Ireland has been experiencing a gradual recovery in employment since 2012. While jobs growth is occurring in the Western Region, it is not following the same pattern, nor occurring at the same rate, as elsewhere. To investigate this, the WDC requested a special run of the CSO’s Quarterly National Household Survey for Quarter 1 which is used in this WDC Insights. We focus on two of the distinctive aspects of the Western Region’s labour market: self-employment and challenges for younger jobseekers.

Lower jobs growth in the Western Region

In Quarter 1 2015, 316,400 people were at work in the Western Region; 2.8% higher than in 2012. This was less than half the jobs growth experienced in the rest of the state¹ over the same period (Table 1). The region had slower growth in full-time work and a fall in the numbers working part-time, even though part-time working continued to grow in the rest of the state. Traditionally the region has had a notably higher share working part-time; however this gap has narrowed significantly with similar shares in both regions now (23.5% v 22.7%).

Greater reliance on self-employment

The numbers self-employed have grown more strongly in the region (13.6%) than in the rest of the state (8.6%) since 2012 (Table 1). Self-employment has been a more important driver of recent jobs growth in the region than elsewhere. Indeed the number of employees in the Western Region only increased by 0.7% between 2012 and 2015 compared with 5.8% in the rest of the state. The Western Region’s recent jobs growth seems to have relied heavily on rising self-employment.

This means that self-employment continues to be far more common in the Western Region, with 20.5% of all working people in the region self-employed compared with just 15.7% in the rest of the state. This is partly explained by the fact that it is very common in skilled trades occupations (e.g. construction, farming) and such occupations are more important in the Western Region’s labour market (18.4% of all jobs v 13.8%). This is not the only explanation however, as the region also has higher female self-employment. Relatively limited job options, especially in rural areas, means that more people have to create their own jobs.

Table 1: Percentage change in selected employment indicators for the Western Region and Rest of State, Q1 2012 – Q1 2015

<table>
<thead>
<tr>
<th></th>
<th>Western Region</th>
<th>Rest of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>2.8%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Full-time employment</td>
<td>4.9%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Part-time employment</td>
<td>-3.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Self-employed</td>
<td>13.6%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Employees</td>
<td>0.7%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Source: CSO, Quarterly National Household Survey, Q1 2012-2015, special run

¹. All counties except the seven counties of the Western Region.
Greater labour market challenges for young people

The Western Region has a higher unemployment rate (10.4% compared with 9.8% in the rest of the state). The youth (15-24 yrs) unemployment rate in particular is far higher in the Western Region, with the gap widening considerably since 2012 (Fig. 1). Young jobseekers in the region seem to face considerable barriers to accessing a job.

The region also has a lower youth labour force participation rate (29.2% compared with 35.5%) meaning that fewer young people are active in the labour force. This can be a positive indicator if it is due to greater participation in education. However the Western Region has a slightly lower share of students than elsewhere – 11.3% compared with 11.7%, so it seems that young people are outside of the labour force for reasons other than education, such as disability or being discouraged workers.

Lower labour force participation and higher unemployment rates mean that a greater share of the region’s young people are not in education, employment or training (NEET). These young people face very significant labour market challenges that are likely to have long term consequences for their future employability.  

Fig. 1: Youth (15-24 yrs) unemployment rate, Western Region and Rest of State, Q1 2006 – Q1 2015

Conclusions

This WDC Insights has sought to highlight some of the distinct characteristics of the Western Region’s recent jobs performance. The overall picture is of an improving jobs situation but at a slower pace than elsewhere.

The key role of self-employment in the region’s recent jobs growth, and its importance for regional employment, points to the need for a more focused policy to address the specific requirements of the self-employed such as social protection, broadband access and support to scale, as well as targeting self-employment as a source of future growth. Self-employment is an important route to work in areas where there is less variety in the jobs available and is likely to become even more important, given current trends to more flexible working arrangements.

Young people living in the region are facing particularly stark labour market challenges. These are likely to be more severe in rural areas with limited job opportunities. Access to further and higher education can also be constrained because of a lack of public transport. Young people who are NEET for an extended period of time face considerable barriers in accessing work, and this is likely to be compounded by the overall slower jobs recovery occurring in the region.

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The WDC would like to acknowledge the assistance of Brian Ring of the Central Statistics Office. Source: CSO, Quarterly National Household Survey, www.cso.ie

2. Percentage of adult population (15+ yrs) who stated their Principal Economic Status was ‘student’. QNHS, 2015, Table 10