



## **WDC Brief**

# **Employment and Unemployment in the Western Region 2000-2008**

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## Summary of Key Points

### General employment trends 2000-2008

- The total numbers employed in the Western Region grew from 275,000 to 342,000 over the period 2000-2008<sup>1</sup>, a 24% increase.
- The key employment trends in the Western Region, and the rest of the State, during that time were growth in the proportions employed in construction, financial services and the public sector, particularly health, and a decline in the share employed in agriculture and manufacturing.

### Sectoral employment trends

- In 2008, wholesale and retail trade is the largest single employment sector in the Western Region. It employs 48,200 persons (14% of total employment). This is in contrast to the rest of the State, where the higher value-added sector of financial and other business services is the largest. For the Western Region however this sector is only the sixth largest.
- Manufacturing was the largest employment sector in the region from 2000 to 2006. Since then it has been overtaken, first by construction and then by wholesale and retail trade. Employment in manufacturing fell from 50,600 to 46,200 persons during 2000-2008.
- Construction is more important to employment in the Western Region than the rest of the State. It reached its peak in 2007 when 52,300 persons worked in the sector or 1 in 6 of all people who were working in the region. In 2008 however, the share fell and there were 6,900 fewer persons working in the sector in Q2 2008 than there had been the same time the previous year.
- Agriculture accounts for 9% of employment in the region compared with only 5% in the rest of the State. In a reversal of a long trend, between 2007 and 2008 the share employed in agriculture in the Western Region actually increased. There were 3,300 additional persons working in the sector in Q2 2008 than the same time last year. In all probability this is due to farmers who previously reported themselves as construction workers, but are now reporting themselves as farmers again as they have lost their construction work.
- Public sector employment (public administration, education, health) has increased considerably over the 2000-2008 period. In the Western Region 19% of those employed in 2000 were working in the public sector; this grew to 24% by 2008. This is a higher share than in the rest of the State (22%), making the region more dependent on public employment and vulnerable to cutbacks in the public sector.

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<sup>1</sup> The data presented is derived from the CSO Quarterly National Household Survey Quarter 2 (March-May).

## **Male employment trends**

- Male employment is very concentrated in four main sectors – agriculture, manufacturing, construction, wholesale and retail trade. In 2008 two-thirds of all men work in these four sectors.
- The balance between these sectors has changed over the nine year period 2000-2008. The share of male employment in agriculture and manufacturing has declined (22% to 15% and 20% to 17% respectively), while male employment in construction and wholesale and retail has grown (from 19% to 23% and 11% to 13% respectively).
- Despite the decline in male agricultural employment in the region since 2000, it still accounts for a far higher share of total male employment (almost double) than in the rest of the State. On the other hand, the financial and other business services sector, which is closely linked to a knowledge-based economy, accounts for a far lower share (almost half) of male jobs in the region than the rest of the State. Another noticeable difference is the higher dependence on construction – 23% of male employment in the region (44,000) compared with only 20% in the rest of the State. Male employment in the region therefore is more concentrated in traditional and lower skilled employment sectors than elsewhere in the State.

## **Female employment trends**

- Female employment shows a different pattern to that of men. More women were employed in health than in any other single sector and there was a 66% increase in numbers in the period 2000-2008. 22% of women in the region have jobs in health (32,900).
- In total, public sector employment accounts for 42% of all female employment in the Western Region in 2008 (61,800). This is a far higher dependence than in the rest of the State where 36% of working women are in the public sector.

## **Unemployment trends**

- Unemployment rates have increased between 2000 and 2008. The national unemployment rate increased from 4.3% to 5.2% between Q2 2000 and 2008. All of the NUTS3 regions of relevance to the Western Region had unemployment rates above the State average in 2008 – West (5.6%), Mid-West (5.7%) and Border (6.4%). The Border region had the highest unemployment rate in the country in Q2 2008.
- The number of people on the live register in the Western Region has grown from 33,787 in Sept 2002 to 46,618 in Sept 2008 (up 38%). In the most recent year, from Sept 2007 to Sept 2008, when most of the increase actually occurred, the region experienced an increase of 49%, similar to the 50% increase in the rest of the State.
- There was a considerable gender difference in the numbers on the live register. In the most recent period (Sept 2007-Sept 2008) there was a 61% increase in the number of men on the live register in the Western Region compared with a 32% increase for women.

- The link between the growing numbers of men registering and job losses in the construction sector is clear. It can be seen that this trend is impacting particularly upon the most rural counties such as Leitrim, Roscommon, Donegal and Sligo. The lower increase in women registering is likely related to the level of female employment in the public sector.

## **Conclusions**

- The first nine years of this decade have been a period of very substantial growth in both the national and regional economy. Total numbers employed are now significantly higher than they were at the beginning of the decade and there has been a continued shift in employment away from agriculture and industry and towards services, both market and public sector.
- However this period of growth appears to have slowed in 2007-2008, which is particularly evident from the live register figures. Certain impacts of the downturn however are unlikely to become fully visible in the data until next year or perhaps the year following. For example the knock-on impact of the slowdown in consumer spending and tourism on employment levels in retail and hospitality is unlikely to be fully felt until next year.
- Some impacts are already very evident however. The drop of 6,900 persons employed in construction in the region during the year between Q2 2007 and Q2 2008, combined with a 61% increase in the number of men on the live register, are stark indicators of the downturn. The increase of 3,300 in the numbers employed in agriculture, very likely due to men moving from construction back into farming, shows that the problem is even larger than the declining figures for construction employment indicate. This presents a significant challenge, particularly for rural areas.
- The particularly high dependence on public sector employment in the region, particularly for women, with 42% working in the public sector, also presents a challenge for the viability of the region's economy in the face of cutbacks in public expenditure.
- When facing into the current economic decline, the structure of employment in the Western Region – higher shares employed in sectors that tend to be lower skilled and lower value-added and lower shares employed in the higher skilled and high value-added sectors – will have a major impact upon the region's ability to cope and adapt to the decline. Several features of the region's employment structure will increase its vulnerability to the downturn and this presents probably the biggest challenge for the Western Region in the coming years.

# Employment and Unemployment in the Western Region

## 2000-2008

### 1.0 Background

The employment structure of the Western Region (Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway, Clare) and indeed the State has altered considerably since the beginning of this century. The continuing decline in the share of employment in the agricultural and manufacturing sectors and the substantial growth in construction were the most noticeable trends for most of this period. More recently, employment in the construction sector has begun to decline leading to increasing unemployment and a growing number of people on the live register.

The purpose of this briefing note is to examine the main trends in employment in the Western Region over the period 2000-2008, and to examine the changes that have occurred at a detailed sectoral level. The differing employment structure of males and females will also be examined. There will be a particular focus upon the trends in the more recent period in order to examine the impact of the recent downturn. Unemployment rates for this period will also be examined. Live register figures for the Western Region will be presented as they represent a very up to date indication of labour market trends within the western counties.

### 2.0 General employment trends 2000-2008<sup>2</sup>

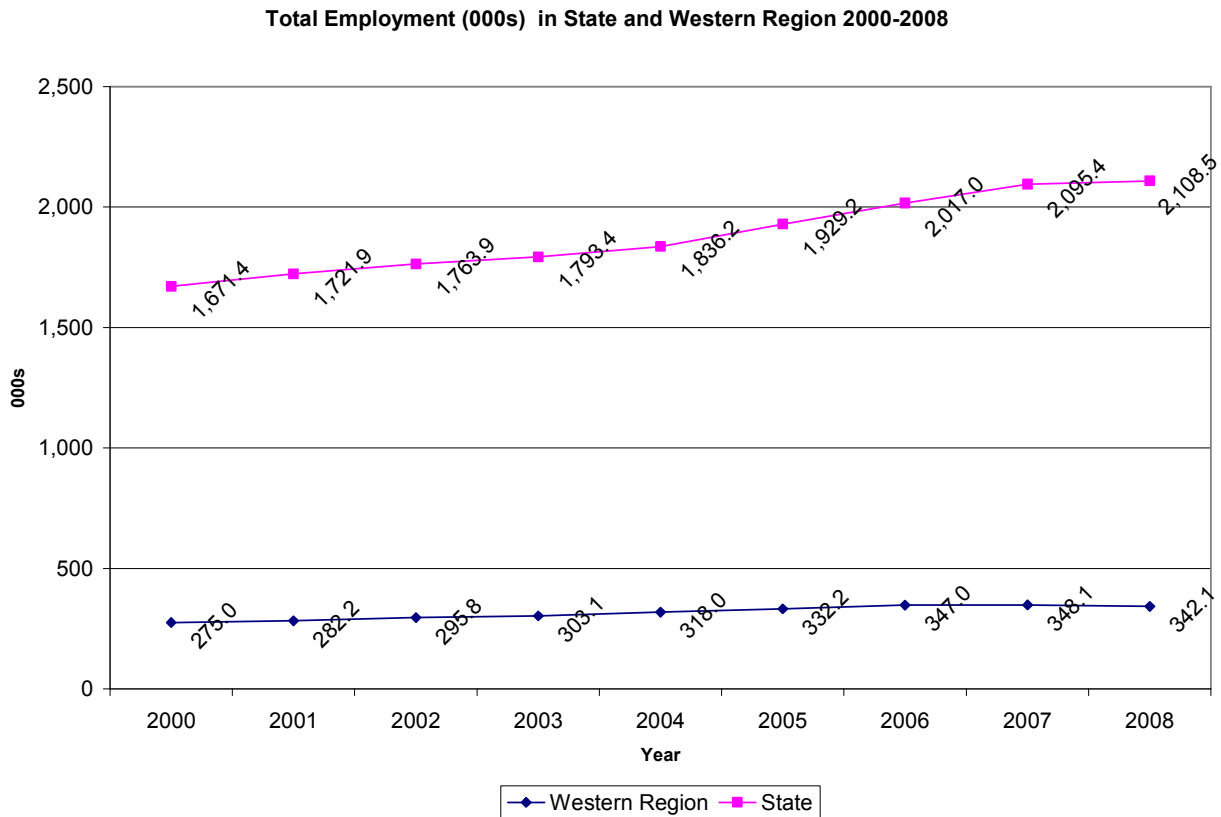
There has been a significant increase in the total number of people in employment in Ireland between 2000 and 2008, from 1.6 million to 2.1 million (26% increase). As can be seen from Figure 2.1 the numbers have grown steadily, increasing each year.

The Western Region has also experienced major growth in employment numbers, albeit at a slightly lower rate than the State, from 275,000 in 2000 to 342,000 in 2008 (24% increase). In contrast to the State as a whole, the numbers in employment in the Western Region fell in 2008, the first decline since 2000.

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<sup>2</sup> All data referred to in Sections 2–5 are taken from the CSO, Quarterly National Household Survey, Quarter 2 (March-May). Special data analysis of the Western Region was carried out by the CSO.

**Figure 2.1: Total employment (000s) in the State and Western Region Q2 2000-Q2 2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run*

2008 has been a year of considerable change in the overall employment environment of the entire country. This can clearly be seen in increasing unemployment rates. In Q2 2008 the national unemployment rate stood at 5.2%, the first time it has exceeded 5% since mid-2003, and before that 1999. All of the NUTS3 regions within the Western Region (Border, West, Mid-West) had unemployment rates in 2008 that were above the national average, with the Border region having the highest unemployment rate in the country at 6.4%.

