figure 2: Population of NUTS 3 Regions in 2004, 2007 and 2010



Source: CSO, Population and Migration Estimates, April 2010 (additional data from CSO Dissemination Service)

Are there signs of out-migration?

In the most recent period, the year from April 2009 to April 2010, there was net outward migration nationally of 34,500 people, the highest since 1989. This resulted from 65,300 people emigrating and 30,800 people immigrating. Total outward migration included net out-migration of 14,400 Irish nationals.

² Figures for 2007-2010 are estimates.

No regional breakdown of migration data is available. However considering changes in population at regional level gives some indication of migration, though it must be remembered that changes in population also occur because of natural increase (births over deaths). **In the past year (April 2009-2010), Dublin (-0.35%), the Border (-0.26/%) and the West (-0.25%) were the only NUTS 3 Regions which experienced a decline in their population.**

Considering the age profile of the population declines gives an indication of possible out-migration. For all of the regions nationally there was a decline in population in the 15-29 year age group (most likely to emigrate), with some regions also experiencing declines in the older age categories (over 70 years).

The decline in the 15-29 year old age group in the West region (-6.9%) was greater than the state average (-5.6%), Dublin was the only other region which had an above average decline. The Border (-3.9%) and Mid-West (-3.7%) Regions also experienced declines in the number of 15-29 year olds. Within this age category the West region had the highest decline nationally in the 20-24 year old age group (-15.3%).

From the available data it is not possible to tell for sure the level of emigration being experienced at a regional level, however the declines in population in the 15-29 year old age group would indicate that emigration is occurring from the NUTS 3 regions within the Western Region. In particular the extent of the declines in the West (Galway, Mayo, Roscommon) Region would indicate that emigration may be occurring to a greater extent from the West than elsewhere, with the exception of Dublin. There is a risk that the region's legacy of out-migration may make it more likely to experience a brain drain again. The prevention of a return to that situation is a priority challenge for the region.

3. Labour Force

How many people are in the labour force?

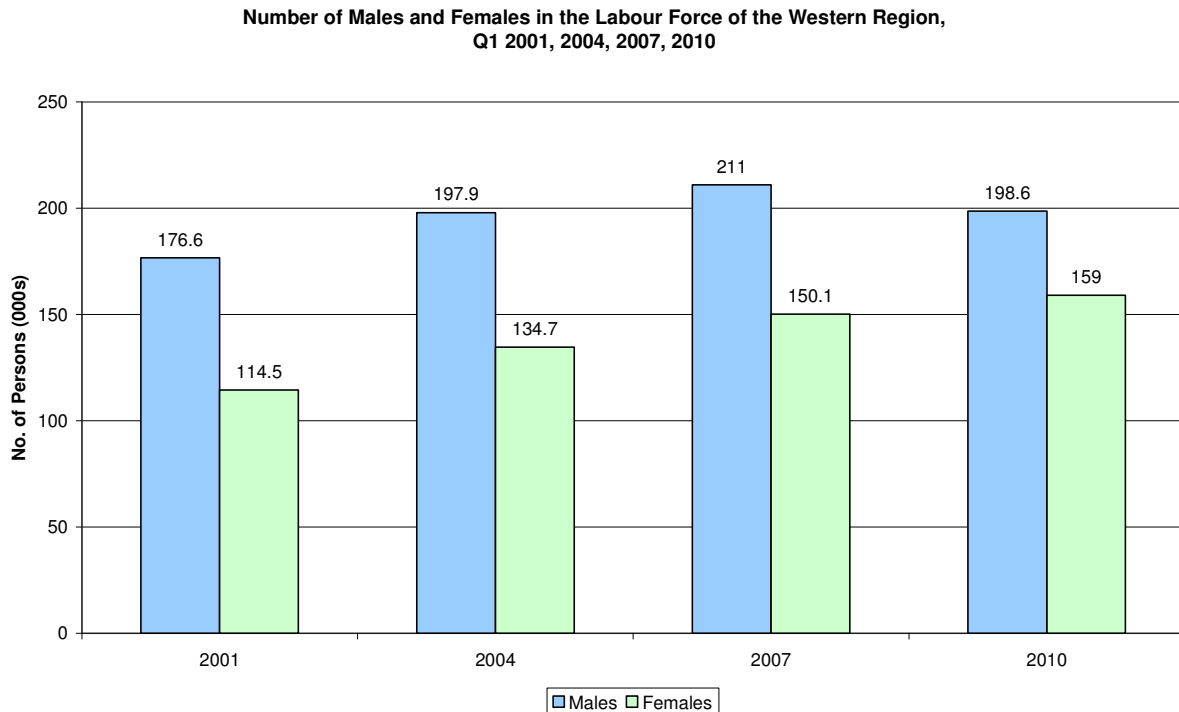
The labour force refers to everybody aged over 15 who is either working or looking for work. The participation rate measures the percentage of people over 15 who are in the labour force.

The total population of the Western Region aged over 15 years is 610,600. Of these **357,600 are in the labour force which gives a participation rate of 58.6%.**

The labour force in the Western Region in 2010 is +24.4% larger than it was in 2000. This is despite a -1.0% fall (-3,500 people) in the region's labour force between 2007 and 2010. In relative terms the rest of the state experienced a larger decline in its labour force over that period (-2.8%).

The decline in the number of men in the labour force over the 2007-2010 period -12,400 (-5.9%) contrasted with an increase in the number of women +8,900 (+5.9%) (Fig. 3). This supports the evidence (see below) that more men are choosing to withdraw from the labour force, particularly to remain in or return to education, while female participation is continuing to rise.

Figure 3: Number of males and females in the Western Region’s labour force, Q1 2001, 2004, 2007, 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 1, Special Run

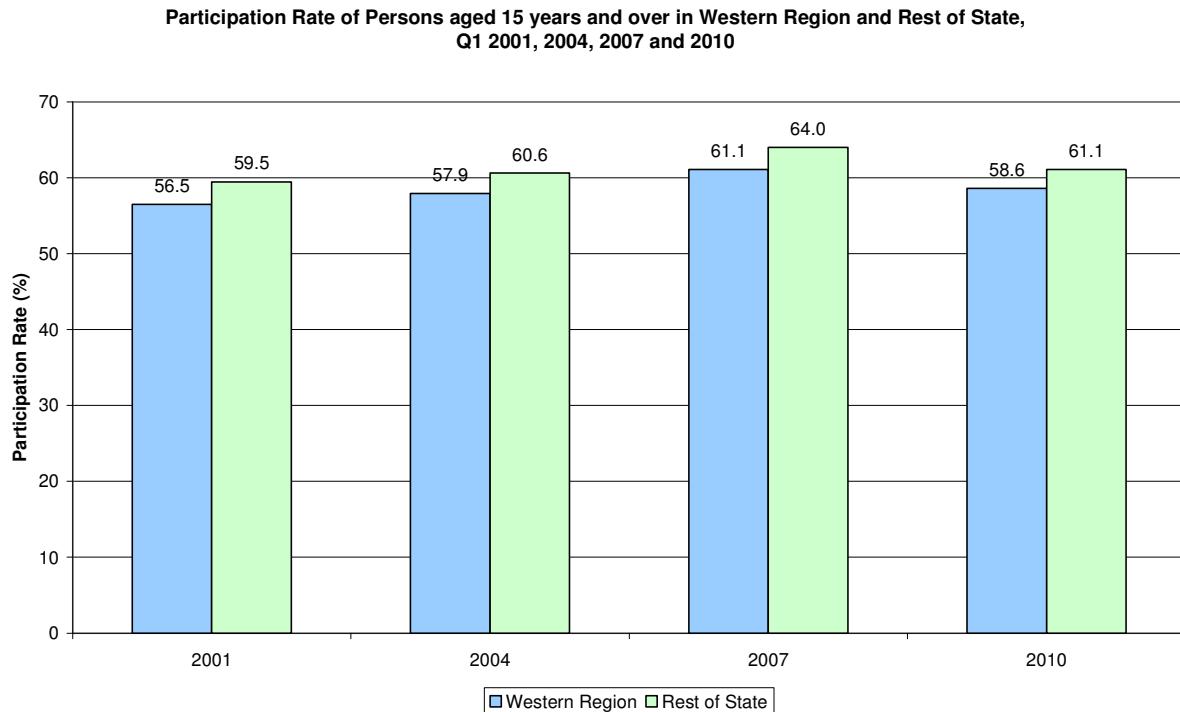
There are 253,100 people over 15 years in the Western Region who are not in the labour force. This would include those who are students, retired, engaged in home duties or unable to work due to disability or illness. Between 2007 and 2010 there was a +10.1% increase in the number of people in the region outside the labour force. This is exactly the same increase as occurred in the rest of the state. Those outside the labour force are examined in section 7. The increase in the numbers not in the labour force is reflected in declining participation rates.

