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Department for Employment and Learning
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Contents

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Foreword

Sir Reg Empey, MLA
Minister for Employment and Learning

This Labour Market Bulletin is published in a time of great labour market turmoil. Since the last issue of the Bulletin was published, unemployment and redundancies have risen sharply and employment has fallen. I am working with my colleagues in the Executive to mitigate, as far as is possible, the impact of the recession, and my Department has already responded, for example, through adjustments to maintain our programme for Apprentices and in our work to help those who have been made redundant.

We must rightly respond to the fresh challenges presented by the current downturn, but we must do this whilst ensuring that our long-term vision remains intact. Even more than before, we need a Northern Ireland workforce that is innovative, enterprising and skilled so that we are well equipped to tackle the economic downturn and take full advantage of the opportunities when growth returns. At times like this we need to maintain and build on our investment in skills, not reduce it. This in turn will underpin a more prosperous Northern Ireland for us all in the future.

It is important that our policies and services are developed on a sound evidence base. We are committed to consult on major new policies and revisions. But before we even reach that stage, it is important that robust research and analysis has been developed to underpin our decisions. This current issue of the Labour Market Bulletin, which draws together research, information and analysis from both inside and outside government, exemplifies how we do this. There are articles on the skill needs of employers and research into future skills needs that will inform our review of the Northern Ireland skills strategy, Success through Skills. You will also find research on the New Deal which has influenced the development of its successor programme, Steps to Work. This is a particularly interesting case since, in response to the evidence for Northern Ireland, we adopted a different approach to our colleagues in Great Britain, an approach they are now proposing to follow. You will also read articles on the experiences of our students at higher education and beyond. Again this information is helping us assess our policies in this area. These are examples of the wide range of important evidence that is summarised in the Bulletin.

Last November, when the current downturn was unfolding, I stressed that it is our workforce that will get us through: when markets are shrinking and order books falling, it is their commitment and ability to add value that will keep us competitive. We need to ensure that the workforces of today and tomorrow have the skills necessary to help this region prosper. This is not a job that government can, or should, do alone. We need the active participation of others, including employers, trade unions, training providers, FE Colleges, Universities and the individuals themselves.

Editorial

"When the facts change, I change my mind. What do you do, sir?"
John Maynard Keynes (1883 – 1946)

Hands up. If you look back to last year's editorial you will not find a prediction that the Northern Ireland economy and labour market were going to take a considerable turn for the worse. However if my understanding of what was going to happen to the Northern Ireland economy (indeed the world economy) was off beam, then I was in good company.

So, the position has changed – and as Keynes points out, when the facts change (or, perhaps more pertinently, when we become aware of what the true facts really are) then we have to change our minds. And it is just not an issue of thinking something different – we may need to do something different.

But, just how different? And – although it may seem rather strange to say it given what has happened – how have the fundamentals changed? In some ways, they probably have not changed a lot. Last year – despite all the progress that had been made in an almost uninterrupted period of employment growth over nearly a decade and a half – we were still in the position where too many people were out of work (our employment rate was still too low – and of course it has fallen since). This underlined the need to help people move nearer to the labour market and where too many people lacked the skills appropriate to the current and anticipated needs of the economy, the need to upskill our present and future workforce. The former – helping people who are out of work to find work – will undoubtedly be more difficult over the next few years as, unfortunately, job losses mount and job opportunities become fewer. You will find in this Bulletin work by Oxford Economics that suggests it will take a decade to get back to the employment levels of a year ago. But on the second priority – upskilling the labour force – the downturn could paradoxically offer opportunities. People may be more inclined to invest in skills if there are no "ready jobs" available, or as a way for people in work to progress in the labour market. But it takes nerve for employers to invest in this area when things are seemingly falling apart and the centre is not holding. The alternative, however, would appear to be a race to the bottom.

One issue that may concern employers is that, if they train up employees, then these employees will leave to their rivals, and therefore they will not accrue the benefits of the investment they have made. Employees, on the other hand, may be concerned about job security, or inadequate recognition of any improvement that they bring about through upskilling and innovation. These concerns are in all probability linked, at least in part, to a view of the labour market as being a more flexible, transient place, where employers are more likely to get rid of people than they did in the past; and employees are more likely to "jump ship" at the first smell of a better job offer. Because we all know that job security is getting worse. Isn't it? The short answer is that, for many people in times of recession, the answer – unfortunately – is probably yes. But in the longer run, the answer seems to be no – at least if we take account of what people do, rather than what they may think. For, across North America and Europe, the data suggest that the length of time people spend with an employer seems to be growing, not shrinking[1]. "Long-Term Employment", is becoming more common, at the same time that perceptions are moving in the opposite direction.