Another reflection of the changed circumstances is the increase in the number of people on the live register. While the live register is not a measure of unemployment (it includes part-time, seasonal and casual workers) it does give an indication of the health of the local labour market. In 2008, there has been substantial growth in the numbers on the live register. By September there was a 49.5% growth in the numbers of people on the live register nationally over September 2007 (+79,500). The Western Region experienced a similar increase of 48.9% (+15,300).

These general employment trends will be considered in more detail in the following sections.

### **3.0 Sectoral composition of employment 2000 and 2008**

In sections 3-5, the situation in the Western Region will be compared with that in the rest of the State i.e. the other 19 counties. This provides a more meaningful comparator than the State as a whole, given the fact that the western counties themselves are included within the State figures.

It is also important to note that the discussion and graphs in this section deal with the share of people employed in a particular sector. This relates to the proportion of the total number of people employed who have jobs in a particular sector. Using the share data makes it easier to compare the Western Region with the situation in other areas. However, caution in interpretation is required, as the share employed in a particular sector may decline between two years, even if the actual number of people employed in that sector increases, when the growth in the numbers working in that sector is smaller than the overall increase in the total number of people employed.<sup>3</sup>

The expansion in the number of people in employment over the 2000-2008 period discussed in section 2 has been paralleled by a change in the industrial sector composition of those employed. Figures 3.1 and 3.2 illustrate total employment by industrial sector in 2000 and 2008, for the Western Region and the rest of the State.

The sectoral composition of employment in the Western Region differs from that in the rest of the State in both time periods. The two most striking differences are the higher share of employment in the primary sectors (agriculture, forestry, fishing) in the Western Region compared with the rest, and the lower share of employment in the financial and other business services sector. The Western Region also had a higher share than the rest of the State employed in the construction, health and education sectors in both time periods, while it had a lower share in wholesale and retail, and transport, storage and communications.

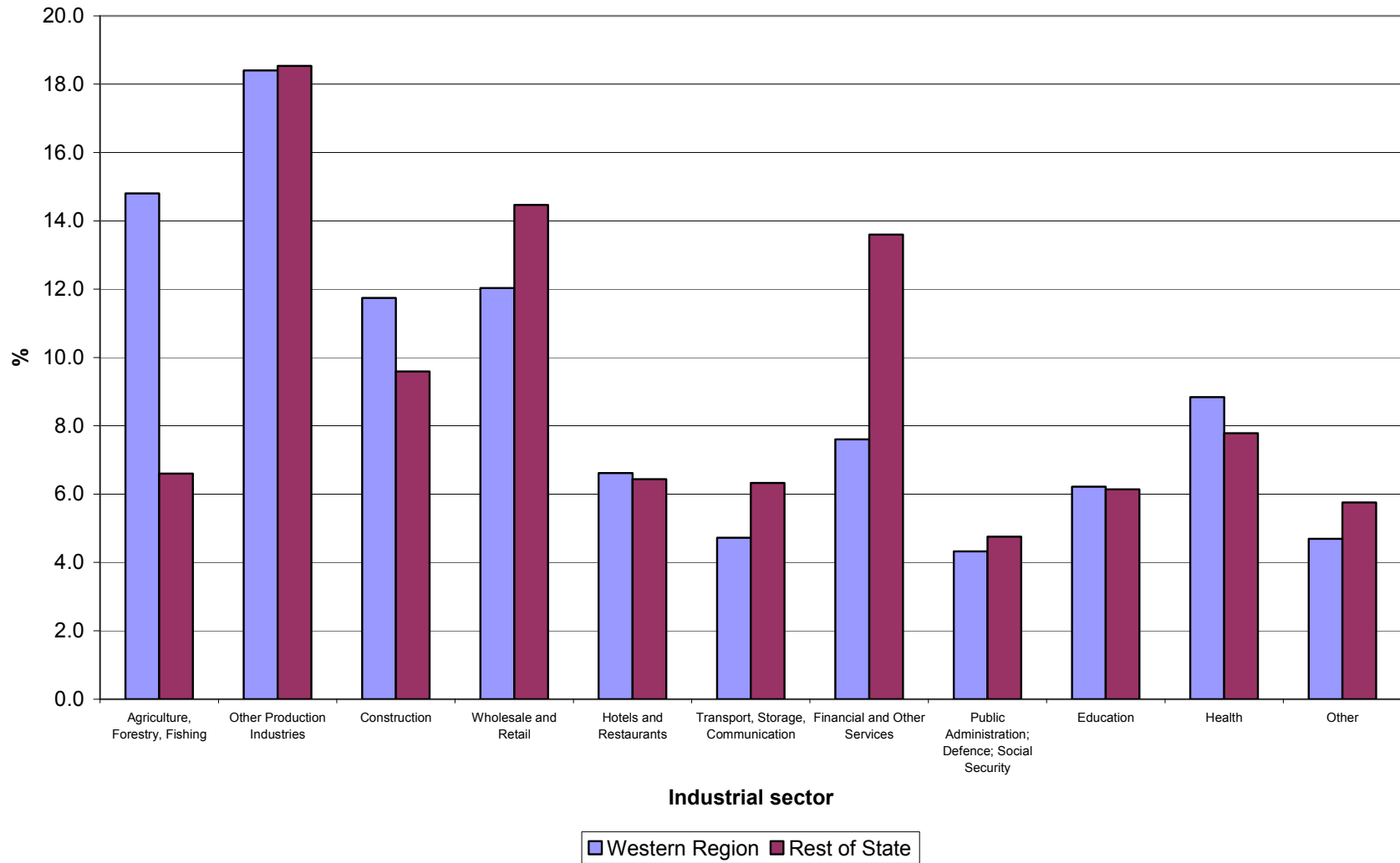
The main changes that occurred between 2000 and 2008, both within the region and the rest of the State, are a decline in the share employed in agriculture and manufacturing (other production industries) and growth in the share employed in construction, financial services and the public sector, particularly health. In the following sections, we examine the trends within each of the individual sectors in more detail.

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<sup>3</sup> For example if there are 4 people working in a particular sector and the total employment in the area is 20 people then 20% of people work in that sector. If in the following year the number of people working in the sector increases to 5 but the total number working in the area increases to 30 then the share employed in the sector has actually declined to 17% even though the actual number employed in the sector has increased by 1.

**Figure 3.1: Share of employment in Western Region and Rest of State by industrial sector, 2000**

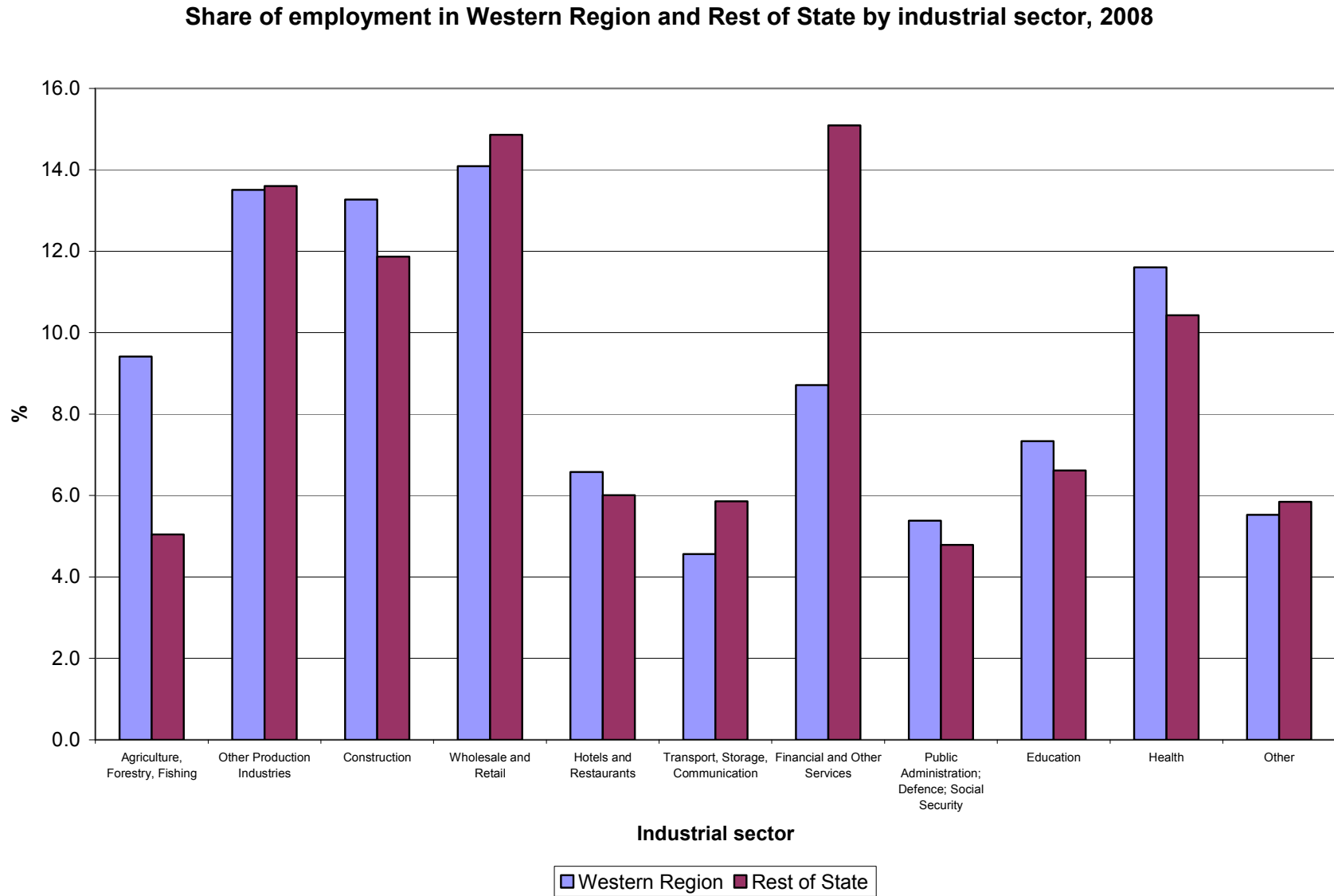
**Share of employment in Western Region and Rest of State by industrial sector, 2000**



Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run



**Figure 3.2: Share of employment in Western Region and Rest of State by industrial sector, 2008**



*Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.*

## **4.0 Sectoral Employment Trends 2000-2008**

Examining the share employed in each sector, for each year between 2000 and 2008, in the Western Region and the rest of the State allows changes which have occurred over the nine year period to be considered. The individual sectors have been grouped into three categories – production sectors, market services and the public sector<sup>4</sup> for ease of interpretation. The point made in section 3 about the problems with interpretation of the share of employment is particularly relevant for this section.

### **4.1 Production sectors**

The experience of the production sectors has varied over the period. While employment in agriculture and manufacturing have been in decline, construction has increased substantially.

#### **4.1.1 Agriculture, forestry and fishing**

The decline in employment in the primary sectors (agriculture, forestry and fishing) has been a trend for many years in Ireland. Figure 4.1 shows the percentage of total employment in the Western Region and rest of State employed in this sector over the 2000 to 2008 period. This sector has been, and continues to be, a considerably more important employer in the Western Region than in the rest of the country. In 2008 it accounted for 9.4% of employment in the region (32,200 persons) compared with only 5% in the rest of the State (89,100 persons).