What are participation rates like in the region compared with the rest of the state?

As noted above the participation rate in 2010 in the Western Region is 58.6%, this compares with 61.1% in the rest of the state. While both areas experienced increasing participation rates between 2001 and 2007 (Fig. 4), followed by decline, the gap between the two areas has remained relatively consistent throughout the decade ranging from 2.0 to 3.2 percentage points.

As noted in the WDC Policy Briefing *Why care about regions? A new approach to regional policy* lagging regions are characterised by lower participation rates. The **persistence of the gap in participation rates** between the region and the rest of the state, even during a period of economic growth, is an indicator of the region’s economic position relative to the rest of the state.

Figure 4: Participation rate of persons 15+ yrs in the Western Region and rest of state, Q1 2001, 2004, 2007 and 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 9, Special Run

The region's participation rate fell from 61.1% in 2007 to 58.6% in 2010. Declining participation is mainly caused by people remaining in, or returning to, education, retiring or withdrawing from the labour force due to illness/disability or because they are discouraged with their chances of finding work. Out-migration however does not cause declining participation. If a person leaves the region then they are removed from both the population over 15 years and the labour force which means there is no impact on participation rates.

How does participation vary by gender and age?

Since rates began to decline, there has been a marked gender difference. The gap between the region and the rest of the state in male participation rates grew from 2.2 to 3.9 percentage points between 2007 and 2010, while for women the gap narrowed from 3.7 to 1.4 percentage points.

In addition, the gender gap in participation rates within the Western Region shrank quite dramatically between 2007 and 2010 – from 21 percentage points down to 14. These figures **indicate a greater withdrawal from the labour force of men in the Western Region compared with both women in the region and men elsewhere in the state.**

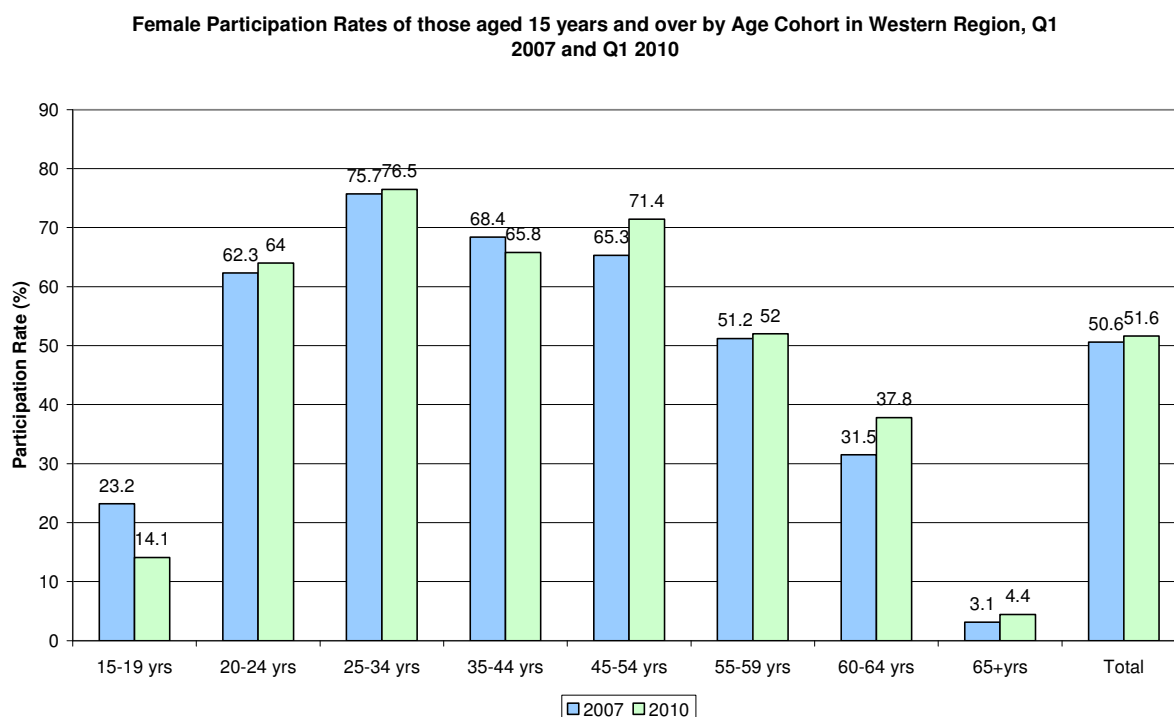
The participation rate fell between 2007 and 2010 in all age groups in the Western Region (except 45-54 year olds). The **most significant declines were among the younger age groups** (15-19 and 20-24 year olds). The decline in participation among this group can be seen as positive as it is most likely due to younger people remaining longer in education, a fact borne out

by declining numbers of early school leavers and rising numbers of students in the region (sections 6 and 7).

Looking at participation by age for men and women shows differences:

- Participation rates for men fell between 2007 and 2010 across all age groups. The largest declines were in the younger age groups and those over 60, likely due to education and retirement respectively.
- For women, however, participation rates increased between 2007 and 2010 across almost all age groups (except 15-19 and 35-44 year olds likely due to education and child rearing respectively). The most striking increases in female participation were among those aged 45-54 and 60-64 years (Fig. 5). It is possible this is partly due to older women returning to the labour force as part of household coping strategies in response to their partner's loss of a job, and may also be an indication that the job opportunities that are available at present are more likely to be filled by women.

Figure 5: Participation rates for females aged 15+ yrs by age cohorts in the Western Region, Q1 2007 and Q1 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 9, Special Run

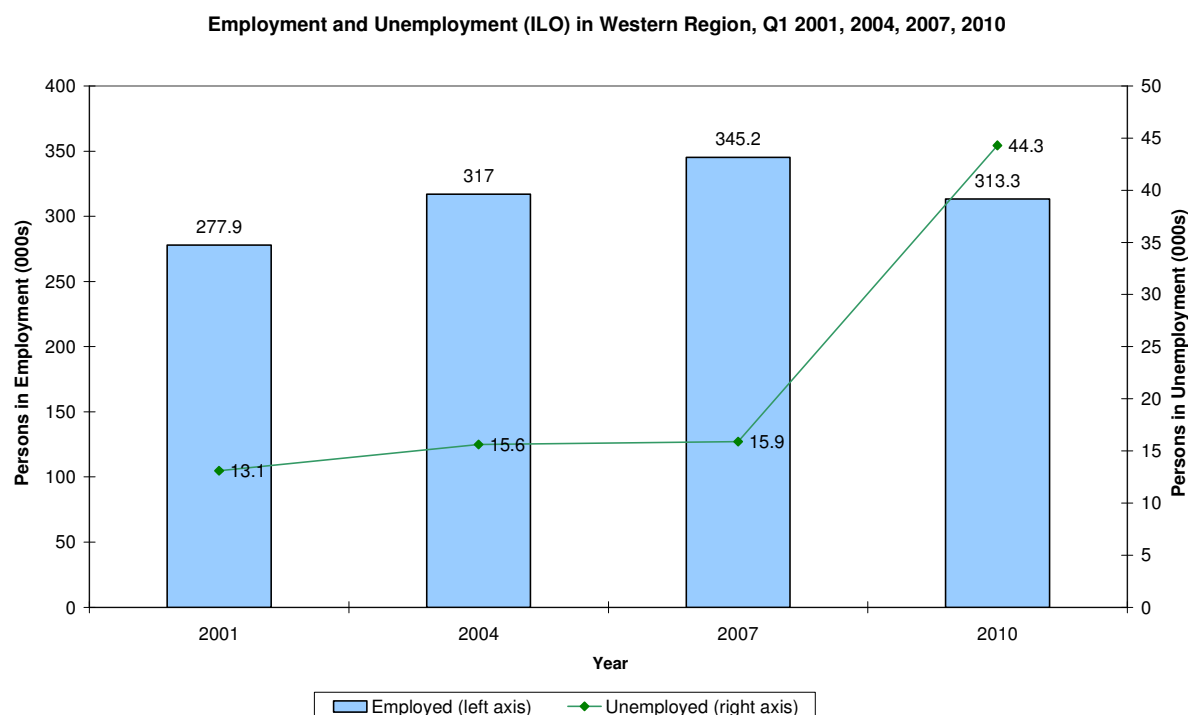
4. Employment

How many people are working in the region?

