Sectoral Employment Profile of the Western Region of Ireland: Policy Implications

Pauline White, Policy Analyst, Western Development Commission

7th Annual NERI Labour Market Conference, 1 May 2019
Western Development Commission (WDC)

- 7 county Western Region

- State body – Department of Rural & Community Development

- WDC Act 1998
  ‘...foster and promote the economic and social development of the Western Region’
Outline

2. Current Detailed Sectoral Employment Profile of Western Region & State
3. Counties of the North West: Donegal, Sligo & Leitrim
4. Policy Implications
Broad Sectoral Employment Trends
Western Region & State
1996-2016
Sectoral composition of employment in State 1996-2016

- Agriculture, Forestry & Fishing
- Industry
- Construction
- Services
- Industry not stated

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture, Forestry &amp; Fishing</th>
<th>Industry</th>
<th>Construction</th>
<th>Services</th>
<th>Industry not stated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>6.0%</td>
<td>18.3%</td>
<td>9.2%</td>
<td></td>
<td>46.0%</td>
</tr>
<tr>
<td>2002</td>
<td>8.6%</td>
<td>15.0%</td>
<td>5.6%</td>
<td></td>
<td>59.2%</td>
</tr>
<tr>
<td>2006</td>
<td>10.4%</td>
<td>12.7%</td>
<td>4.3%</td>
<td></td>
<td>59.6%</td>
</tr>
<tr>
<td>2011</td>
<td>4.8%</td>
<td>11.6%</td>
<td>5.1%</td>
<td></td>
<td>72.9%</td>
</tr>
<tr>
<td>2016</td>
<td>5.1%</td>
<td>11.4%</td>
<td>4.4%</td>
<td></td>
<td>71.1%</td>
</tr>
</tbody>
</table>
Sectoral composition of employment in Western Region, 1996-2016

- **Agriculture, Forestry & Fishing**: 9.3% (1996), 5.1% (2002), 5.2% (2006), 5.6% (2011), 7.1% (2016)
- **Industry**: 40.1% (1996), 54.8% (2002), 56.5% (2006), 68.2% (2011), 67.0% (2016)
- **Construction**: 6.7% (1996), 10.0% (2002), 12.6% (2006), 5.4% (2011), 5.4% (2016)
- **Industry not stated**: 15.6% (1996), 8.8% (2002), 6.7% (2006), 7.9% (2011), 6.8% (2016)
Agriculture, Forestry & Fishing as % of total employment in western counties, 1996-2016
Industry as % of total employment in western counties, 1996-2016

% of Total Employment

- Clare
- Donegal
- Galway City
- Galway County
- Leitrim
- Mayo
- Roscommon
- Sligo
- Western Region
- State

Construction as % of total employment in western counties, 1996-2016

- Clare
- Donegal
- Galway City
- Galway County
- Leitrim
- Mayo
- Roscommon
- Sligo
- Western Region
- State
Services as % of total employment in western counties, 1996-2016
Current Detailed Sectoral Employment Profile
Western Region & State
Percentage of total employment by NACE Rev 2 sector in Western Region & State, 2016

- **Western Region vs State**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Western Region</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>13.7%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Wholesale &amp; retail</td>
<td>12.7%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Health &amp; social work</td>
<td>13.3%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Education</td>
<td>12.6%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Accommodation &amp; food</td>
<td>11.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Agri forestry &amp; fishing</td>
<td>9.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Administrative &amp; Other services</td>
<td>6.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Public Admin</td>
<td>7.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>7.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Prof., scientific &amp; tech.</td>
<td>5.1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Info. &amp; comm.</td>
<td>4.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Fin., insurance &amp; real estate</td>
<td>5.0%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

% of Total Employment
Main Differences

- Greater reliance on **traditional & public service** sectors in WR
  - **Industry considerably more important**, largest in WR (in State Wholesale & Retail)
  - **Health & Education** significant employers in WR, particularly for North West
  - **Hospitality** and **Agriculture** employ higher share, esp. for rural areas
- Knowledge Intensive Services considerably less important
  - Combined KIS employ 9.7% of workers in WR v 15.2% in State
## Percentage of total agency assisted jobs by NACE Rev 2 sector in Western Region & State, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Western Region</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical &amp; Dental</td>
<td>22.1%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Food, Drink &amp; Tobacco</td>
<td>13.1%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Chemicals, Pharma, Rubber &amp; Plastics</td>
<td>9.3%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Machinery &amp; Electrical Equipment</td>
<td>4.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Computer Programming</td>
<td>7.4%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Business &amp; Other Services</td>
<td>7.4%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Computer Facilities &amp; Other ICT</td>
<td>4.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Wood, Paper, Printing &amp; Non-Metallic</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Construction, Utilities, Extraction &amp; Agri</td>
<td>4.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Computer, Electronic &amp; Optical Equipment</td>
<td>5.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Computer Consultancy</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>7.1%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Transport Equipment</td>
<td>1.5%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Clothing Footwear &amp; Textiles</td>
<td>0.7%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Note: The diagram visualizes the percentage of total agency assisted jobs by NACE Rev 2 sector in the Western Region and State for the year 2017.
Percentage of total agency assisted jobs in Industry in Western Region & State, 2008-2017