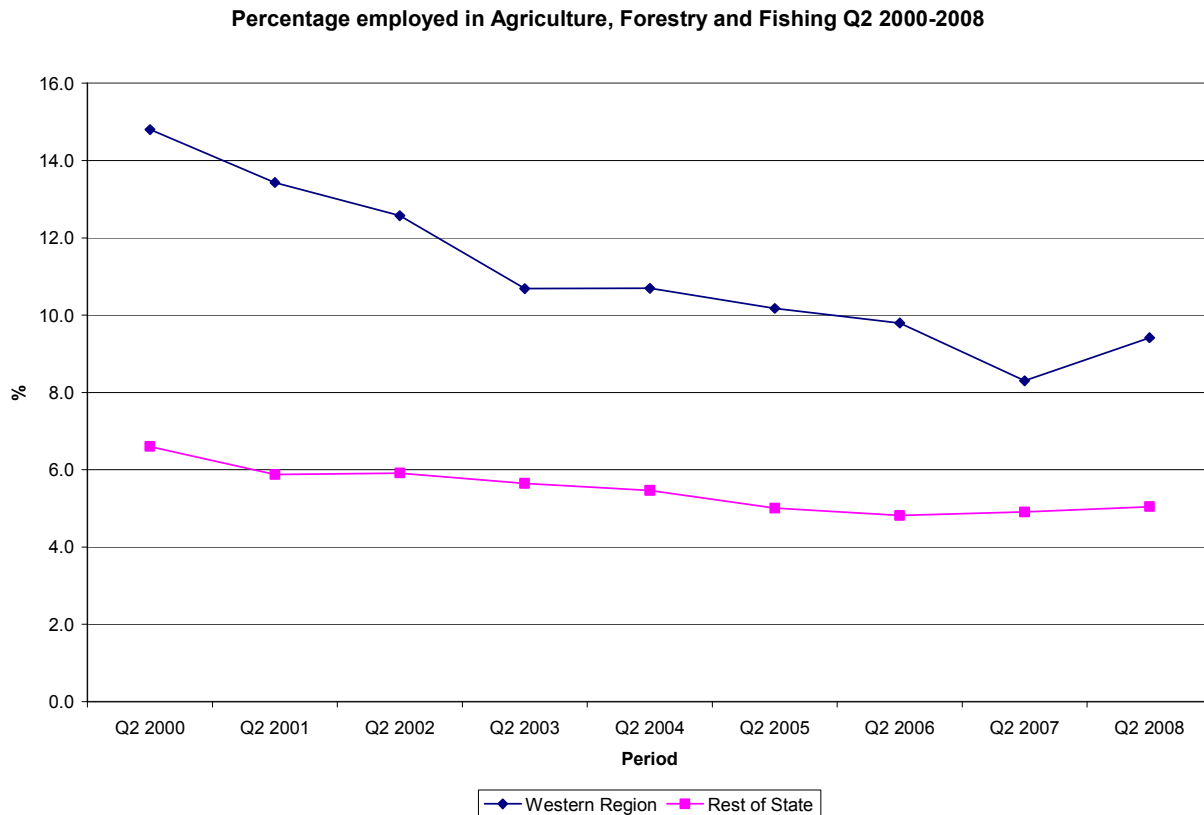
While the sector has been declining, the halt in the downward trend which occurred in 2008 in the Western Region is interesting. Between Q2 2007 and Q2 2008 the proportion employed in agriculture in the Western Region increased by just over one percentage point from 8.3% to 9.4%, representing an increase of 3,300 persons.

After so many years of decline, this increase may seem puzzling however it is very closely linked to the decline in construction employment that occurred over the same period (see section 4.1.3). In all probability, predominantly male employees working in the construction sector, while at the same time farming or fishing on a part-time basis, previously reported themselves as working in the construction sector. However with the loss of job opportunities in the construction sector, particularly in the house building market, it is likely that they are now reporting themselves as working in agriculture as they have had to return to dependence on farming. It is likely that many such men are now seriously underemployed.

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<sup>4</sup> In addition to the individual sectors examined in this section, there is also a residual ‘Other’ category which has consistently accounted for 5-6% of employment in the region and rest of State for the period.

**Figure 4.1: Percentage employed in agriculture, forestry and fishing in the Western Region and Rest of State, Q2 2000-2008**



*Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.*

The long term viability of continuing to farm at this level, in the absence of employment opportunities in the construction sector, is a cause for concern. The limited viability of farming in the Western Region is reflected in the fact that in 2007 91.1% of agricultural income in the Border, Midlands, West (BMW) region was from subsidies, whereas they only accounted for 60.1% of agricultural income in the Southern and Eastern (S&E) region.<sup>5</sup> The combined impact of declining employment in construction and generally low market viability in agriculture represents one of the most important challenges facing rural Ireland today.

The fact that the share employed in the agriculture sector in the rest of the State only increased by 0.1 percentage points (from 4.9% in Q2 2007 to 5.0% in Q2 2008) over the same period shows that this issue is particularly relevant for the Western Region.

<sup>5</sup> CSO (2008), Regional Accounts for Agriculture 2005-2007

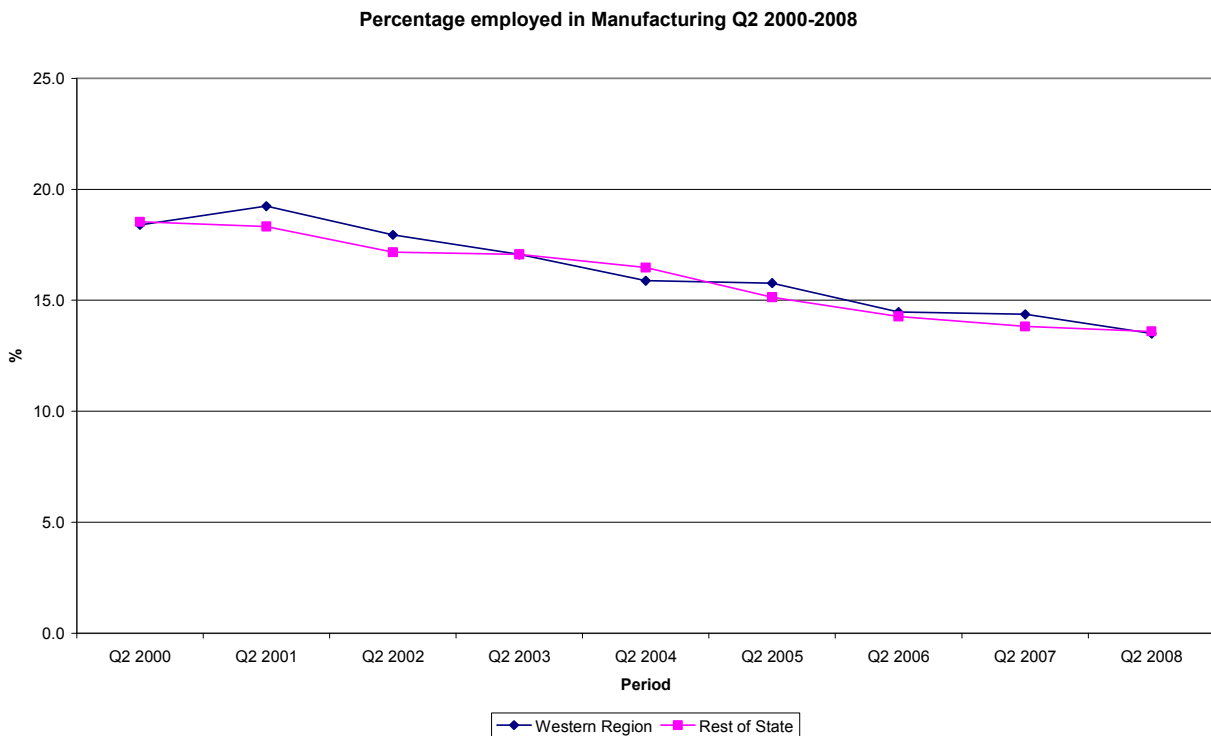
### 4.1.2 Manufacturing (Other production industries)

Over the 2000 to 2008 period there has been a steady decline in the share of employment in manufacturing. Figure 4.2 illustrates that the trend in the Western Region has been similar to that in the rest of the country.

The share in the region has declined from 18.4% in 2000 to 13.5% in 2008. There was also a decline in absolute numbers employed in the sector from 50,600 to 46,200 persons in 2008.

Manufacturing was the largest single employment sector in each year 2000 to 2006. However, since then, it has become only the second largest employment sector in the region with more people employed in wholesale and retail trade than in manufacturing in the Western Region in 2008. In the rest of the State the pattern is similar, manufacturing being the largest employment sector in 2000-2006 but declining to become only the third largest employment sector, behind financial and other business services, and wholesale and retail trade, since then.

**Figure 4.2: Percentage employed in manufacturing in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.*

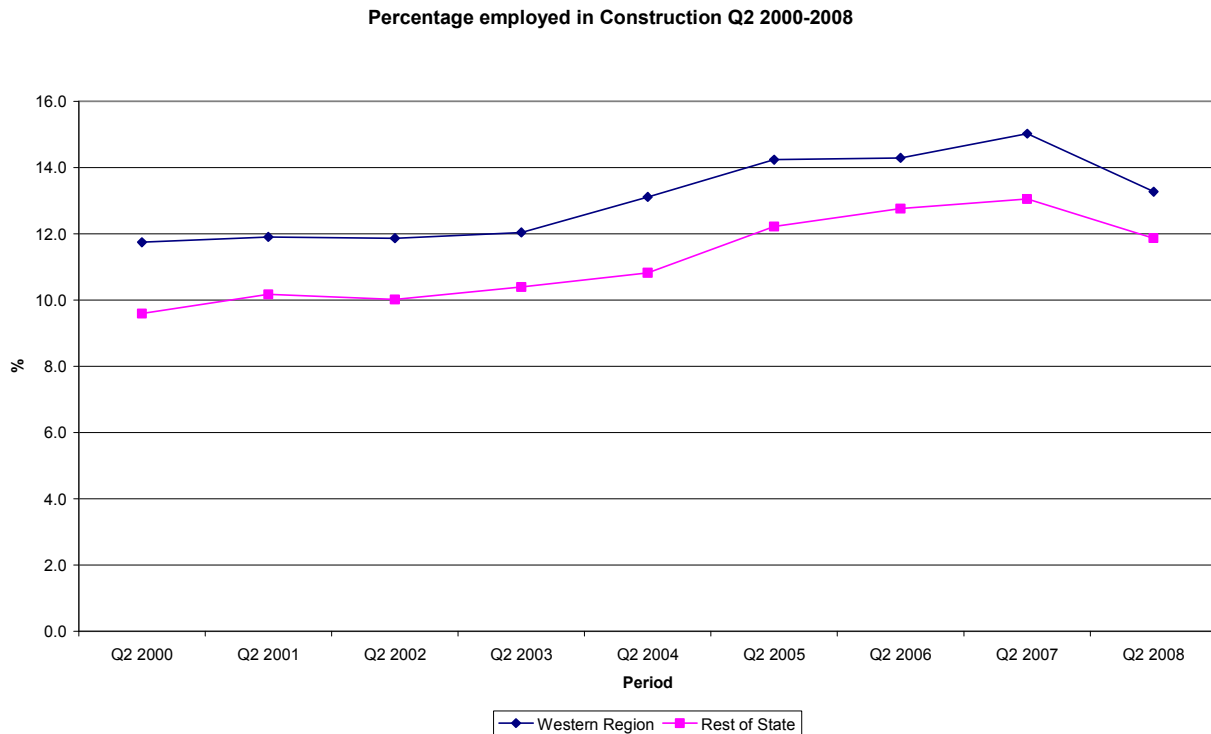
### 4.1.3 Construction

The boom in employment in the construction sector has probably been the most powerful force in the Irish labour market in recent years. In the 2000-2007 period employment in this sector nationally increased from 166,000 persons to 280,000. Figure 4.3 clearly shows that, as a share of total employment, the construction sector is more important to the Western Region than to the rest of the State, with the share in the region increasing from 11.7% in 2000 to 15% in 2007. This was an increase of 20,000 persons working in the sector bringing total employment to 52,300 in 2007. It was the largest employment sector in the region in that year with 1 in 6 people employed.