Of the 357,600 people in the Western Region who are in the labour force, **313,300 are in employment**. This is +15.1% (+41,000 people) more than were in employment in 2000 but -9.2% (-31,900 people) less than were working in 2007 (Fig. 6).

From 2001 to 2007, as employment grew in the region, the numbers unemployed remained relatively steady. Note that the right and left hand axes in Figure 6 are at different scales due to the difference in scale between employment and unemployment. In 2007 the pattern changed with declining numbers employed and rising numbers of unemployed.

Figure 6: Numbers employed and unemployed in the Western Region, Q1 2001, 2004, 2007 and 2010



Source: CSO, *Quarterly National Household Survey, Q1 2010, Table 1, Special Run*

The decline in the number of people in employment in the region since 2007 (-9.2%) is less than the decline in the rest of the state (-11.4%). This has contributed to the unemployment rate in the Western Region being lower than in the rest of the state. Employment will be examined in this section, while unemployment will be looked at in section 5.

Has the share working part-time increased?

In 2010 of the 313,300 people who are in employment in the Western Region **three-quarters (237,600) are in full-time employment, in contrast to the situation between 2000 and 2008 when it was 81%-84%**. Clearly there has been a rise in part-time employment since the recession began and now 24.2% of those working in the region are working part-time.

In line with this rise in part-time employment, there has been an increase in underemployment (those who are working part-time but want to work full-time). There was a substantial increase in the number underemployed between 2007 and 2010 from 1,000 to 3,300. It is likely that farming accounts for a notable share of those who are underemployed.

The share of workers working part-time in the region (24.2%) is notably higher than in the rest of the state (21.8%). While the region has had a higher share of part-time employment since 2001, the gap with the rest of the state has widened in recent years. The fact that the decline in employment in the region (2007-2010) was less than in the rest of the state may partly be explained by a greater move to part-time employment in the region than the rest of the state.

Again there are substantial differences in the extent of part-time employment by gender. 13.9% of working men are working part-time, almost double the rate in 2007 (7.7%). The rate of part-time working among men in the region (13.9%) is also notably higher than in the rest of the state (11.0%). The increase in part-time working among men is likely influenced by a return to part-time farming by some of those who were working in construction, as well as a move to short time working by some manufacturing employers.

Part-time employment has always been more prevalent among women than men and that pattern continues. **35.8% of working women in the region are working part-time**, an increase from 32.8% in 2007. While the rate of part-time working among women in the region (35.8%) is greater than in the rest of the state (34.4%), the difference is quite small.

How prevalent is self-employment?

Of the 313,300 people who are working in the Western Region, the vast majority 246,800 (78.8%) are employees. There are a further 63,800 (20.4%) who are self-employed and finally 2,800 people (0.9%) are employed as assisting relatives.

This varies quite significantly in the Western Region from that in the rest of the state. **In 2010 while 20.4% are self-employed in the region, just 15.8% are self-employed in the rest of the state** (Fig. 7).

When self-employment figures are broken down between those who have paid employees and those who don't, we see that the difference between the region and rest of state is almost exclusively due to those who do not have paid employees (14.8% compared with 10.4%). It is likely that the higher share engaged in farming and construction in the Western Region is a considerable factor in the difference.

Figure 7: Self-employment as a share of all employment in the Western Region and rest of state, Q1 2001, 2004, 2007 and 2010



Source: CSO, *Quarterly National Household Survey, Q1 2010, Table 6, Special Run*

Over the 2001-2010 period the share in self-employment in the region was at its highest in 2001 (23.5%), likely influenced by the prevalence of farming in the region. The share declined from 2001 to 2007, probably linked with declining agricultural employment. The decline in self-employment from 2007 to 2010 however is probably more due to the collapse of the construction sector. The gap between the share of self-employment in the region and rest of state narrowed from 7.4 percentage points in 2001 to 4.6 in 2010.

Looking at those in self-employment who have paid employees provides an indication of the experience of the indigenous enterprise sector in the region. These figures peaked in 2007 at 21,100 before falling to 17,400 in 2010, a decline of -17.5%. In contrast, in the rest of the state the decline over this period was only -13.3%. This has meant that while in 2007 the region accounted for 18.0% of all those in the state who were self-employed with paid employees, in 2010 its share had declined to 17.3%.

Unsurprisingly, given the role of farming and construction in self-employment as well as relatively low levels of female entrepreneurship, self-employment among men in the region is higher than among women. In 2010 **31.0% of working men in the Western Region are self-employed compared with 8.2% of working women**. In terms of the change since 2007, the number of self-employed men in the region fell by -9,700 between 2007 and 2010, while the number of self-employed women in the region grew by +2,000 between 2007 and 2010.

Comparing with the rest of the state, **for men 31.0% are self-employed in the region, but this figure is just 23.7% in the rest of the state.** This is a significant difference with implications for the impact of the recession. For women the difference is smaller 8.2% compared with 6.7%. Again the difference is almost exclusively due to a higher share of self-employment without paid employees in the region.

In a period of rising unemployment the share of self-employment has several consequences. In particular a person who was self-employed is not entitled to claim Jobseeker's Benefit (JB)³ upon becoming unemployed, they are however entitled to Jobseeker's Allowance (JA) which is a means tested payment. While it is not possible to get data on this it is likely that some of the 7,600 fall in the numbers self-employed in the region between 2007 and 2010 are ineligible for JA and therefore not included in live register figures.

The higher share of self-employment may also be an indicator of a greater sense of entrepreneurship in the region, which would be a positive force for the future.

What sectors do people work in?

The 313,300 people who are in employment in the Western Region work in a range of economic sectors. In 2010 the **top three employment sectors in the region are wholesale and retail (14.6%), industry (14.3%) and health (13.6%)** (Fig. 8). Together they employ 133,200 people or 42.5% of total regional employment.

The next largest employment sectors are education (8.6%), accommodation and food service (7.6%), construction (7.5%) and agriculture, forestry and fishing (7.1%).⁴ In the case of all seven main employment sectors, they account for a higher share of employment in the region than in the rest of the state. With the exception of agriculture, these are also the top employment sectors in the rest of the state.

Clearly **employment in the region is most reliant on local and public services and the traditional sectors** (though the industry sector also includes knowledge-intensive and high-tech manufacturing).