- **Western Region**: 75.2%, 75.5%, 74.8%, 74.6%, 74.6%, 75.0%, 75.1%, 74.9%, 74.4%, 74.5%
- **State**: 64.2%, 63.1%, 61.8%, 60.7%, 59.8%, 58.8%, 57.6%, 57.0%, 56.1%, 55.6%

**Note**: The percentages represent the proportion of total agency-assisted jobs in Industry for each year from 2008 to 2017, comparing the Western Region and the State.
Main Differences

- **66,392 agency assisted jobs** in Western Region (2017)
  - MedTech accounts for 22.1% in WR v 7.4% in State. **WR home to 46.4% of assisted MedTech jobs in Ireland**
  - **Agri-food less significant**, largest assisted sector nationally
  - **Engineering** considerably more important in region
  - Substantially **smaller share in internationally traded** (except Computer Programming) & **financial services**
  - Higher share in strongly growing **Transport Equipment & in Clothing & Textiles**

- **Industry accounted for ¾ of assisted jobs in WR for past 10 yrs.**
  - Nationally Industry’s share fell steadily
Counties of the North West
Donegal, Sligo & Leitrim
Population of county Donegal aged 15 years and over by principal and labour force status, 2016

**In Labour Force**
- **71,182 (57.3%)**
  - **State 61.9%**
  - **Persons at work**
    - **58,353 (47.0%)**
      - **Employer/own account worker**
        - **10,423 (8.4%)**
          - **State 8.3%**
        - **Employee**
          - **47,733 (38.5%)**
            - **State 45.0%**
        - **Assisting relative**
          - **177 (0.1%)**
            - **State 0.1%**
    - **Unemployed**
      - **12,829 (10.3%)**
       - **State 7.9%**
      - **Unemployed having lost/given up job**
        - **11,662 (0.4%)**
          - **State 7.1%**
      - **Unemployed looking for first job**
        - **1,167 (0.9%)**
          - **State 0.8%**

**Not in Labour Force**
- **52,968 (42.7%)**
  - **State 38.1%**
  - **Retired**
    - **22,365 (18.0%)**
      - **State 14.5%**
  - **Student/Pupil**
    - **13,329 (10.7%)**
      - **State 11.4%**
  - **Looking after home/family**
    - **10,644 (8.6%)**
      - **State 8.1%**
  - **Unable to work due to illness/disability**
    - **6,121 (4.9%)**
      - **State 4.2%**
  - **Others not in Labour Force**
    - **509 (0.4%)**
      - **State 0.4%**

**Source:** CSO, Census 2016 Summary Results – Part 2. Table EZ011. Analysis by Western Development Commission (WDC)
Percentage of employment in county Donegal by broad economic category, 1996-2016

The diagram illustrates the percentage of total employment in county Donegal by broad economic category from 1996 to 2016. Over this period, there has been a noticeable increase in the percentage of employment in the Services sector. In contrast, the Agriculture, Forestry & Fishing sector shows a decrease in employment share. The Construction sector remains relatively stable, while the Industry sector experiences a slight decline. The percentage of employment not stated across these categories remains consistent over the years.

The data is sourced from the Western Development Commission (WDC) Insights, providing insights on key issues for the Western Region of Ireland.
Percentage of total employment by NACE Rev 2 sector in Donegal & State, 2016

<table>
<thead>
<tr>
<th>Sector</th>
<th>% of Total Employment</th>
<th>Donegal</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale &amp; retail</td>
<td>13.5%</td>
<td>13.3%</td>
<td></td>
</tr>
<tr>
<td>Health &amp; social work</td>
<td>12.7%</td>
<td>12.1%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>10.8%</td>
<td>9.2%</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>7.9%</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td>Accommodation &amp; food</td>
<td>5.8%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>Agri, forestry &amp; fishing</td>
<td>4.4%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Administrative &amp; Other services</td>
<td>6.7%</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>5.9%</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td>Public Admin</td>
<td>5.8%</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td>Prof. scientific &amp; tech.</td>
<td>3.5%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Info. &amp; comm.</td>
<td>4.5%</td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>3.1%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Fin., insurance &amp; real estate</td>
<td>3.0%</td>
<td>5.0%</td>
<td></td>
</tr>
</tbody>
</table>