A significant change has occurred in 2008 however with the share employed in the sector in the region falling from 15% down to 13.3%. There were 6,900 fewer persons working in the sector in Q2 2008 than a year previously. In the rest of the State there has also been a decline though not as large in relative terms (from 13% to 11.9%).

This decline in construction employment, combined with declines in manufacturing employment, is likely to have reduced the opportunities available to part-time farmers and may lead to a return to dependence on agriculture. As already noted this is one of the most significant challenges facing the rural economy today.

**Figure 4.3: Percentage employed in construction in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.*

## 4.2 Market services sectors

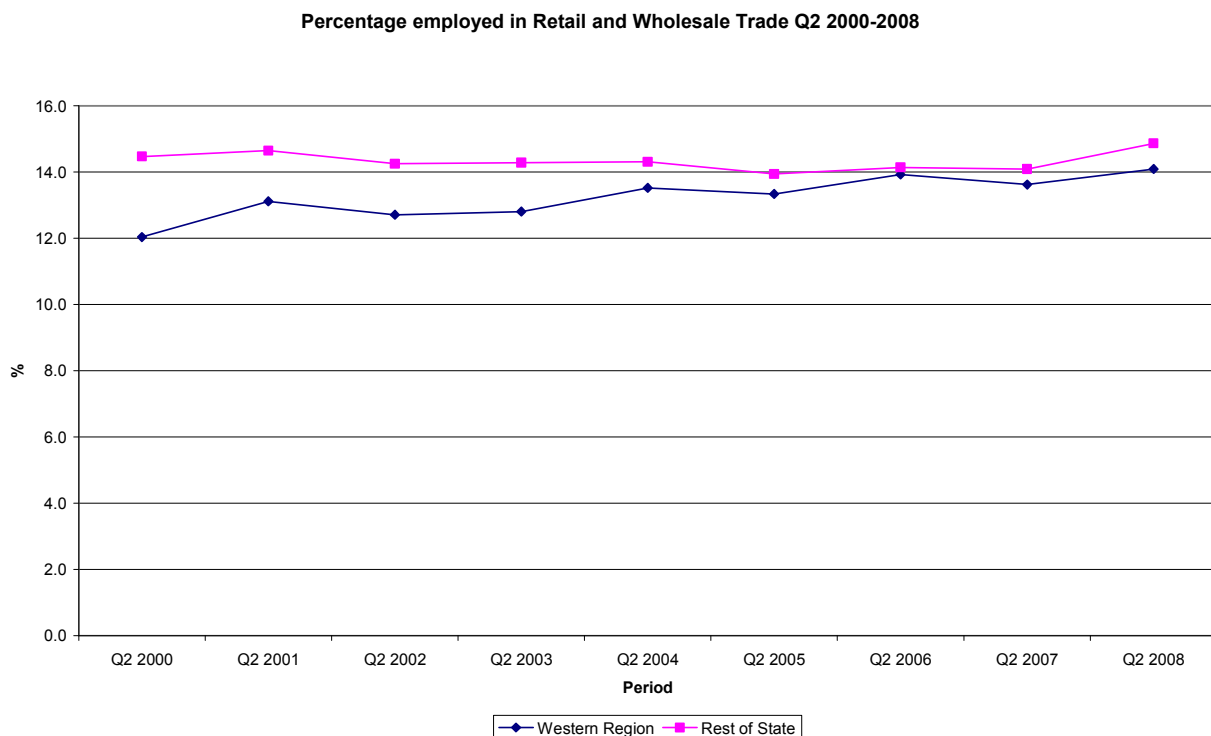
The market services sectors are those that supply services through the private sector. While some of these activities may be exported e.g. internationally traded services, some financial services, the majority of them are dependent upon domestic demand and can be viewed as locally traded services depending on local demand and buying power. Therefore the current downturn in economic activity, and the likely fall in tourist visits, will have a major knock-on impact upon these market services.

### 4.2.1 Wholesale and retail trade

The wholesale and retail trade sector is currently the largest employment sector in the Western Region, with 48,200 persons employed (14.1% of the total). The strength of this sector, and all locally traded services, is closely linked to the overall health of the economy, depending upon consumer wealth and confidence. As was highlighted in the Enterprise Strategy Group report in 2004, locally traded services are facing increasing international competition from international retail chains resulting in significant competitive pressures for Irish-owned businesses.

The Western Region previously lagged behind the rest of the State in terms of the share of employment in this sector but strong growth meant that it caught up by Q2 2006 (Figure 4.4). Since then, the region has had a slightly lower share of employment than the rest of the State.

**Figure 4.4: Percentage employed in wholesale and retail trade in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.*

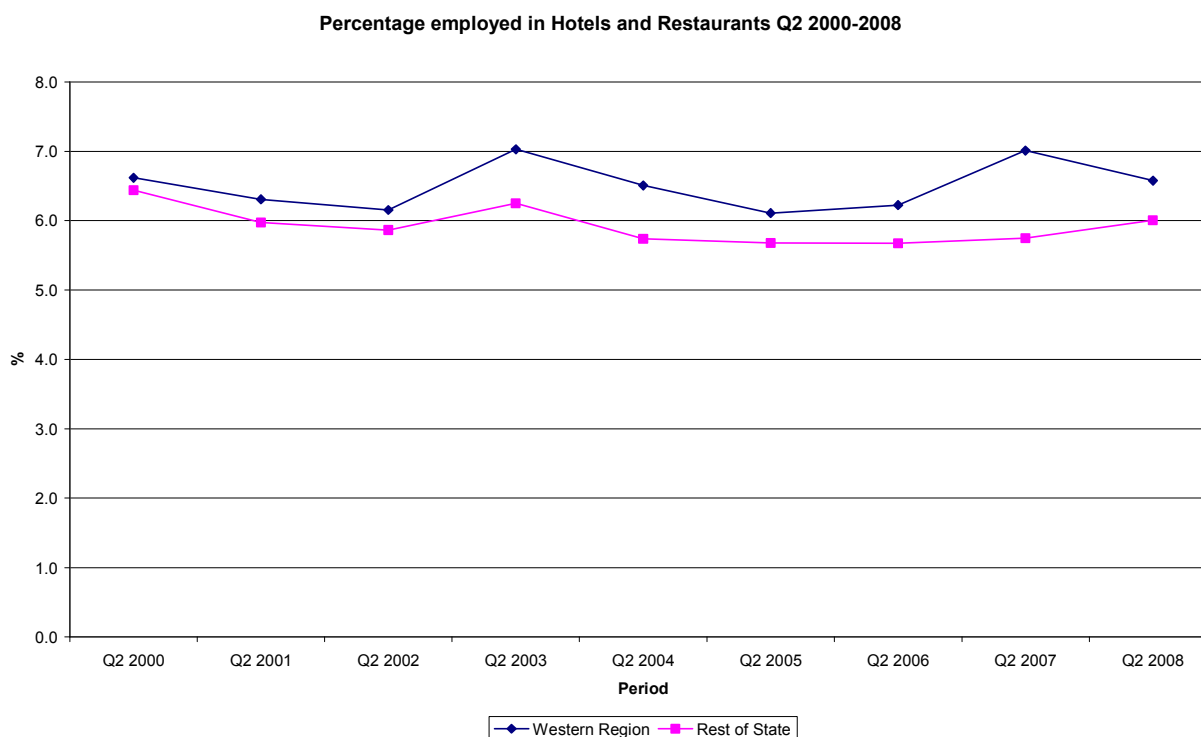
## 4.2.2 Hotels and restaurants

Figure 4.5 shows that the share of employment in the hospitality sector in the Western Region has been consistently above that in the rest of the State. While the share employed in this sector in the region is identical in 2008 as in 2000 (6.6%), there has been an increase in the numbers employed from 18,200 in 2000 to 22,500 in 2008 with some fluctuations in the intervening period.

Employment in this sector depends upon both tourism and local demand. The importance of tourism is clear from the fact that 2003 and 2007, which showed peaks in employment in hotels and restaurants, were also strong years in terms of tourism revenue in the region.<sup>6</sup> The employment peak that occurred in 2007 in the region did not occur in the rest of the State, in that year tourism revenue growth was far higher in the region (12%) than in the State as a whole (4%).<sup>7</sup>

As with other locally traded services, it is likely that the downturn will impact upon both local demand for hotels and restaurants and also tourist visits to the country in the coming years.

**Figure 4.5: Percentage employed in hotels and restaurants in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.

<sup>6</sup> In 2003 there was a 14% increase in tourism revenue in the region over the previous year, while in 2007 there was a 12% increase. Fáilte Ireland, Region Fact Sheets 2007

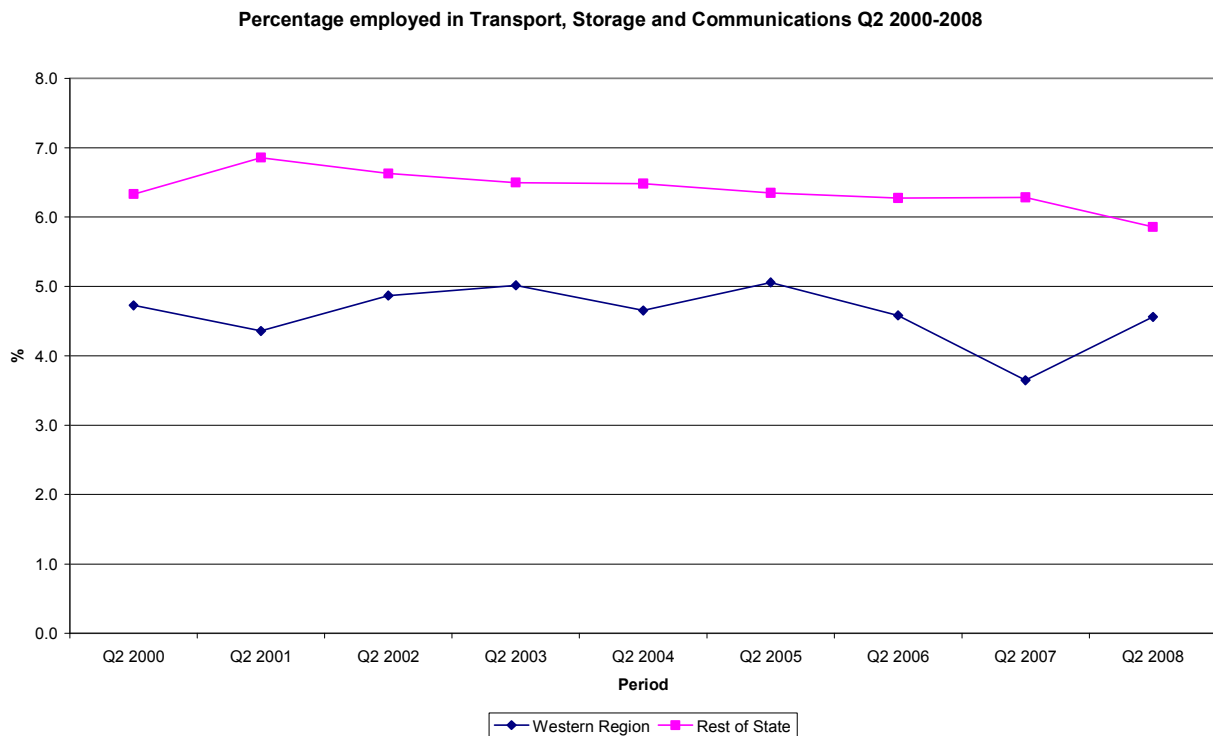
<sup>7</sup> The very positive tourism performance of the Western Region in 2007 was largely influenced by the international rally which was held in the northwest towards the end of 2007.