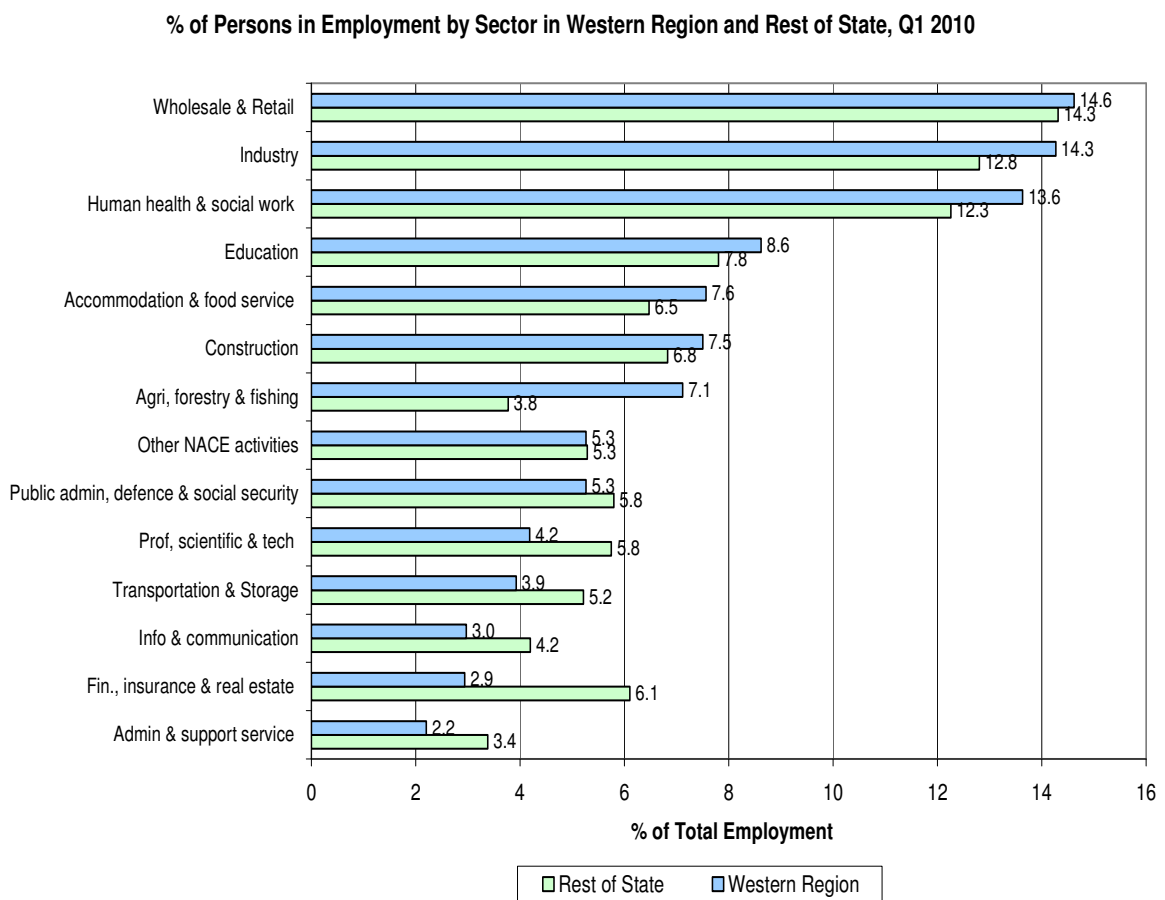
The smallest employment sectors in the Western Region include those associated with the knowledge or smart economy. The smallest sectors in the region are administrative and support services (2.2%), financial, insurance and real estate activities (2.9%), information and communications (3.0%), transportation and storage (3.9%) and professional, scientific and technical activities (4.2%). In the case of all of these sectors the region has a lower share than the rest of the state, most notably for financial services.

³ Jobseeker's Benefit (JB) is available to a person who meets the PRSI requirements and is not a means tested payment. It is payable for one year after which the person is means tested to determine eligibility for Jobseeker's Allowance (JA).

⁴ Caution is required in relation to the figures for employment in the agriculture, forestry and fishing sector. The CSO has advised that due to a problem with sampling there are concerns over the accuracy of the figures for agricultural employment in Q1 2010. The CSO is conducting further analysis on this issue and in the meantime advises caution in the interpretation of these figures. Given the more rural nature of the Western Region this may be a more significant issue in the region than the rest of the state.

The relatively low share of employment in the region engaged in knowledge intensive services presents a particular challenge in the context of economic recovery strategies which place considerable emphasis on these sectors. In the broader context of national job creation it can also be seen that these sectors are relatively small employers in the rest of the state when compared with local and public services. More detail on sectoral employment is contained in Appendix Table 1.

Figure 8: Percentage of persons employed by economic sector in the Western Region and rest of state, Q1 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 2, Special Run

How has sectoral employment changed since 2007?

The decline in employment since 2007 (-31,900 people) has not been evenly spread across economic sectors. Indeed some sectors have experienced an increase in employment over the period (Fig. 9).

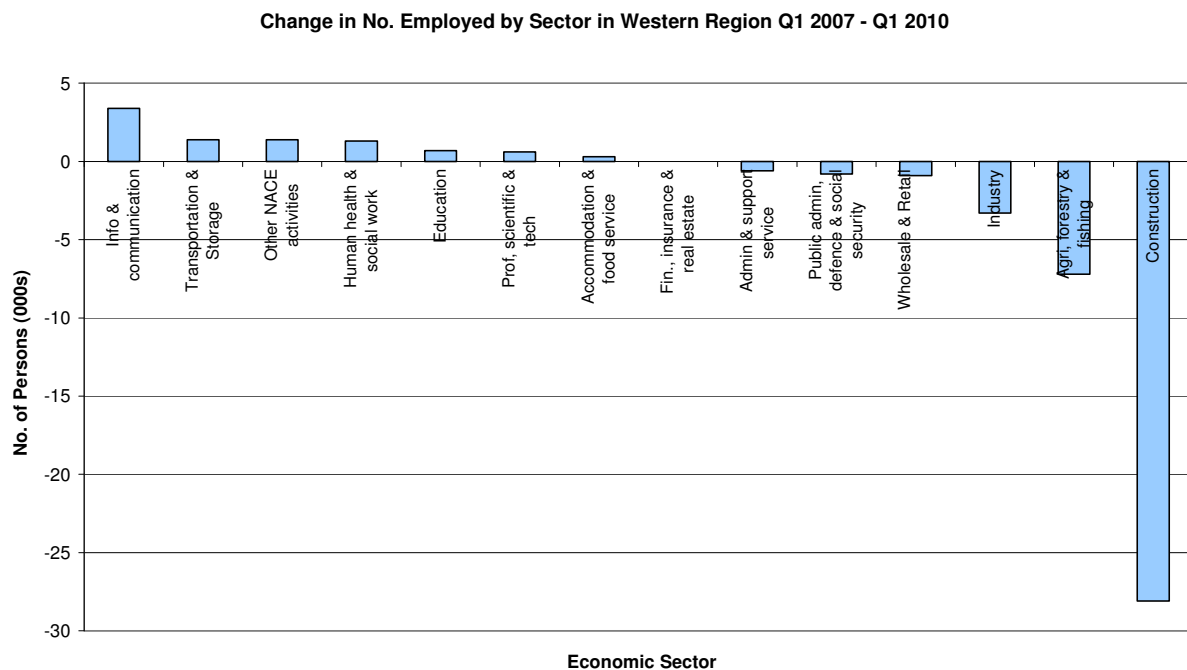
Unsurprisingly the largest decline occurred in the construction sector. In 2007 construction was the largest employment sector in the Western Region, employing 51,600 people (14.9% of total regional employment). By 2010 construction has slipped to sixth place (Fig. 8). **Between 2007**

and 2010 there was a **-54.5% decline in construction employment in the region – 28,100 fewer people were working in construction in the region** (Fig. 9).

Other sectors which experienced large employment declines since 2007 have been agriculture⁵ (-7,200 people) and industry (-3,300 people).

Meanwhile some sectors have experienced employment growth in the region since 2007, notably information and communications (+3,400 people), transportation and storage (+1,400) and health (+1,300). The growth in information and communications, as well as an increase in professional, scientific and technical activities, indicates there is capacity in the region to increase knowledge services employment and that such employment has a role in the region’s recovery.

Figure 9: Change in number employed by economic sector in Western Region between Q1 2007 and Q1 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 2, Special Run

Do the sectors people work in vary by gender?

Employment by sector varies considerably by gender. **For men the largest employment sectors are industry (18.6%), wholesale and retail (13.8%), construction (13.4%) and agriculture (12.3%)** which together employ 97,000 men in the region (58.1% of all male employment). For the rest of the state these four sectors account for 48.5% of employment meaning male employment is less sectorally diverse in the region.

⁵ See previous footnote

The most dramatic change since 2007 has been male employment in construction. In 2007 1 in 4 men in the region worked in construction, since then there has been a fall of 27,900 men (-55.6%) working in construction. The decline in the rest of the state was lower at -52.9%. The fall in male construction employment has had considerable impacts on the gender pattern of unemployment (section 5).