% of Total Employment

- Wholesale & retail: 13.5% (Donegal), 13.3% (State)
- Health & social work: 12.7% (Donegal), 12.1% (State)
- Education: 10.8% (Donegal), 9.2% (State)
- Industry: 7.9% (Donegal), 11.4% (State)
- Accommodation & food: 5.8% (Donegal), 6.8% (State)
- Agri, forestry & fishing: 4.4% (Donegal), 4.4% (State)
- Administrative & Other services: 6.7% (Donegal), 7.5% (State)
- Construction: 5.9% (Donegal), 5.1% (State)
- Public Admin: 5.8% (Donegal), 5.3% (State)
- Prof. scientific & tech.: 3.5% (Donegal), 3.5% (State)
- Info. & comm.: 4.5% (Donegal), 4.5% (State)
- Transport & storage: 3.1% (Donegal), 4.0% (State)
- Fin., insurance & real estate: 3.0% (Donegal), 5.0% (State)
Donegal’s sectoral employment profile

- Donegal’s economy dramatically restructured
- 2\textsuperscript{nd} highest share (after Galway City) in WR working in Services
  - Highest share in Education in State
  - 3\textsuperscript{rd} highest share in Accommodation & Food service in State
  - Information & Communications had strongest jobs growth +39\% (2011-2016)
  - Financial services had 9\% decline, closure of bank & insurance branches
- Industry’s share of jobs fell from 1 in 4 (1996) to less than 1 in 10 (2016)
  - 4\textsuperscript{th} lowest share in Industry in Ireland
  - Agri-food (inc. seafood processing) largest industrial activity
  - Highest share in Clothing & Textiles in Ireland
- Smallest decline in WR in share working in Agriculture, Forestry & Fishing, partly due to Fishing & Aquaculture
Sligo

Population of county Sligo aged 15 years and over by principal and labour force status, 2016

- In Labour Force
  - 26,002 at work (49.8%)
    - Employer/own account worker 4,686 (8.9%)
    - Employee 21,246 (40.7%)
      - State 45.0%
    - Assisting relative 70 (0.1%)
      - State 0.1%
  - Unemployed 4,250 (8.1%)
    - Unemployed having lost/given up job 3,812 (7.3%)
      - State 7.1%
    - Unemployed looking for first job 438 (0.8%)
      - State 0.8%
- Not in Labour Force
  - 9,230 Retired (17.7%)
    - State 14.5%
  - 3,599 Looking after home/family (6.9%)
    - State 8.1%
  - 2,547 Unable to work due to illness/disability (4.9%)
    - State 4.2%
  - 6,333 Student/Pupil (12.1%)
    - State 11.4%
  - Others not in Labour Force 261 (0.5%)
    - State 0.4%

Source: CSO, Census 2016 Summary Results – Part 2. Table EZ011. Analysis by Western Development Commission (WDC)
Percentage of employment in county Sligo by broad economic category, 1996-2016
Percentage of total employment by NACE Rev 2 sector in Sligo & State, 2016

- Health & social work: Sligo 15.5%, State 11.1%
- Wholesale & retail: Sligo 12.7%, State 12.5%
- Industry: Sligo 12.5%, State 11.4%
- Education: Sligo 9.7%, State 8.8%
- Public Admin: Sligo 7.5%, State 7.2%
- Agri, forestry & fishing: Sligo 7.2%, State 6.8%
- Administrative & Other services: Sligo 6.8%, State 7.5%
- Accommodation & food: Sligo 6.7%, State 5.8%
- Construction: Sligo 4.5%, State 5.1%
- Prof. scientific & tech: Sligo 4.0%, State 5.7%
- Transport & storage: Sligo 2.8%, State 4.0%
- Fin., insurance & real estate: Sligo 2.1%, State 5.0%
- Info. & comms: Sligo 1.9%, State 4.5%
Sligo’s sectoral employment profile

- Total employment grew 2.2% (2011-2016), lowest in Ireland
- 3\textsuperscript{rd} highest share (after Galway City & Donegal) in WR in Services
  - Highest share in Health & Care in State
  - Information & Communications and Professional services both grew, but well below State average
  - Financial services experienced largest jobs decline -14.1% (-1.3% nationally)
- Industry’s share declined steadily
  - 2\textsuperscript{nd} highest share (% of Industry jobs) in Chemicals & Pharma & 3\textsuperscript{rd} highest share in MedTech in State
  - Only western county (with Clare) where Industry’s share declined 2011-2016
- Construction declined 0.3% (2011-2016) compared with 16.6% national growth
Population of county Leitrim aged 15 years and over by principal and labour force status, 2016