### 4.2.3 Transport, storage and communications

The transport, storage and communications sector is a less important employer in the Western Region than in the rest of the country. Figure 4.6 shows that in Q2 2008 the sector accounted for 5.9% of employment in the rest of the State (103,500 persons) but only 4.6% of employment (15,600) in the Western Region. A possible explanation for this is the concentration of many of the large state-owned transport companies in Dublin e.g. Dublin Bus, Iarnrod Eireann, Dublin Airport. However it may also be a reflection of the fact that many of the communications companies are based in the capital.

The fact that the sector is still a relatively large employer in the Western Region is likely due to the haulage sector and the general trend over the past few years for the outsourcing of haulage services by companies rather than direct employment of drivers. Employment share in this sector has also been more uneven in the region than in the rest of the country over the period (Figure 4.6).

**Figure 4.6: Percentage employed in transport, storage and communications in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run.*



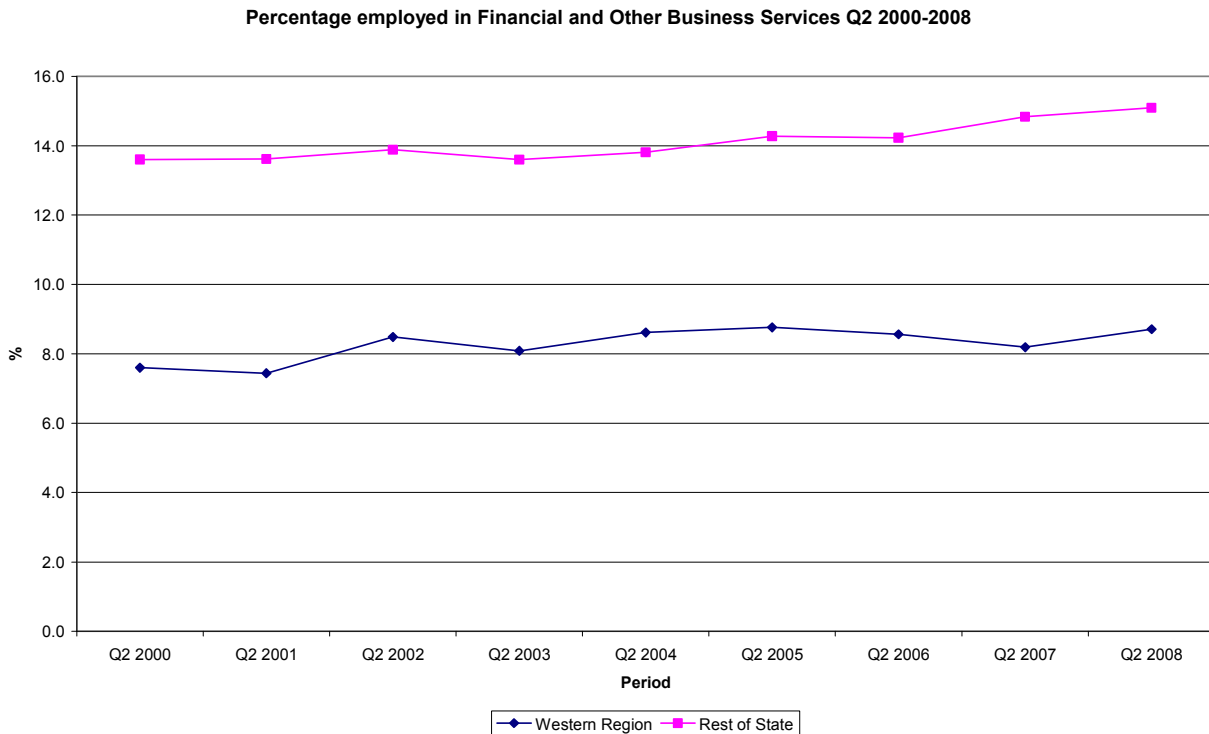
#### 4.2.4 Financial and other business services

The financial and other business services sector is the largest employment sector in the rest of the State – accounting for 15.1% of employment in 2008 (266,600 persons). This is in contrast to the Western Region where the largest employment sector is wholesale and retail trade, which is generally lower skilled, lower paid and has low value-added. This difference can be seen as both a consequence and a cause of the generally lower level of skills and educational profile of the workforce in the Western Region.

The financial and other business services sector is only the sixth largest employer in the Western Region – employing 29,800 persons (8.7%). Figure 4.7 shows that the region has experienced very little change in the share of its total employment in this sector over the nine year period, increasing by just 1.1 percentage points. As a consequence, the gap between the region and the rest of the State has widened slightly, 6 percentage points in 2000 to 6.4 percentage points in 2008. One of the most important factors accounting for this is the presence of the International Financial Services Centre (IFSC) in Dublin.

The relatively low level of employment in the region in this sector is not only important in terms of direct employment in a high skill, high value sector, but it is also critical as an enabler for all other economic activity.

**Figure 4.7: Percentage employed in financial and other business services in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run*

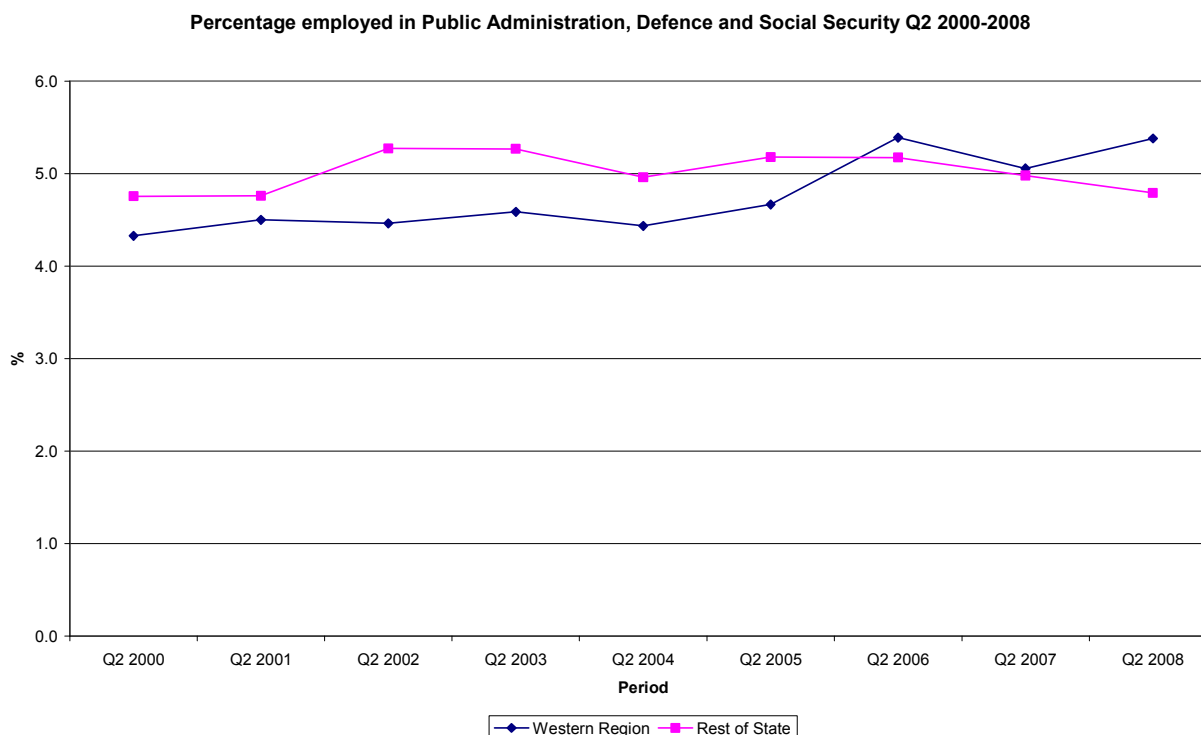
### 4.3 Public sector

The importance of the public sector (public administration, education and health<sup>8</sup>) has increased considerably as a source of employment over the period 2000-2008. In the Western Region 19.3% of those employed in 2000 were working in the public sector, this grew to 24.3% by 2008. While this upward trend is also evident in the rest of the State (18.7% to 21.8%), overall the Western Region is more dependent on public employment. Consequently any cutbacks in this sector are likely to have a more severe impact on the economy of the region than the rest of the State. The public sector plays a particularly important role in rural employment, providing employment opportunities in areas that are less attractive to private enterprise.

#### 4.3.1 Public administration, defence and social security

Between 2000 and 2005 the share employed in public administration, defence and social security in the Western Region was below that in the rest of the State. However, from 2006 onwards the share of employment in the region (5.4% or 18,400 persons in 2008) has been above that in the rest of the State (4.8% or 84,600 persons in 2008) (Figure 4.8). As the share of employment in this sector has increased in the region, its relative importance in the rest of the State has declined, dropping from 5.2% in 2006 to its current level of 4.8%.

**Figure 4.8: Percentage employed in public administration, defence and social security in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run*

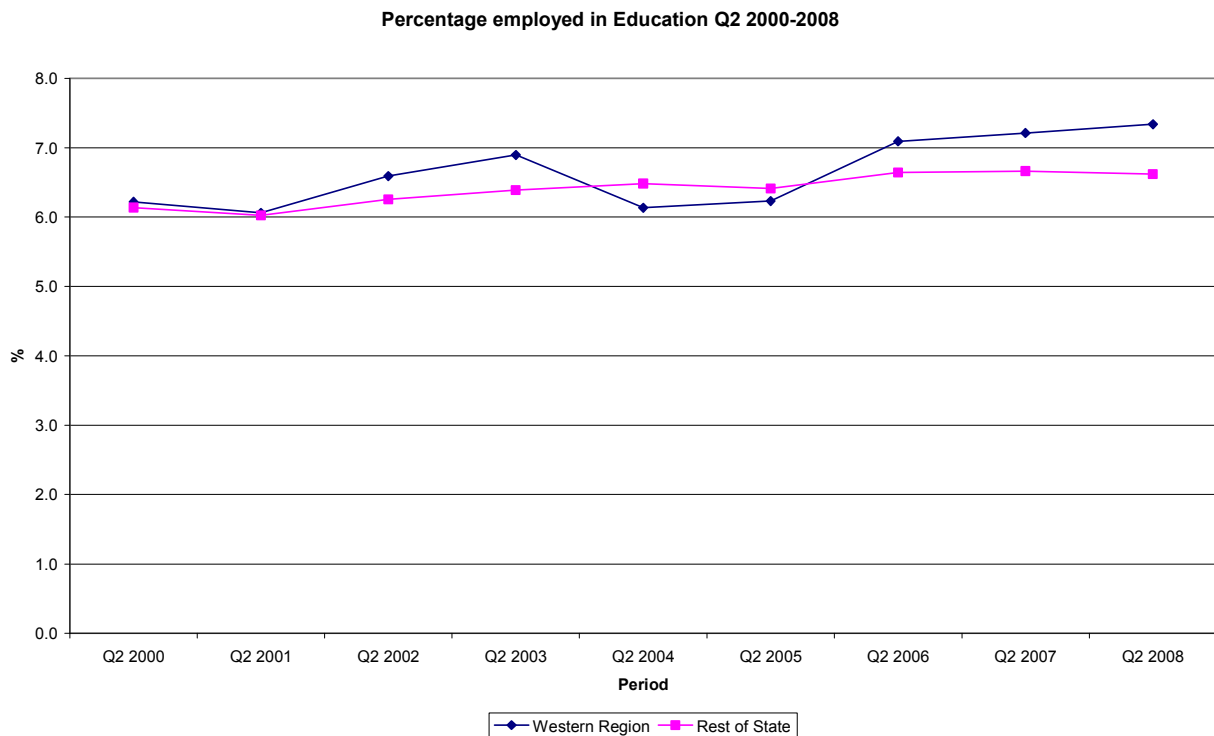
<sup>8</sup> Total employment in the sectors of public administration, defence and social security, education and health are being counted as public sector employment, as employment in those sectors is predominantly in the public sector.