For women **the largest employment sectors in the region were health (23.9%), wholesale and retail (15.5%), education (13.6%) and accommodation and food service (9.8%)** which together employ 92,000 women in the region (62.8% of all female employment). Compared with the rest of the state, where these sectors employ 57.2% of women, the region has a less diversified female employment structure.

One of the most striking features of female employment, particularly in the region, is the reliance on the public sector. In 2010 43.2% of women in the region worked in either health, education or public administration, a higher share than in the rest of the state (40.1%). This reliance on public employment has, to some extent, insulated female employment during the recession. It is also likely to have increased the importance of female employment in household income in a situation of rising male unemployment from construction and industry.

How many people are working in assisted employment?

While not based on data from the QNHS, it is useful to consider assisted employment⁶ to supplement the discussion of employment in the region. Data for assisted employment gives more detail on the different types of industry, is available at county level and is important as these firms are the exporting companies which are seen as central to recovery.

In 2009 there were 46,409 people working in full-time assisted employment in the Western Region. It is interesting to note that this was only 17.3% of all full-time employment in the region in that year. This was the lowest share in any year between 2000 and 2009. In 2000 24% of all full-time employment in the region was in assisted employment and the share has steadily declined since then. This was strongly influenced by growth in construction, local and public services employment which reduced the share of total employment in assisted companies, even as the numbers in assisted employment remained steady or grew.

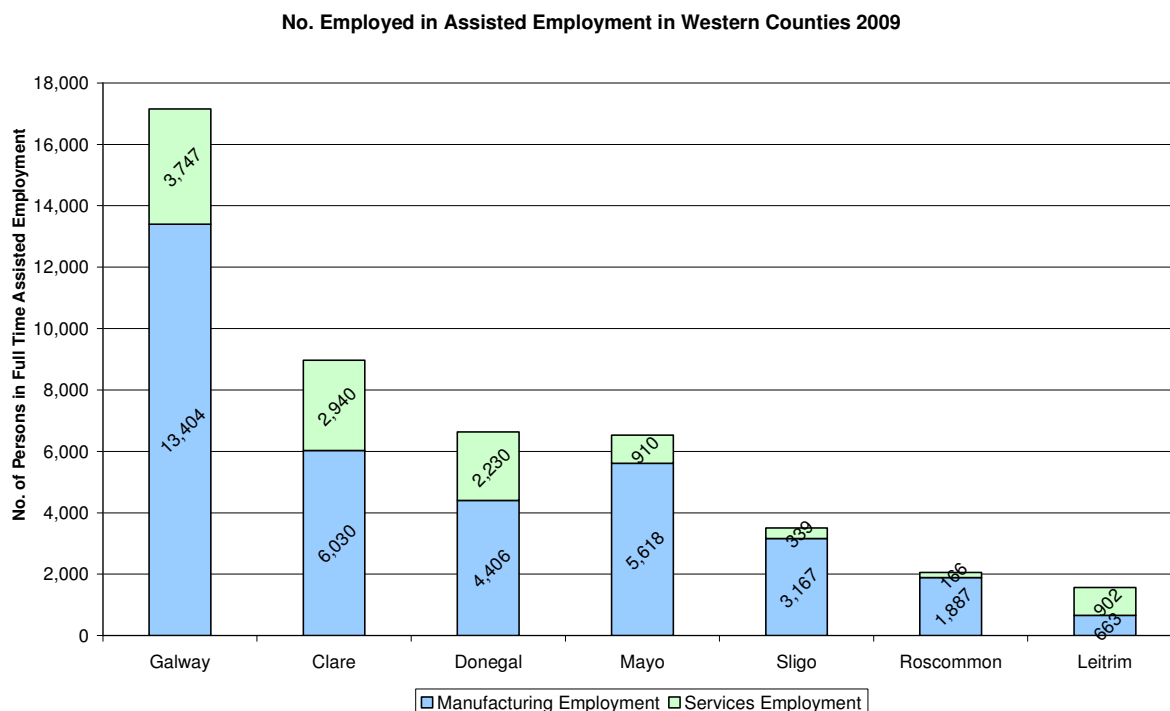
Assisted employment in 2009 was 5,741 (-11%) fewer than in 2007, a smaller decline than occurred in the rest of the state where assisted employment fell by -13.4% between 2007 and 2009.

Sectorally the largest declines in assisted employment in the region were in basic and fabricated metals (-927 people), wood and wood products (-815 people) and non-metallic minerals (-640 people) all of which are **industrial sectors closely associated with inputs to construction**. Other sectors which experienced quite large declines included electrical equipment (-599 people), food (-501 people) and business services (-493 people).

⁶ Employment in businesses that have received some assistance from the IDA, EI or Údarás na Gaeltachta. *Forfás Annual Employment Survey 2009*

Data is available at county level for the number of people working in assisted companies. By county, assisted employment in 2009 ranged from 17,151 people in Galway to 1,565 in Leitrim (Fig. 10). Manufacturing accounted for the biggest share of assisted employment in all western counties, with the exception of Leitrim. The manufacturing sector was particularly dominant in assisted employment in Roscommon, Sligo and Mayo.

Figure 10: Permanent full-time employment in assisted manufacturing and services companies in western counties, 2009



Source: Forfás Annual Employment Survey 2009, Special Run.

The overall decline in assisted employment in the region between 2007 and 2009 of -5,741 people was spread across all western counties. In terms of absolute numbers, Galway (-1,990 people), Clare (-918 people) and Donegal (-860 people) experienced the largest falls in assisted employment. However relative to total employment Roscommon experienced by far the largest decline in assisted employment, falling by a quarter (-689 people) between 2007 and 2009. It is likely this is associated with declines in traditional manufacturing linked to construction, as well as the food sector.

Has the performance of assisted employment varied by ownership?

Of all assisted employment in the Western Region, 54.3% is in firms that are foreign owned with the remainder in Irish owned firms. The region has a higher share of its assisted employment in foreign owned firms than the rest of the state (50.6%) showing the continuing and important role of the foreign owned sector in the region.

In the period 2007-2009 there has been greater contraction of employment in Irish owned firms than foreign owned, in both the region and rest of the state. While employment in Irish firms in

the region fell by -15.3%, it only declined by -7.0% for foreign firms. Indeed foreign firms in the region have also performed better than foreign firms elsewhere in the state (-11.3%).

These patterns could be explained by the declines in traditional manufacturing linked to construction, predominantly Irish owned, and the continuing strength of the largely foreign owned medical devices and ICT sector in the Western Region (both of which increased employment between 2007 and 2009).

5. Unemployment

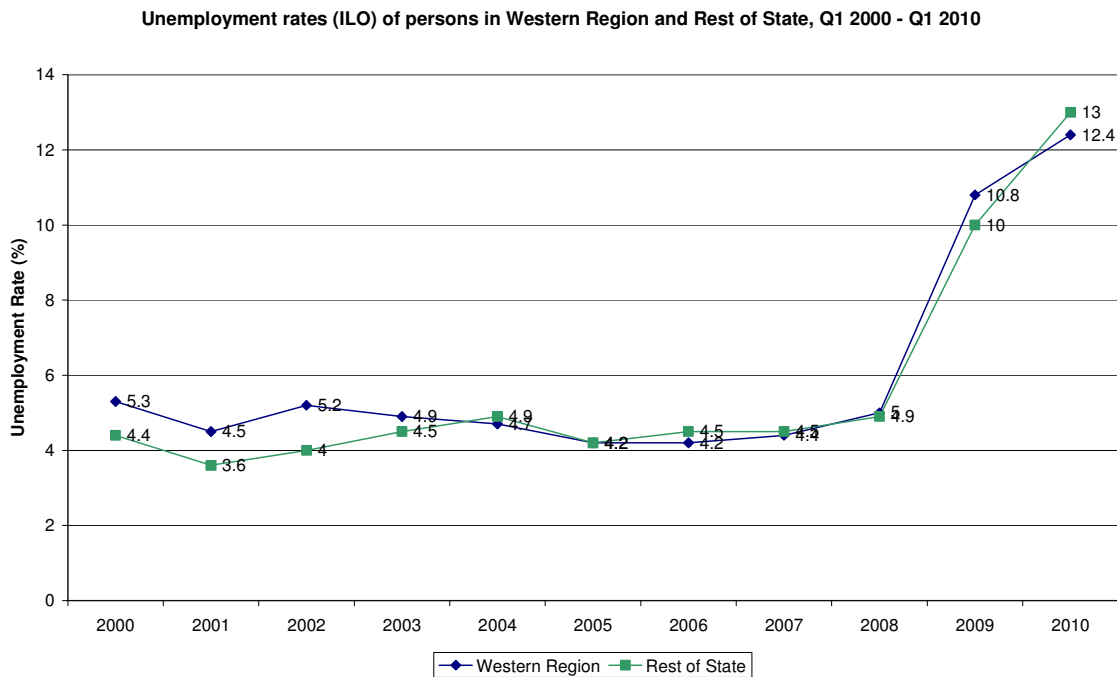
How many people are unemployed?