This phenomenon has a number of implications, but here I take just two – one specific, one general. The specific point is that there seems to be greater cohesion between employees and employers than perhaps is commonly thought. And this has implications, for both employer and employee might be persuaded to see investment in training, or movement to new job practices – not as part of a zero-sum game where one side "wins" and the other "loses", but in a more cooperative and mutually beneficial light. The general point is that challenging conceptions (or preconceptions) of the labour market can only be done properly through a careful consideration of the data, and through evaluation and research. Through this we come to what I

1 For a fuller discussion, see Doogan, Kevin (2009) "New Capitalism?" Polity Press, Cambridge. The interrogation point in Doogan's title is important. In his analysis, Doogan uses the number and percentage of employees staying with an employer for more than 10 years as an indicator of "long-term employment". Technically thus his analysis concentrates on the incidence of long-term employment rather than the average length: but it is likely that the two are positively correlated

hope is the value of the Labour Market Bulletin. It addresses many of the issues pertinent to us today, and places these in the public domain. The Bulletin attempts to increase the flow of information and analysis and hence foster debate. I hope that you find the Bulletin an interesting, relevant, and enjoyable read.

Finally, I would like to thank a number of people without whom this Bulletin would never have been completed. First to the many contributors of articles to the Bulletin, without whom – no Bulletin; and also to members of the Editorial Board for their oversight of the Bulletin. In the production of the Bulletin we have been very ably assisted yet again by Roisin McAuley and Leslie Stannage from Leslie Stannage Design. Thanks also to DEL's Media and Marketing Unit for help with getting the Bulletin to print. I would finally like to thank all members of the Analytical Services team in DEL – and most particularly the administrative team of Etta Wilson, Malachy Keenan, Chris Lawless, and Nicola McGarrigle. Without them, this Bulletin would not have appeared. Every year, the task of producing the Bulletin seems to become more difficult, but, as usual, they have managed the job with professionalism – and understanding!

Dave Rogers
Editor – Labour Market Bulletin

Skills and the Northern Ireland Labour Market – an Overview

Dave Rogers, Analytical Services, DEL

2008 saw a turning point in the Northern Ireland labour market – indeed labour markets across the world. The generally positive picture of the past few years – high figures for the number of people in work; and low rates of unemployment – has given way during the recession to a world suddenly dominated by job losses and rising joblessness. At the same time, economic inactivity remains stubbornly high: if anything, rising further. This article gives a brief overview of the current NI labour market and the issues to be faced during the downturn, as we move into largely uncharted waters; and how the content of the Bulletin informs the debate in this area.

Background

Up to the summer of 2008, NI saw nearly a decade and a half of uninterrupted improvement in the labour market. Employment grew; and unemployment fell – indeed by the end of 2007and into early 2008, claimant unemployment – that is, people claiming Jobseeker's Allowance – had slipped to below 25,000, less than a quarter of its mid-1990s peak. Since then NI, along with most of the developed world, has slipped into recession, with sharp falls in employment and rises in unemployment. It is worth recalling though that even a year ago, problems remained: levels of economic inactivity had remained stubbornly high and NI's private sector was weak, with median private sector wages amounting to barely four-fifths of the UK average: and a proportionally larger public sector, with around one in three employee jobs in NI being in the public sector compared to one in five in the UK as a whole. These problems do not go away during a recession: on the contrary, they probably get worse. But as people choose to upskill rather than chase jobs that are (temporarily) not there, there is also an opportunity to improve the situation for the longer term.

And the position certainly needs improving. Skills levels in the working age population have been improving, but we still lag behind the UK as a whole, and many of our other competitors. This article looks briefly at key recent labour market indicators: at areas where the NI labour market needs to improve; and how the Bulletin contributes to our knowledge in this area. To support this, the key facts about the NI labour market are laid out in Chapters 2 and 3 of the Bulletin by statisticians from the Department of Enterprise, Trade and Investment (DETI)[1], who report on key labour market statistics. Chapter 4 is a report by DETI on the outcomes of the 2007 Census of Employment – to a certain extent these data will have been overtaken by more recent changes in the labour market, but they still give us the most contemporary view of employment at a local level within NI.