### 4.3.2 Education

The share employed in the education sector has been relatively steady in the rest of the State, increasing gradually by half a percentage point over the 2000-2008 period. In contrast, the share employed in this sector in the Western Region has been relatively more volatile with a notable drop in the 2004-2005 period followed by an increase since then, as illustrated in Figure 4.9.

In the Western Region, there were 8,000 more persons employed in the education sector in 2008 than in 2000. In 2008 the share employed in the education sector in the region was above that in the rest of the State, 7.3% (25,100 persons) compared with 6.6% (116,900 persons).

**Figure 4.9: Percentage employed in education in the Western Region and Rest of State, Q2 2000-2008**



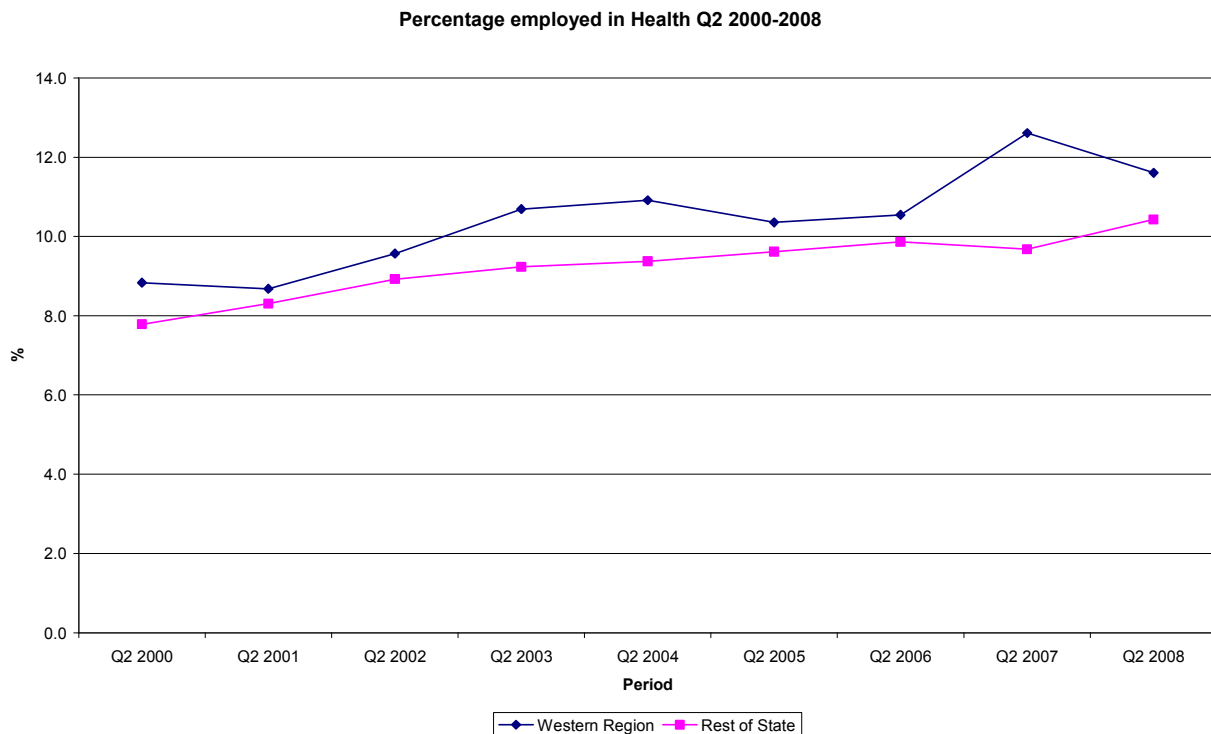
Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run

### 4.3.3 Health

Health is the fourth largest employment sector in the Western Region and the fifth largest in the rest of the State. There has been a very noticeable increase in the share of employment in the health sector over the 2000-2008 period both in the region and rest of the State as can be seen in Figure 4.10.

As a share of total employment, the health sector is more important in the region than in the rest of the State. In Q2 2008 11.6% of those in employment (39,700 persons) in the Western Region were working in the health sector compared with 10.4% in the rest of the State (184,200 persons). The health sector has had a particular impact upon female employment in the region which will be examined below.

**Figure 4.10: Percentage employed in health in the Western Region and Rest of State, Q2 2000-2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run*

In addition to considering the share employed in this sector, it is also worthwhile examining the actual and percentage growth. Between 2000 and 2008 there was an increase of 15,400 persons (+63%) employed in the health sector in the Western Region. In the rest of the State the percentage increase over the same period was actually higher at 69%. The fact that the health sector is more important for the region in terms of its share of total employment is a reflection of the relatively weaker employment structure of the region as a whole – lower employment in private sector activities increases the relative importance of public sector employment.

## **5.0 Differences in employment structure by gender**

Unsurprisingly there are considerable differences in the employment structure for males and females and the changing trends in employment over the period 2000-2008 have impacted differently upon the two genders.

### **5.1 Male employment structure 2000, 2008**

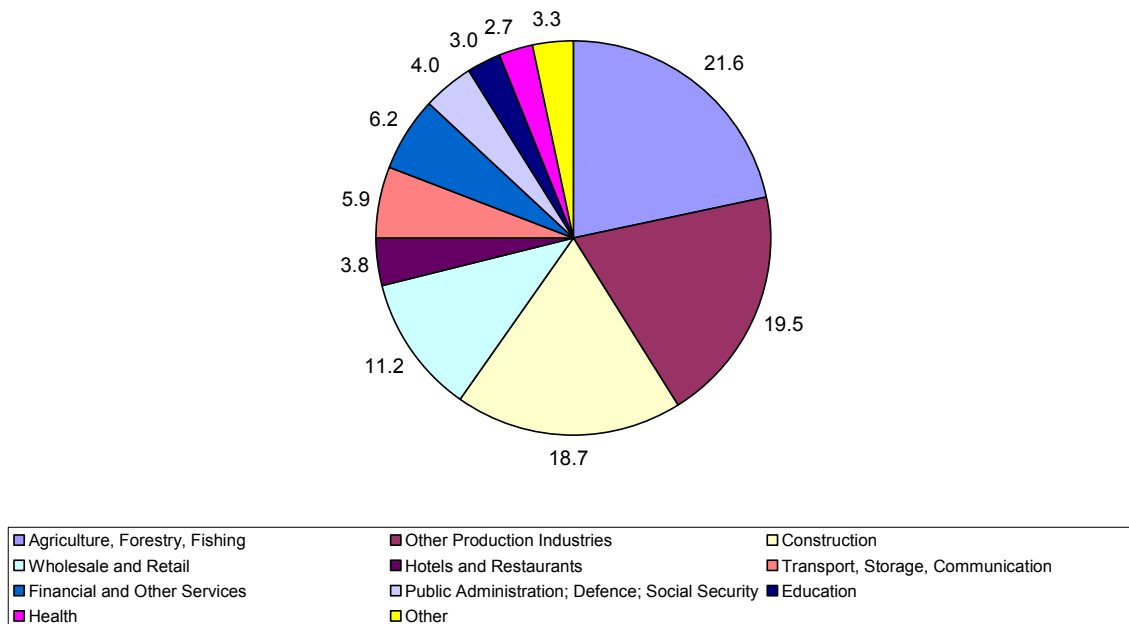
The structure of male employment in the Western Region in 2000 and 2008 is set out in Figure 5.1. The most striking feature of this is how concentrated it is in four main sectors – agriculture, manufacturing, construction, wholesale and retail trade. In 2000, 71% of male employment in the Western Region was in these four sectors, by 2008 the level of concentration had declined to 67% but there remains relatively little diversity in employment sectors.

While these remained the four most important sectors for male employment between 2000 and 2008, the balance between the four has changed. The share employed in agriculture and manufacturing declined from 21.6% to 15.2% (29,700 males employed in agriculture in 2008) and from 19.5% to 16.5% (32,200 males employed in manufacturing in 2008) respectively. At the same time male employment in construction grew from 18.7% to 22.5% (44,000 males employed in construction in 2008). The share in construction in 2008 actually represented a decline from the peak in 2007 when 25.2% of males working in the Western Region were in construction (51,000).

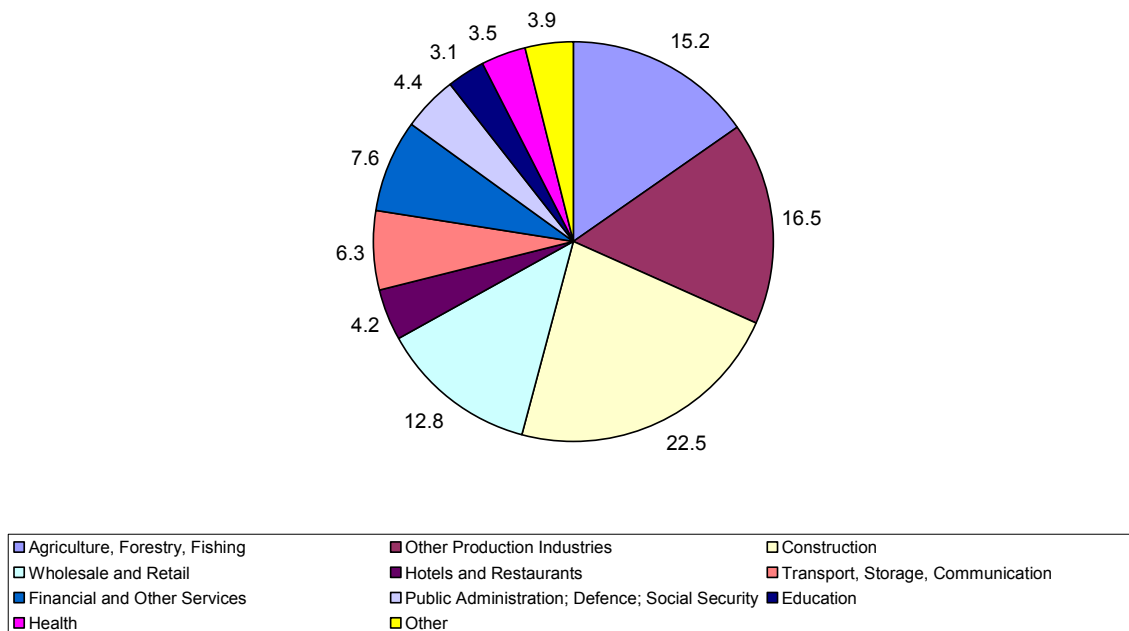
There were a few other interesting changes over the period with a growth in the share employed in financial and other business services from 6.2% to 7.6%. Transport, storage and communications also increased its share over the period from 5.9% to 6.3%.