Of the 357,600 people in the Western Region's labour force, **44,300 people are unemployed**. This figure is +191.4% higher than in 2000 when there were 15,200 people unemployed in the region.

The unemployment rate in the Western Region is 12.4%. While this is an increase on a year earlier (10.8%), at that time the region had a higher unemployment rate than the rest of the state (10.0%) however that position has now been reversed as **the rest of the state (13.0%) now has a higher unemployment rate than the Western Region (12.4%)** (Fig. 11).

While it is not certain why the unemployment rate in the region is below that in the rest of the state, some possible reasons are the higher share of part-time working, the continuing resilience of the medical devices sector, the higher share employed in the public sector and the indication that the West region has experienced a greater fall in its population aged 15-29 years.

Figure 11: Unemployment rates in the Western Region and rest of state, Q1 2000 – Q1 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 14, Special Run

How many of those are long term unemployed?

There are 16,300 people who are classified as long term unemployed in the Western Region, this means they have been unemployed for a year or more. **The long term unemployment rate in the region is now 4.6%, compared with just 1.1% in 2007.** While we do not have a breakdown of those who are long term unemployed, given that men from the construction sector, particularly in rural areas, were the first to be hit by rising unemployment it is likely they now represent the largest group of long term unemployed.

Do unemployment rates vary by gender and age?

Unemployment rates in the Western Region range from a high of 30.8% for men aged 15-24 years to a low of 4.4% for women aged over 45 years.

Given the discussion in section 4 on the sectoral profile of male and female employment (e.g. male employment in construction and female employment in the public sector) and the sectors which have been hardest hit by declining employment since 2007 (construction, agriculture and industry), it is not surprising that men face higher unemployment rates than women. **The unemployment rate for men in the Western Region (16.0%) is double that for women (7.9%).**

Both male and female unemployment rates in the region are below those in the rest of the state, 16.0% compared with 16.4% for men and 7.9% compared with 8.6% for women.

There is even greater divergence in unemployment rates across age groups than there is by gender (Fig. 12). **Unemployment rates decline with age** with the youngest age group (15-24 years) facing substantially higher unemployment rates than older age groups. In the region in 2010 those aged 15-24 years had an unemployment rate of 23.9%, for those aged 25-34 it was 15.1%, it was 11.2% for those aged 35-44 years and was lowest (8.0%) for those over 45 years. All age groups experienced very substantial increases in unemployment since 2008.

Figure 12: Unemployment rates by age group in the Western Region, Q1 2000 – Q1 2010



Source: CSO, Quarterly National Household Survey, Q1 2010, Table 14, Special Run

How many people are on the live register in the Western Region?

Firstly, it should be stressed that the live register does not measure unemployment. It includes people who are working part-time or are casual or seasonal workers, it also excludes some people who are unemployed but do not qualify for Jobseeker's Allowance (JA) due to the means test.⁷ A person who qualifies under PRSI can claim Jobseeker's Benefit (JB) for a year before having to undergo a means test to move to JA, therefore people who in fact remain unemployed may be removed from the live register after a year if they exceed the means test.

The live register is, however, useful as it presents very timely information, as well as information at a low spatial scale. **In September 2010 there were 81,015 people on the live register in the region, 2,283 (+2.9%) more than a year previously.**⁸ This was not as large an increase as occurred in the rest of the state (+5.9%), in line with the findings above of the region's lower declines in employment and lower unemployment rates.

The region's share of the national live register is 18.3%, which is higher than its share of the national labour force (16.8%). This higher share on the live register, despite lower unemployment rates, may partly be due to the extent of part-time employment in the region (24.2% in the region compared with 21.8% in the rest of the state), as some people working part-time would be counted on the live register.

⁷ Although a person who does not qualify for JA may still be counted on the live register if they register for 'credits' towards their state pension.

⁸ CSO, Live Register September 2010 (CSO Data Dissemination Service)

There has been a notable slowing down in the rate of increase of numbers on the live register. In the early stages of the recession yearly increases of over 100% were being recorded in counties such as Leitrim, Roscommon and Mayo. **In September 2010 no county in the region had a yearly increase in double figures, with Roscommon (+8.7%) having the largest increase. Galway and Clare in fact experienced a yearly decline.** At a local level two social welfare offices in the region, Ennis and Galway city recorded a yearly decrease in numbers on the live register between September 2009 and 2010. While it is not clear why this has happened, it may be an indication of strengthening in the jobs market or some degree of out-migration.

Who is on the live register?

Of the 81,015 people who are on the region's live register, half are men over 25 (Table 1). This is also the group that accounts for the largest share of the labour force. The next highest group are women over 25 years at 27.6% of the region's live register.

Table 1: Composition of the live register in western counties, September 2010

	September 2010	Male <25yrs	Female <25yrs	Male >25yrs	Female >25yrs
	No.	%	%	%	%
Clare	10,039	11.9	7.0	52.0	29.1
Donegal	21,333	14.5	8.4	50.7	26.5
Galway	23,735	12.2	7.6	51.7	28.4
Leitrim	3,608	11.6	6.5	53.2	28.6
Mayo	12,854	13.0	7.9	52.2	26.9
Roscommon	4,078	13.2	7.8	53.0	25.9
Sligo	5,368	13.6	8.3	50.8	27.2
Western Region	81,015	13.0	7.8	51.6	27.6
Rest of State	361,402	12.3	7.5	53.4	26.8
State	442,417	12.5	7.6	53.0	26.9

Source: CSO Live Register September 2010

On a gender basis **64.7% on the live register are men (of all ages) and 35.3% are women.** The region has a slightly higher share of women on the live register than the rest of the state (34.3%). This may partly be explained by the higher share of part-time employment among women in the region, some of whom may also be counted on the live register. All counties in the region (except Roscommon) had higher shares of women than the state average, with Clare (36.1%) and Galway (36.1%) having among the highest shares in the country (36.1%).

Considering age, **the region has a slightly higher share (20.8%) on the live register aged under 25 years than the rest of the state (19.9%).** Donegal has a particularly high share of young people on the register at 22.9% followed by Sligo at 22.0%. In the context of the possible return of out-migration and the brain drain, those aged under 25 are likely to have the greatest propensity to leave with the West region experiencing the largest decline in the state of its population aged 20-24 years in the year April 2009-2010 (section 2). More detail on live register figures is contained in Appendix Table 2.

How many people have been made redundant in the region?

Redundancy applies to people who have worked in an insurable employment for two years and whose job has ceased to exist. In the period **January to September 2010 4,928 people have been made redundant in the Western Region, fewer than over the same period last year** (7,174). In the full year 2009 there were 9,151 redundancies in the region.⁹

The region accounts for 10.3% of all redundancies nationally so far this year, which is fairly consistent with 2009 when the figure was 10.9%. The region's lower share of redundancies compared with its share of the labour force (16.8%) or live register (18.3%) may be due to several factors: the higher levels of self-employment; the casual nature of some construction employment; and the higher share of public sector employment.

On a gender basis, 64.3% of people made redundant so far this year in the region have been men. This is a higher share than the rest of the state, 60.6%, again indicating the strong influence of male unemployment on the region's unemployment profile. Unfortunately sectoral information for redundancies is not available at a county or regional level.

