



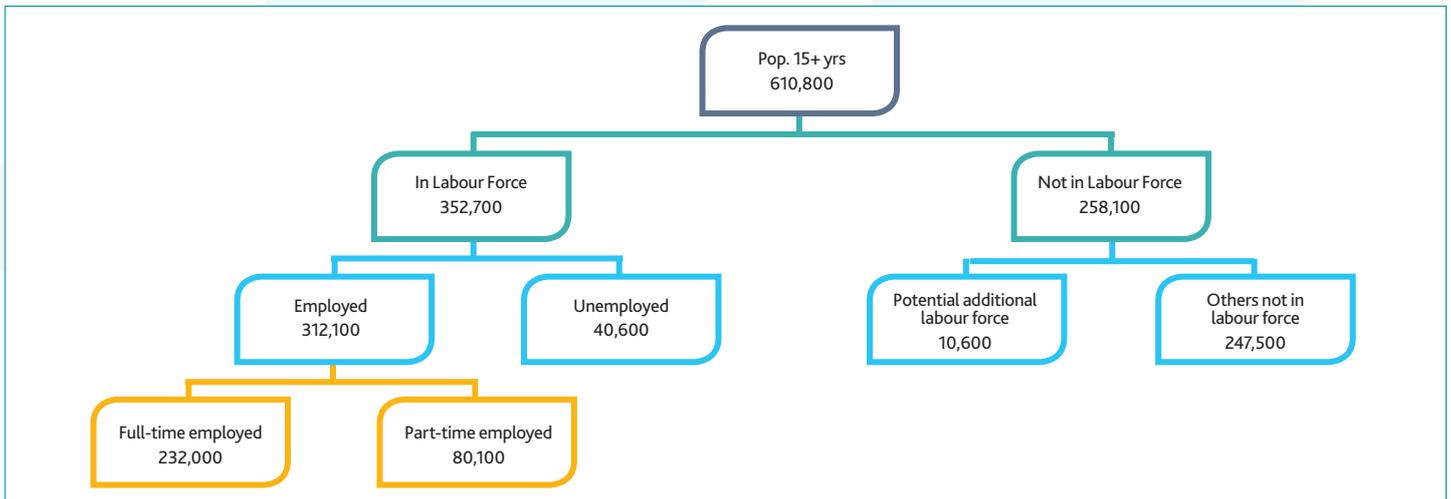
## The Western Region's Labour Market

This *WDC Insights* highlights some of the key findings of the WDC report 'The Western Region's Labour Market 2004-2014'.<sup>1</sup> Understanding the region's labour market<sup>2</sup> is essential to developing effective job creation, enterprise and skills policy and this analysis will be useful in developing such policies for the region.

### The Western Region's labour market

In Q1 2014 there were 610,800 people aged 15+ years living in the Western Region (Fig. 1). Of these 352,700 were in the labour force (employed or unemployed). Those not in the labour force include people who are students, retired, on home duties or disabled, with some likely to (re)join the labour force if job prospects improve.

Fig. 1: Population of the Western Region aged 15 years and over by economic status, Q1 2014



Source: CSO, Quarterly National Household Survey, Q1 2014, Table 1. Special run.

Between 2012 and 2014 the population 15+ years grew in the rest of the state, however the region's adult population declined by 4.9%, largely caused by migration overseas or to other parts of Ireland. This led to a fall in the region's labour force, reducing its available labour supply.

### Lower labour force participation in the Western Region

The labour force participation rate (the share of the adult population (15+ yrs) that is economically active) is a key indicator of a region's economic viability and growth capacity. Over 2004-2014, the Western Region's participation rate peaked in 2008 (61.2%). It declined during the recession but has recovered somewhat to 57.7% in 2014. This is considerably lower than in the rest of the state (60.1%). The region has consistently had a lower rate, in part due to an older age profile and less jobs availability. Participation

1. WDC (2015), The Western Region's Labour Market 2004-2014 <http://www.wdc.ie/publications/reports-and-papers/>

2. All data is from Quarter 1 of the CSO's Quarterly National Household Survey (QNHS) and is a special data run for the seven county Western Region.



rates vary between men and women and in the region in 2014 were 65.2% and 50.4% respectively, both lower than elsewhere. The availability of flexible job opportunities and suitable care services particularly influence female participation.

## Lower employment growth

Between 2012 and 2014 employment only increased marginally (1.4%) in the Western Region; less than in the rest of the state (3.9%). Jobs growth in the region was entirely among males. Female employment declined due to the sectoral pattern of recent changes e.g. the male dominated Agriculture sector grew while Health, the largest female employer, declined.<sup>3</sup>

## Declining unemployment influenced by out-migration

Total unemployment in the region declined by 28.4% (16,000) between 2012 and 2014, but remains at over 40,000. The decline was due to jobs growth but even more so, to a falling working age population. In Q1 2014 the Western Region had an unemployment rate of 11.5%, lower than in the rest of the state (12.1%).

## Higher share of part-time working and recent jobs growth more likely to be part-time

The share of total jobs that are part-time rose in the region from 18.1% in 2007 to 25.7% in 2014 (80,000 people). The region has a higher share of part-time jobs than the rest of the state (23.5% in 2014) and this gap widened in recent years. Between 2012 and 2014, full-time jobs in the Western Region only increased by 0.5% but part-time grew 4%. Sectors with high levels of part-time working e.g. Wholesale and Retail, grew more strongly in the region.

## Higher share of self-employment

Self-employment without paid employees accounts for 16.3% (51,000) of all jobs in the region but just 11.4% in the rest of the state. This includes farmers, tradespeople, personal services etc. The region however has a lower share of self-employment with paid employees, which would be larger operations (4.0% in the region compared with 4.7%). Self-employment may allow a person to continue living and working in an area with limited job opportunities, helping to sustain rural economies.

## Youth: declining labour force participation and higher unemployment rates

Labour force participation among young men (15-24 yrs) increased rapidly during the boom largely due to well-paid building sector jobs. During that time the share of males in education was considerably lower than females.<sup>4</sup> Male youth labour force participation fell from 57.4% in 2007 to 33.8% in 2014 and is now almost identical to that of females (32.9%). In 2014 young people face a higher unemployment rate in the region than the rest of the state (29.2% and 24.6% respectively). Since 2012 there has been a greater fall in youth unemployment in the rest of the country (26.8%) than in the region (20.8%). Preventing young jobseekers from becoming trapped in long-term unemployment is a serious challenge for the region, as is trying to reduce out-migration.

## Policy implications

The specific aspects of the Western Region's labour market: lower participation, higher self-employment, more part-time working and higher youth unemployment, all reinforce the need for focused supports such as improved care provision, quality broadband, soft supports, activation measures for young jobseekers and quality job creation programmes. While some jobs recovery is underway in the region, it is not as strong as elsewhere, reinforcing the need for tailored job creation solutions for the region.

Download the WDC report 'The Western Region's Labour Market 2004-2014' and the *WDC Insights* 'The Western Region's Sectoral Profile' from <http://www.wdc.ie/publications/reports-and-papers/>

*The WDC would like to acknowledge the assistance of Brian Ring and Martina O' Callaghan of the Central Statistics Office. Source: CSO, Quarterly National Household Survey, [www.cso.ie](http://www.cso.ie)*

3. See *WDC Insights* 'The Western Region's Sectoral Profile' April 2015 <http://www.wdc.ie/publications/reports-and-papers/>

4. In 2006, 9.7% of males 15+ years in the region were in school or college compared with 11.3% of females. CSO, Census 2006