**Figure 5.1: Share of male employment in the Western Region by industrial sector, 2000, 2008**

**Percentage of male employment by industry in Western Region Q2 2000**



**Percentage of male employment in Western Region by industry Q2 2008**

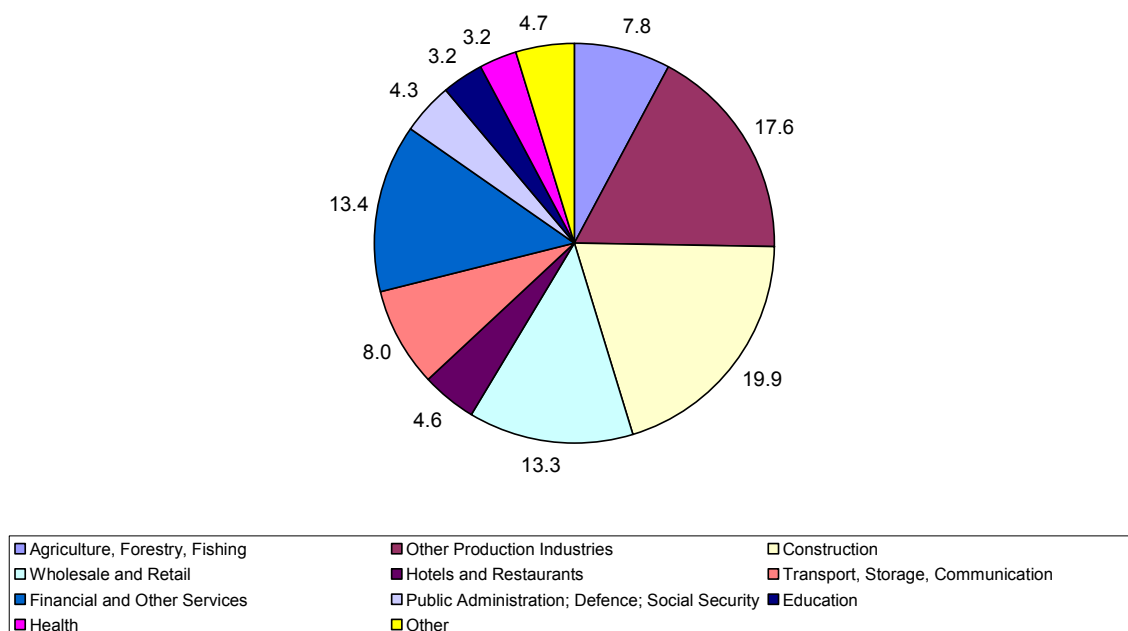


Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run

If we compare the structure of male employment in the Western Region in 2008 with that in the rest of the State (Figure 5.2), we see there are a number of differences. The two most striking are that the agriculture, fishing and forestry sector accounts for a far lower share of male employment (7.8% in the rest of the State compared with 15.2% in the Western Region) whereas financial and other business services account for a far higher share (13.4% in the rest of the State compared with 7.6% in the region). The other noticeable difference is that while 22.5% of male employment in the region is in construction, the share is only 19.9% in the rest of the State.

**Figure 5.2: Share of male employment in Rest of State by industrial sector, 2008**

Percentage of male employment in Rest of Ireland by industry Q2 2008



Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run

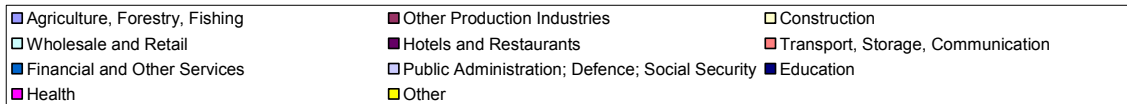
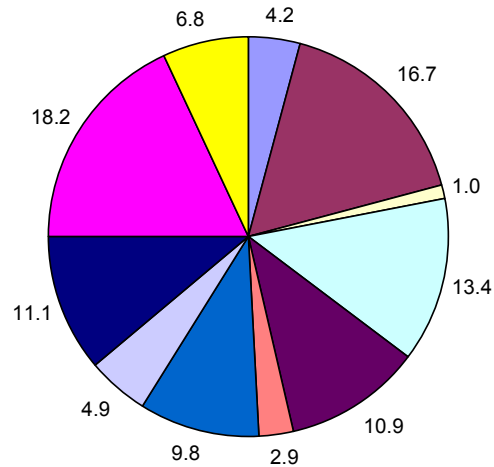
Overall there is a clear pattern that male employment in the Western Region is more dependent upon traditional employment sectors such as agriculture and construction compared with the rest of the country where male employment is more diversified into sectors such as financial and business services, and transport, storage and communications.

## 5.2 Female employment structure 2000, 2008

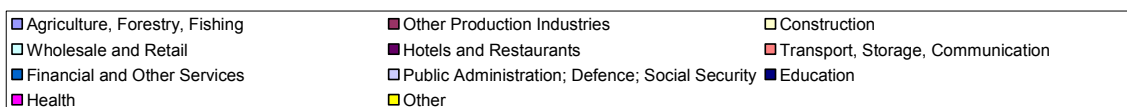
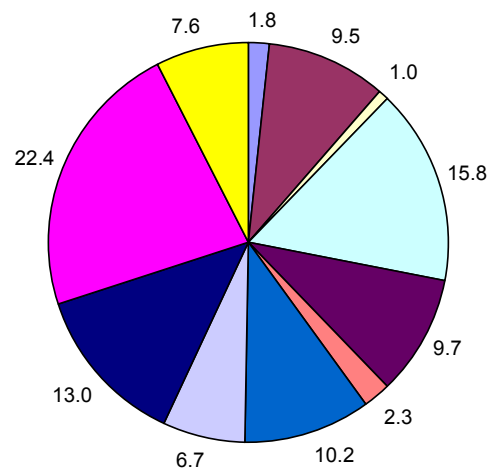
In contrast to male employment, the structure of female employment in the Western Region in both 2000 and 2008 appears to be more evenly distributed across a larger number of sectors, see Figure 5.3.

**Figure 5.3: Share of female employment in the Western Region by industrial sector, 2000, 2008**

**Percentage of female employment in Western Region by industry Q2 2000**



**Percentage of female employment in Western Region by industry Q2 2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run*



The importance of the health sector as a source of female employment in the Western Region is very evident from Figure 5.3. It is the largest employment sector and its share of total female employment rose from 18.2% in 2000 (19,800 females) to 22.4% in 2008 (32,900 females). This is almost identical to the share of male employment in construction.

The order of the next largest sectors has altered between 2000 and 2008. In 2000 the manufacturing sector was the second largest female employer at 16.7%, however this declined dramatically to 9.5% in 2008 (14,000 females) and it is now only the sixth most important employment sector for women.

Meanwhile the wholesale and retail trade sector has grown from 13.4% in 2000 to 15.8% in 2008 (23,200 females) and is now the second largest sector for female employment. The share of employment in the education sector has also increased from 11.1% to 13.0% (and is the third largest employment sector for women in the Western Region). Other important employment sectors in 2008 are financial and other business services (10.2%) and hotels and restaurants (9.7%).

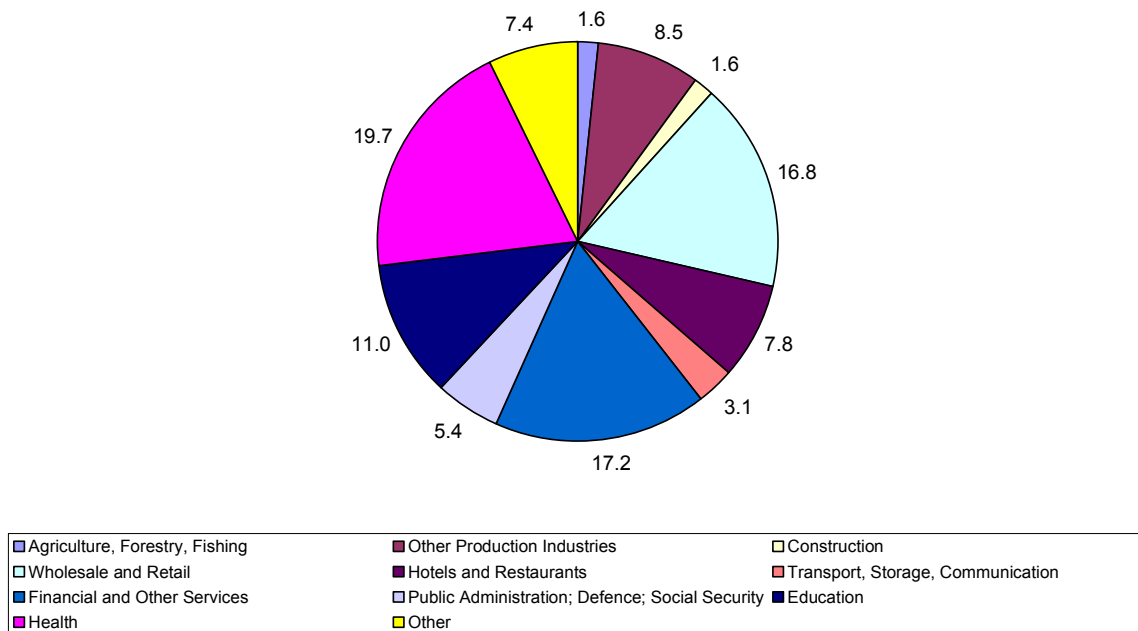
Figure 5.3 clearly indicates the importance of the public sector as a source of employment for women in the region. Combining health, education and public administration we find that the public sector's share of total female employment increased from 34.2% (37,100) in 2000 to 42.1% (61,800) in 2008. The public sector therefore plays a critical role in sustaining female employment in the Western Region.

If we compare the structure of female employment in the Western Region in 2008 with that in the rest of the State (Figure 5.4), we see there are a number of differences. The most striking is the relative importance of the financial and businesses services sector. While this accounts for 10.2% of female employment in the region, it accounts for 17.2% of female employment in the rest of the State. This is a very significant difference in the composition of female employment in a generally high skill, high value-added sector.

The other main difference is the higher dependence of female employment on the public sector in the region compared with the rest of the State. In total 36.1% of female employment in the rest of the State is in the health, education and public administration sectors, compared with the 42.1% employed in these sectors in the Western Region.

**Figure 5.4: Share of female employment in Rest of State by industrial sector, 2008**

Percentage of female employment in Rest of Ireland by industry Q2 2008



Source: CSO, Quarterly National Household Survey, Q2 (March-May), 2000 and 2008. Special run

## 6.0 Unemployment rates 2000-2008

The unemployment rate in all of the NUTS3 regions<sup>9</sup> is higher in Q2 2008 than it was in Q2 2000, with the exception of the Border region (Figure 6.1). The national unemployment rate increased from 4.3% to 5.2% over the period.

In 2008, the three NUTS3 regions of relevance to the Western Region had unemployment rates that were higher than the national average. In the West (Galway, Mayo, Roscommon) it was 5.6%, in the Mid-West (including Clare) 5.7% and the Border region (including Sligo, Donegal, Leitrim) had the highest unemployment rate in the country at 6.4%.