6. Education

What are the education levels in the region?

In 2010 education levels among 15-64 year olds in the region are very similar to those in the rest of the state. The gap in education attainment levels between the region and the rest of the state gradually diminished during the period of the boom as participation in education, especially among women, increased and out-migration was replaced by inward migration.

The region continues to have a slightly higher share of its population with lower education levels (Junior Certificate or below) at 30.5% compared with the rest of the state (28.5%) and slightly lower shares with a Leaving or Post-Leaving Certificate (36.5% compared with 37.1%). **The share with a third level qualification has grown steadily and currently stands at 30.2% of people (15-64 yrs) in the region, just below the 31.2% of the rest of the state.** This improvement in the region's educational profile is a critical long term impact of recent economic growth.

The situation is not even across genders however. In 2010 while 35.0% of women in the region had a third level qualification, it was only 25.5% of men. In the case of women, the region (35.0%) has a higher share than in the rest of the state (33.7%) while for men the region (25.5%) lags the rest of the state (28.7%). Job opportunities for young men in the building sector during the boom likely contributed to lower third level participation.

The gap in education levels between men and women in the region has shrunk slightly; from a gap of 10.3 percentage points in 2008 to 9.5 percentage points in 2010. This, combined with falling labour force participation rates among young men (section 3) and rising numbers of male students (section 7), is a positive indication of **rising education levels among men in the region.**

⁹ Department of Enterprise, Trade and Innovation, Redundancy Statistics

How much does education affect employment and unemployment?

The Western Region’s labour force (aged 15-64 years) is made up of 20.3% with education of a Junior Cert or below, 38.7% with a Leaving or Post-Leaving Certificate and 38.1% with third level (right hand bar in Fig. 13). We can consider this the ‘average’ distribution of education levels.

Looking at the composition of those in employment and unemployment by education level shows that **those with lower education levels are ‘over-represented’ in unemployment, while those with a third level are ‘under-represented’ in unemployment.** People with a third level qualification make up 38.1% of those in the labour force but only account for 21.8% of unemployment. People with a Junior Certificate or below meanwhile make up 20.3% of those in the labour force but 29.0% of those unemployed (Fig. 13). This supports the finding that rising unemployment has hit those with lower education levels harder.

Figure 13: Composition of employment, unemployment and labour force in the Western Region by educational attainment level, Q1 2010



Source: CSO, *Quarterly National Household Survey, Q1 2010, Table 23a, Special Run*

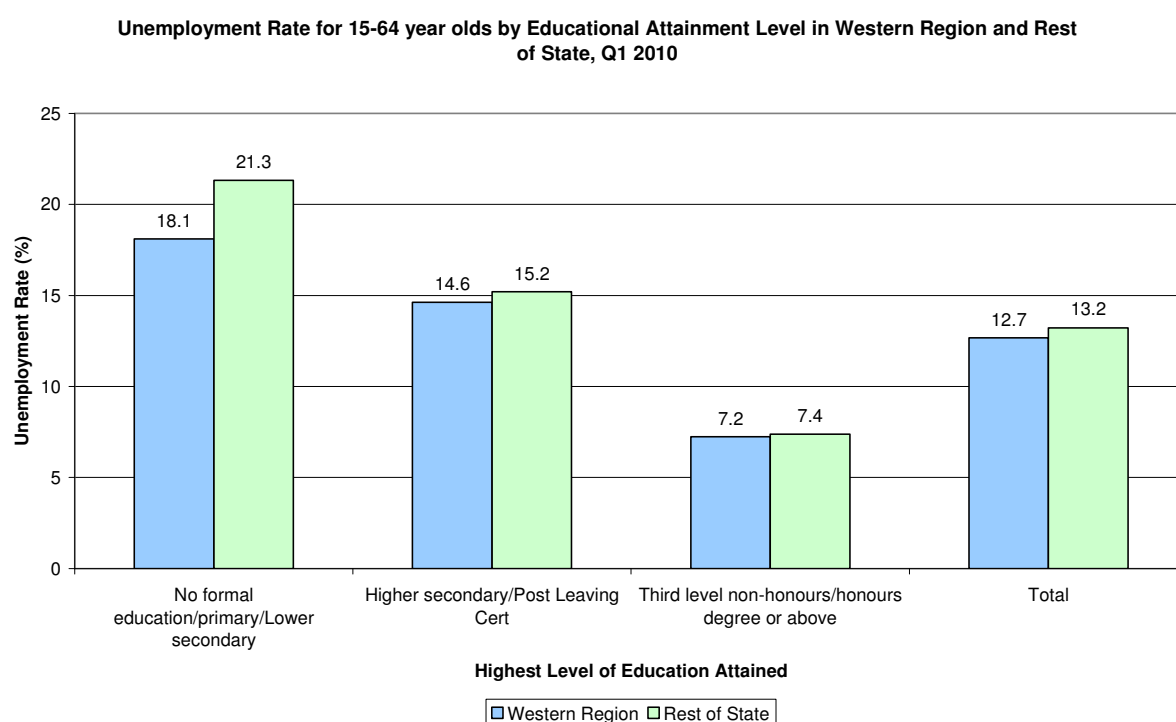
From this it should be clear that, along with gender and age (section 5), education levels are one of the main factors in varying unemployment rates. Please note that as education levels are only given for people aged 15-64 years, rather than for everyone over 15, the unemployment rates quoted here are not comparable with unemployment rates referred to in section 5.

As with all previous figures for unemployment, the **Western Region has a lower unemployment rate than the rest of the state across all education levels** (Fig. 14). This is particularly striking for those with an educational level of a Junior Certificate or below. This is

likely connected with the age profile in the region and the fact that people aged 45 years and over (who may have lower levels of formal education) have the lowest unemployment rates. Also it may be linked with the higher share of employment in agriculture, as older farmers may have relatively low levels of formal education and low unemployment.

Of more significance however is the **very clear decline in unemployment rates with rising education levels**. A person in the region with a Junior Certificate or below faces an unemployment rate of 18.1%, whereas with a Leaving or Post-Leaving Certificate it is 14.6% and for those with a third level qualification only 7.2%.

Figure 14: Unemployment rates (15-64 yrs) by educational attainment level in the Western Region and rest of state, Q1 2010



Source: CSO, *Quarterly National Household Survey, Q1 2010, Table 23a, Special Run*

Higher levels of education are associated with better employment prospects and education levels are also linked with participation rates. Those with a Junior Certificate or below have a labour force participation rate of 44.9% compared with 85.2% for those with third level. The higher a person's level of education the higher the likelihood they will be part of the labour force.

As with other issues, gender is also a factor here. Men have higher unemployment rates across all education levels ranging from 21.3% for the lower education level to 8.8% for third level. For women on the other hand, if they have a Junior Certificate or lower they face a 9.5% unemployment rate, it is 6.0% for third level qualification holders.

What about early school leavers?

The CSO has begun to provide specific information on early school leavers aged 18-24 years. These are people who left education with only a Junior Certificate or lower and would have left school early during the Celtic Tiger years.

In 2010 there were 6,630 early school leavers aged 18-24 years in the region, or 10.2% of everybody aged 18-24. The share of early school leavers peaked in 2007 when 13.6% of all 18-24 year olds in the region (9,970 persons) had left school with a Junior Certificate as their highest qualification. The share has declined steadily since then.

In 2007 the share of early school leavers in the region (13.6%) was substantially higher than in the rest of the state (11.0%) **the region has experienced a greater improvement** in the situation so that the share in the region (10.2%) is now slightly below that in the rest of the state (10.6%).

The most dramatic change that has occurred for early school leavers over the past number of years is employment levels. In 2007 53.4% of early school leavers were in employment, by 2010 this had dropped to 24.4%. In contrast while in 2007 the number of early school leavers who were unemployed in the region was so small that the CSO will not report it due to confidentiality concerns, by 2010 29.1% of early school leavers are unemployed.

There is a striking gender difference in the extent of early school leaving. In 2010 67.7% of all early school leavers (18-24 years) are male, while **35.0% of male early school leavers (18-24 years) are unemployed.** On the other hand the figures for unemployed female early school leavers are too small to be reported. Though one factor in this may be that those claiming the lone parent family allowance would be classified as not economically active rather than unemployed.