- Pop. 15+ yrs 25,121 (100%)
  - In Labour Force 14,891 (59.3%)
    - State 67.9%
      - Persons at work 12,728 (50.7%)
        - State 53.4%
          - Employer/own account worker 2,583 (10.3%)
            - State 8.3%
          - Employee 10,181 (40.2%)
            - State 45.0%
        - Assistings relative 49 (0.2%)
          - State 0.1%
      - Unemployed 2,163 (8.6%)
        - State 7.9%
          - Unemployed having lost/given up job 1,966 (7.8%)
            - State 7.7%
          - Unemployed looking for first job 197 (0.8%)
            - State 0.8%
  - Not in Labour Force 10,230 (40.7%)
    - State 38.1%
      - Retired 4,546 (18.1%)
        - State 14.5%
      - Student/Pupil 2,343 (9.3%)
        - State 11.4%
      - Looking after home/family 2,042 (8.1%)
        - State 8.7%
      - Unable to work due to illness/disability 1,212 (4.8%)
        - State 4.2%
      - Others not in Labour Force 87 (0.3%)
        - State 0.4%

Source: CSO, Census 2016 Summary Results – Part 2. Table EZ011. Analysis by Western Development Commission (WDC)
Percentage of employment in county Leitrim by broad economic category, 1996-2016
Percentage of total employment by NACE Rev 2 sector in Leitrim & State, 2016

- Health & social work: Leitrim 13.5%, State 11.1%
- Wholesale & retail: Leitrim 12.1%, State 11.5%
- Industry: Leitrim 9.1%, State 8.8%
- Education: Leitrim 11.4%, State 11%
- Agri. forestry & fishing: Leitrim 4.4%, State 7.9%
- Public Admin: Leitrim 5.3%, State 6.5%
- Accommodation & food: Leitrim 6.4%, State 5.8%
- Administrative & Other services: Leitrim 7.5%, State 6.4%
- Construction: Leitrim 5.4%, State 5.1%
- Prof. scientific & tech.: Leitrim 5.7%, State 4.1%
- Transport & storage: Leitrim 2.7%, State 4%
- Fin. insurance & real estate: Leitrim 2.6%, State 5%
- Info. & comms: Leitrim 4.5%, State 1.8%

Leitrim and State percentages for various sectors.
Leitrim’s sectoral employment profile

- Services’ share grew steadily but dropped 2011-2016
  - 2nd highest share in Health & Care in State
  - 2nd highest share in Public Administration & Defence in State
  - Administrative & Other Services (inc. call centres) had largest jobs decline (-12.1%)
  - Information & Communications and Professional services grew (2011-2016) but well below State average

- Industry had strongest jobs growth (2011-2016) +21.1%, over double the national avg. (9.4%)
  - MedTech and Chemicals & Pharma account for 1/3 of Industry jobs

- Agriculture’s share of employment in Leitrim double national average, contributing to higher self-employment
Policy Implications

- **Public sector** more significant for employment in WR esp. in North West & for women: main focus must be provision of quality services, but public sector’s role as a source of jobs must also be considered in policy decisions
- National policy more focused on international services but needs of the manufacturing sector e.g. freight, energy, access, skills, continue to be very important for WR
  - Strong LifeSciences cluster in region – convergence with other sectors, dissemination of skills
  - Diversification & resilience – advanced engineering, emerging areas e.g. energy, transport
- **Tourism / Hospitality** more important, esp. for women & in areas with fewer options
  - Smaller scale operations & falling self-employment – risk losing ‘uniqueness’, important role in town centre renewal (esp. small towns) as their retail role declines
  - Exposure to Brexit – Britain largest source of overseas tourism revenue for Roscommon, Leitrim, Donegal & Mayo
- **Opportunity to grow Knowledge Intensive Services**
  - Remote work/ Quality of life – need for high quality broadband, digital hubs
  - Self-employment – contract employment, digital services with flexible location
  - International services MNCs – lower costs than Dublin (for company & staff), staff loyalty
Sources

- CSO, Census 2016: Summary Results Part 2, Table EZ011
- CSO, Census 2006: Volume 7 - Principal Economic Status and Industries, Table C0713
- CSO, Census 2002: Volume 5 - Principal Economic Status and Industries, Table B0513
- CSO, Census 1996: Volume 5 - Principal Economic Status and Industries, Table A0513
- Department of Business, Enterprise & Innovation: Annual Employment Survey 2017, special run
Thank You

All publications at www.wdc.ie/publications/

paulinewhite@wdc.ie

@WDCInsights

https://wdcinsights.wordpress.com/

www.wdc.ie