It is also notable that the Mid-West experienced the largest increase in the State in its unemployment rate over the period – 4.0% to 5.7%. The possible impact of further reduced services at Shannon Airport or the closure of the Dell factory in Limerick could further exacerbate the unemployment problems in that region.

**Figure 6.1: Unemployment rate in NUTS3 regions, Q2 2000 and Q2 2008**



Source: CSO, *Quarterly National Household Survey, Q2 (March-May), 2000 and 2008.*

<sup>9</sup> Data on unemployment rates in the Western Region was not available at the time of compiling this brief, therefore data for NUTS3 regions will be used instead.

## 7.0 Numbers on the live register 2002, 2008

The live register is not designed to measure unemployment. It includes part-time workers (those who work up to three days a week), seasonal and casual workers entitled to Unemployment Assistance or Benefit. However changes in the live register do provide a very up to date indication of the health of the local labour market.

Table 7.1 shows the number of persons on the live register in each of the western counties in Sept of each year 2002 to 2008. Overall it can be seen that the number of people on the live register in the Western Region has increased from 33,787 in Sept 2002 up to 46,618 in Sept 2008, this was a 38% increase over the period. The increase in the numbers on the live register over the full period was considerably lower in the Western Region than in the rest of the State (51.7%).

However if we only consider the most recent year, from Sept 2007 to Sept 2008, when most of the increase actually occurred, we can see that the region had a similar percentage increase to the rest of the State (48.9% in the Western Region, 49.7% in the rest of the State).

The lower increase in the numbers on the live register in the Western Region compared with the rest of the State has led to a slight decline in the share of the total number on the live register accounted for by the Western Region. In 2002 20.9% of all those on the live register were living in the Western Region, by 2008 the region's share had declined to 19.4%.

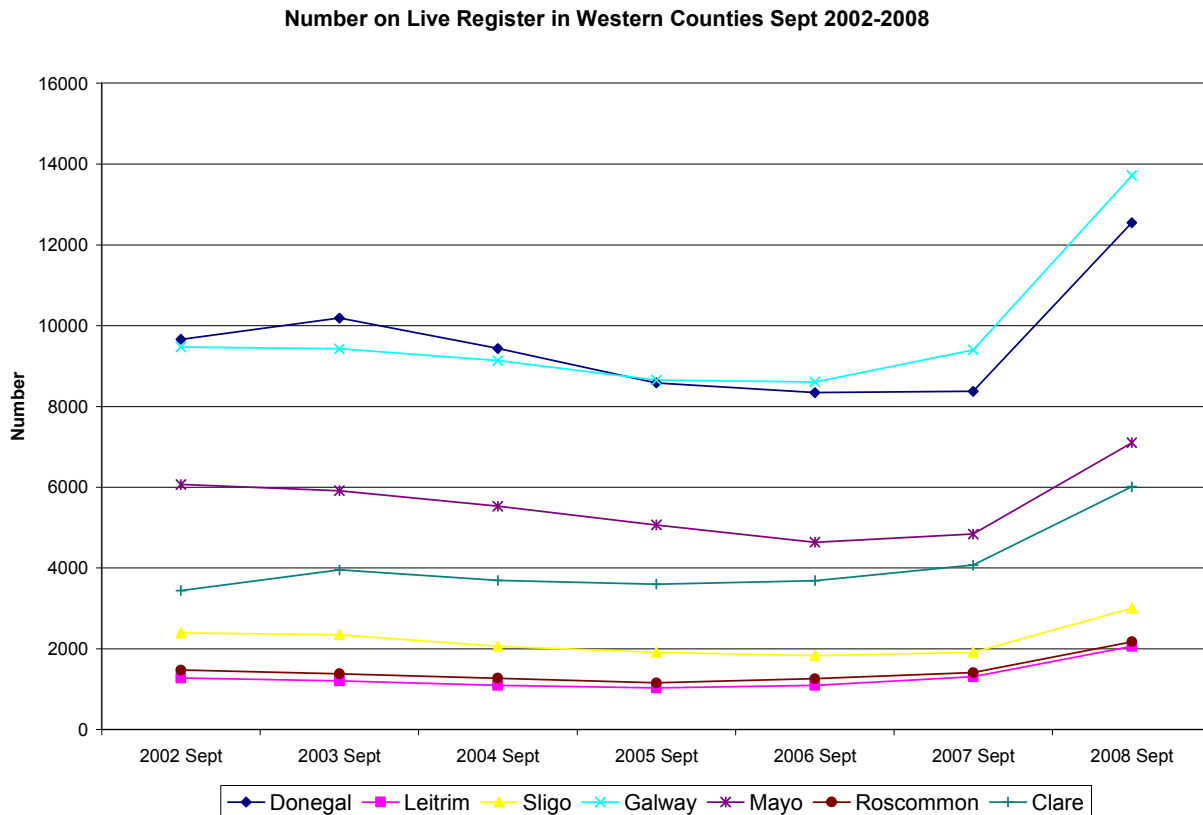
**Table 7.1: Persons on the Live Register (Number) in the western counties, Western Region and State in September 2002-2008**

	Sept 2002	Sept 2003	Sept 2004	Sept 2005	Sept 2006	Sept 2007	Sept 2008	% Change 02-08	% Change 07-08
Donegal	9,663	10,187	9,432	8,586	8,340	8,370	12,550	29.9	49.9
Leitrim	1,278	1,205	1,095	1,032	1,095	1,309	2,059	61.1	57.3
Sligo	2,392	2,346	2,063	1,914	1,831	1,915	3,005	25.6	56.9
Galway	9,472	9,426	9,134	8,650	8,608	9,399	13,716	44.8	45.9
Mayo	6,068	5,915	5,528	5,065	4,640	4,838	7,101	17.0	46.8
Roscommon	1,472	1,379	1,274	1,158	1,264	1,410	2,173	47.6	54.1
Clare	3,442	3,950	3,689	3,600	3,686	4,074	6,014	74.7	47.6
<b>Western Region</b>	<b>33,787</b>	<b>34,408</b>	<b>32,215</b>	<b>30,005</b>	<b>29,464</b>	<b>31,315</b>	<b>46,618</b>	<b>38.0</b>	<b>48.9</b>
Rest of State	127,645	136,414	128,251	123,330	122,843	129,337	193,599	51.7	49.7
State	161,432	170,822	160,466	153,335	152,307	160,652	240,217	48.8	49.5
WR as % of State	20.9	20.1	20.1	19.6	19.4	19.5	19.4		

Source: CSO, Live Register 2002-2008, database direct

The numbers on the live register in each of the western counties for the period 2000-2008 are shown in Figure 7.1. The dramatic change in 2008 is very evident. As this graph shows absolute numbers, the larger counties in population terms appear to be impacted the most, Galway and Donegal. However the smaller counties of Leitrim (57.3%), Sligo (56.9%) and Roscommon (54.1%) have actually experienced higher percentage increases in the numbers on the live register over the past year than the larger counties of Galway (45.9%) and Donegal (49.9%), see Table 7.1.

**Figure 7.1: Persons on the Live Register (Number) in the western counties in September 2002-2008**



Source: CSO, Live Register 2002-2008, database direct

From Table 7.2 below it can be seen that the recent changes in the number on the live register show strong gender differences. In total over the entire 2002-2008 period the number of men on the live register increased by 49.8% in the Western Region compared with an increase of 21.1% in the number of women on the live register.

For the most recent period (Sept 2007-Sept 2008) the gender difference is even greater. Over that period there was a 60.8% increase in the number of men on the live register compared with a 31.7% increase in the number of women. The link between the rising number of men on the live register and declining employment in the construction sector is clear. It can be seen that this trend is impacting particularly upon the most rural counties with Leitrim, Roscommon, Donegal and Sligo particularly affected by rising numbers of men on the live register.

Looking nationally, the recent increase in the number of men on the live register is slightly higher in the region than the rest of the State, whereas the recent increase in female numbers on the live register in the region is slightly lower than the rest of the State. This may be related to the higher level of female employment in the region that is in the public sector.

**Table 7.2: Males and females on the Live Register (Number) in the western counties, Western Region and State in September 2002 and September 2008**

	Male				Female			
	Sept 2002	Sept 2008	% Change 02-08	% Change 07-08	Sept 2002	Sept 2008	% Change 02-08	% Change 07-08
Donegal	5,950	8,098	36.1	64.2	3,713	4,452	19.9	29.5
Leitrim	740	1,310	77.0	75.8	538	749	39.2	32.8
Sligo	1,397	2,011	44.0	64.2	995	994	-0.1	44.1
Galway	5,461	8,632	58.1	56.0	4,011	5,084	26.8	31.6
Mayo	3,543	4,564	28.8	57.5	2,525	2,537	0.5	30.8
Roscommon	841	1,432	70.3	68.1	631	741	17.4	32.8
Clare	1,935	3,719	92.2	59.7	1,507	2,295	52.3	31.5
<b>Western Region</b>	<b>19,867</b>	<b>29,766</b>	<b>49.8</b>	<b>60.8</b>	<b>13,920</b>	<b>16,852</b>	<b>21.1</b>	<b>31.7</b>
Rest of Ireland	75,422	126,289	67.4	58.9	52,223	67,310	28.9	35.1
State	95,289	156,055	63.8	59.2	66,143	84,162	27.2	34.4
WR as % of State	20.9	19.1			21.0	20.0		

*Source: CSO, Live Register 2002-2008, database direct*

## 8.0 Conclusion

The data presented in this briefing note are intended to highlight the main trends which have occurred in employment in the Western Region in the first nine years of this decade. This has been a period of very substantial growth in both the national and regional economy, total numbers employed are now significantly higher than they were at the beginning of the decade and there has been a continued shift in employment away from agriculture and industry and towards services, both market and public sector.

However this period of growth appears to have slowed in 2007-2008. The impact of the current economic slowdown is beginning to become evident in the figures presented in this brief, particularly the live register figures which are the most up to date. Certain impacts of the downturn however are unlikely to become fully visible in the data until next year or perhaps the following year. For example the knock-on impact on employment levels in the retail and wholesale sector (the region's largest single employment sector) and the hospitality sector of the general slowdown in consumer spending is unlikely to be fully felt until next year. Likewise the impact of the likely downturn in tourist visits as a result of the global credit crisis will not be fully felt until next summer.

Certain impacts are already very evident however; the drop of 6,900 persons employed in construction in the region during the year between Q2 2007 and Q2 2008 is a very stark indicator of the downturn. The increase of 3,300 in the numbers employed in agriculture over the same period, very likely due to men moving from construction back into farming, shows that the problem is even larger than the declining figures for construction employment indicate. The increase of 60.8% in the number of men on the live register between Sept 2007 and Sept 2008 – and the high increases in the most rural counties – paint a very clear picture of the challenges facing the region's rural economy in the coming years. The particularly high dependence on public sector employment in the region, particularly for women, with 42.1% of females working in the public sector, also presents a challenge for the viability of the region's economy in the face of cutbacks in public expenditure.

When facing into the current economic decline, the structure of employment in the Western Region – higher shares employed in sectors that tend to be lower skilled and lower value-added and lower shares employed in the higher skilled and high value-added sectors – will have a major impact upon the region's ability to cope and adapt to the decline. Several features of the region's employment structure which have been highlighted in this brief will increase its vulnerability to the downturn and this presents probably the biggest challenge for the Western Region in the coming years.