The influence of the construction sector on levels of early school leaving seems clear. **Early school leaving peaked for young men in 2006 when there were 6,580 18-24 year old male early school leavers or 17.3% of all men in that age group in the region.** Since the collapse of the building sector this figure has steadily declined and in 2010 13.9% of men aged 18-24 are early school leavers. In contrast, for women early school leaving peaked in 2007 at 10.8% and has now declined to 6.6% of all 18-24 year old women in the region.

The decline in the number of early school leavers in the region is a sign that the current economic situation is encouraging young people to remain in secondary school and pursue third level education. Given the clear relationship between education levels and employment prospects this is a very positive development. However it does raise issues in relation to suitability of teaching and curriculum for some learners, provision of education, and options for those who are unsuccessful in obtaining a place on a third level course.

7. Not in the labour force

How many people are outside of the labour force?

As noted earlier, the region, as well as the rest of the state, has experienced declining participation rates since 2007. This means that a greater share of the region's population over 15 years is now outside of the labour force. **In 2010 there were 253,100 people in the region who are not in the labour force, +10.1% more than in 2007.**

Those outside of the labour force fall into a number of groups – students, those on home duties, retired persons and others including those unable to work due to disability or illness and discouraged workers.¹⁰ The largest group are those on home duties with 95,500 people (97.7% female) in this category in the region. It is the only category which did not grow between 2007 and 2010.

Has there been an increase in students and retired people?

The number of students (over 15 years) in the region increased by +12.4% between 2007 and 2010. There are now 69,600 students in the region up from 61,900 in 2007. This is to be expected given the decline in labour force participation among younger age groups as well as the declining number of early school leavers. It is also notable, given the discussion above of how the region has experienced a greater improvement in early school leaving than the rest of the state, that the increase in the number of students here (+12.4%) is considerably greater than the increase elsewhere (+5.3%).

Even more striking is the gender pattern. In line with the findings in relation to improved male participation in education, **the number of male students (over 15 years) in the region increased by a quarter (+24.4%) between 2007 and 2010.** It has grown from 27,900 in 2007 to 34,700 currently. As women have had higher education participation throughout the period the increase was not as dramatic, growing +2.6% between 2007 and 2010. Currently the number of male and female students in the region is almost balanced – 34,700 males and 34,900 females.

There was a +10.9% growth in the number of retired persons between 2007 and 2010, meaning there are now 59,800 retired persons living in the region. The increase for males (+11.3%) was slightly higher than for females (+10.0%). The increase in the region was similar to that in the rest of the state (10.5%).

It is likely though that the number of retired persons recorded underestimates the true situation. Women who were engaged on home duties and are now over 65 are still likely to classify themselves as on home duties rather than retired. This is reflected in the fact that of the 59,800 retired persons, 42,200 (70.6%) are males, whereas women account for 53.6% of all persons aged over 65 in the region.

¹⁰ These figures are based on Principal Economic Status (PES) which asks people to classify their own economic status. All other figures for employment, unemployment etc. are based on the International Labour Organisation (ILO) classifications. PES and ILO figures are not directly comparable. In this section the PES figures for numbers employed and unemployed are not used, only figures for those outside the labour force are used.

It should also be noted that one element of the increase in the number of retired persons has been early retirement in response to the public sector scheme as well as the overall employment situation. Unfortunately as the information on retired persons is not available by age, the level of early retirement cannot be gauged from the figures.

If you require further information on any of the data or issues raised in this Briefing Note, please contact Pauline White paulinewhite@wdc.ie or 094 986 1441.

Appendix Table 1: Persons in employment by economic sector in the Western Region and rest of state

NACE Sector	Western Region			Rest of State		
	No. Employed 2010	% Employed 2010	% Change 2007-2010	No. Employed 2010	% Employed 2010	% Change 2007-2010
	No.	%	%	No.	%	%
Agriculture, forestry & fishing	22,300	7.1	-24.4	58,300	3.8	-26.0
Industry	44,700	14.3	-6.9	197,700	12.8	-21.5
Construction	23,500	7.5	-54.5	105,500	6.8	-51.1
Wholesale & retail	45,800	14.6	-1.9	221,000	14.3	-10.3
Transportation & storage	12,300	3.9	12.8	80,500	5.2	-1.7
Accommodation & food service	23,700	7.6	1.3	100,000	6.5	-8.0
Information & communication	9,300	3.0	57.6	64,800	4.2	7.8
Financial, insurance & real estate activities	9,200	2.9	0.0	94,300	6.1	5.1
Professional, scientific & technical activities	13,100	4.2	4.8	88,800	5.8	-6.4
Administration & support service	6,900	2.2	-8.0	52,200	3.4	-20.3
Public administration, defence & social security	16,500	5.3	-4.6	89,500	5.8	7.2
Education	27,000	8.6	2.7	120,500	7.8	4.3
Human health & social work	42,700	13.6	3.1	189,300	12.3	12.6
Other NACE activities	16,500	5.3	9.3	81,700	5.3	-1.1
Total	313,300	100.0	-9.2	1,544,300	100.0	-11.4

Appendix Table 2: Live Register by social welfare office, September 2010

Social Welfare Office/County	September 2009	September 2010	% Change September 2009-2010	% Female	% under 25 years
	<i>No.</i>	<i>No.</i>	<i>%</i>	<i>%</i>	<i>%</i>
Clare Co.	10,179	10,039	-1.4	36.1	18.8
Ennis	6,099	5,706	-6.4	37.5	18.8
Ennistymon	1,418	1,489	5.0	35.7	17.9
Kilrush	1,278	1,392	8.9	32.8	20.9
Tulla	1,384	1,452	4.9	34.3	17.9
Donegal Co.	20,013	21,333	6.6	34.8	22.9
Ballybofey	2,502	2,619	4.7	33.0	25.4
Ballyshannon	1,346	1,507	12.0	38.3	22.6
Buncrana	4,668	4,897	4.9	31.6	22.9
Donegal	1,250	1,301	4.1	41.4	22.6
Dunfanaghy	1,444	1,593	10.3	33.8	21.8
Dungloe	2,063	2,230	8.1	38.2	18.3
Killybegs	1,242	1,208	-2.7	37.6	18.3
Letterkenny	5,498	5,978	8.7	34.5	24.8
Galway Co.	24,089	23,735	-1.5	36.1	19.9
Ballinasloe	2,478	2,605	5.1	32.4	22.0
Clifden	1,079	1,176	9.0	34.9	19.1
Galway City	13,447	12,511	-7.0	36.6	20.8
Gort	1,352	1,462	8.1	40.5	15.9
Loughrea	2,415	2,567	6.3	37.9	17.3
Tuam	3,318	3,414	2.9	33.9	18.7
Leitrim Co.	3,546	3,608	1.7	35.1	18.1
COS	2,698	2,698	0.0	35.2	18.3
Manorhamilton	848	910	7.3	34.9	17.5
Mayo Co.	11,985	12,854	7.3	34.8	20.9
Achill	429	480	11.9	30.4	18.1
Ballina	3,029	3,153	4.1	31.0	21.5
Ballinrobe	1,009	1,035	2.6	38.2	16.3
Belmullet	872	1,035	18.7	35.6	22.0
Castlebar	2,186	2,388	9.2	39.2	21.9
Claremorris	1,304	1,341	2.8	34.5	20.8
Swinford	1,583	1,681	6.2	34.4	24.2
Westport	1,573	1,741	10.7	35.0	18.2
Roscommon Co.	3,753	4,078	8.7	33.8	21.0
Boyle	978	1,044	6.7	37.3	19.2
Castlerea	1,636	1,796	9.8	32.0	22.6
Roscommon	1,139	1,238	8.7	33.4	20.4
Sligo Co.	5,167	5,368	3.9	35.5	22.0
Sligo	4,262	4,409	3.4	35.4	22.0
Tubbercurry	905	959	6.0	36.3	21.6
State	419,854	442,417	5.4	34.5	20.0
Western Region	78,732	81,015	2.9	35.3	20.8
Rest of State	341,122	361,402	5.9	34.3	19.9