Key Economic and Labour Market Characteristics

- **Steady Economic Growth – but most recent figures do not reflect current downturn.** In the period since 1997, regional Gross Value Added[2], the measure of regional "wealth", has risen by 72% in NI compared to 69% in the UK as a whole. Thus we have just outperformed the UK as a whole over this period. However our GVA per head remains at 81% of the UK average – a figure that has not changed appreciably for ten years – and it remains the lowest of the UK's countries and regions bar Wales (75%) and the North-East of England (79%), and below regions such as Yorkshire and the Humber (85%); the North West (87%); the East and West Midlands (89% and 86% respectively) –

1 Detailed statistical reports on the NI labour market are published regularly by DETI **www.detini.gov.uk**

2 Regional GVA figures are given in Regional Accounts, available online at **www.statistics.gov.uk**. Data given here are to 2007 (provisional data). Data are at current prices (ie not adjusted for inflation).

Dave Rogers, Analytical Services, DEL

not to mention Scotland (96%); the South East (115%), and London (152%). These figures show why regional productivity is an issue and hence has been one of the areas for improvement identified in the NI Executive's Programme for Government (PfG[3]).

However, these figures – along with most of the statistical data discussed below – are historical and, in the current environment, dating faster than the ink can dry on the page. The UK and NI economy started to contract in mid- to late-2008, and at the time of writing (March 2009) forecasts show that both the UK and NI economies are to shrink in 2009. The only debate is by how much, and forecasts have been becoming gloomier by the month. It seems that the best that can be expected for the NI economy in 2009 is a contraction of between 2% and 3%, and this will have significant consequences for jobs, and thus for unemployment. The RoI is facing even greater readjustment, with the latest forecasts suggesting that the economy will shrink by 8% in 2009 following a 3% contraction last year.

- **Falling Employment.** Employment has been growing strongly for many years, and continued to grow in 2007 reaching a peak of around 780,000; but latest data suggest that it began to decline in the middle of 2008 and by early 2009 had fallen back to around 760,000. If the recession continues as expected then there will be further falls in 2009 and into 2010. Moreover the employment rate[4] has fallen to 68%, after long periods consistently reporting figures in excess of 69%. This needs to be viewed in the context of a Programme for Government goal of achieving an employment rate of 75% by 2020. Chapter 5 of the Bulletin by Oxford Economics, which looks at the evidence to inform the review of the NI Skills Strategy, Success through Skills, suggests that NI employment will take a decade to recover to the levels of early 2008.

- **Rising unemployment.** The ILO[5] unemployment rate is now around 6%, and has risen from the lows of 4% of the last few years. Perhaps even more stark has been the growth in claims for Jobseeker's Allowance: the claimant count almost doubled between the end of 2007 and the start of 2009, with no sign yet in sight of the end of the rise.

- **Persistently high levels of economic inactivity.** The most recently published figures on economic inactivity in NI show a rate of 28$^1/_2$%: this is within the range of 27%-30% that has characterised the last 25 years[6]. Economic inactivity remains higher than the UK as a whole (21%) and higher than any other UK region.

- **Low productivity remains a problem.** We have seen above that productivity, as measured by GVA per head, remains low in NI at 81% of the UK figure. But there are other indicators of low – and, more worryingly, relatively falling – productivity here as well. For example, productivity in market-based sectors of the economy in NI lags some 14% behind that of the UK as a whole[7].

- **Low and stagnant wages.** Recent data confirm that, for full-time employees, median private sector weekly earnings in NI are substantially lower (18%) than in the UK as a whole. This is partially a reflection of a weaker private sector here. After a number of years of wage growth at a faster rate than the UK as a whole, for the second year in a row, median private sector wages for those in full-time employment grew at a slower rate in NI in the year to April 2008 (+3.8%) than in the UK as a whole (+4.6%), thus widening the pay gap between NI and the UK[8]. The recession is likely to impart a downward, or at least moderating, pressure on wages.

- **High dependence on the public sector.** Recent figures from DETI show that some 31% of employees in NI are employed in the public sector. This is an increase from the situation a few years ago, although is down by 1 percentage point from last year. Although figures for the UK as a whole are

3 See Programme for Government, **www.pfgbudgetni.gov.uk**
4 The employment rate quoted here is that for people of working age, ie the percentage of working age people who are in employment. All NI labour market data in this section are taken from DETI (**www.detini.gov.uk**) and UK data from the Office for National Statistics (**www.statsitics.gov.uk/elmr**)
5 ILO Unemployment relates to the International Labour Organisation definition of unemployment and is derived from the Labour Force Survey (LFS). It is different from Claimant Unemployment which is derived from administrative systems of those claming Jobseeker's Allowance. Readers should also note that unemployment rates are traditionally expressed as a percentage of the economically active (ie those employed and unemployed), not as a percent of the working age population.
6 For a full discussion see LMB #18, Chapter 8
7 DETI Quarterly Economic Review, Summer 2008, p14. Available online at **www.detini.gov.uk** .
8 Source: Annual Survey of Hours and Earnings (ASHE), DETI **www.detini.gov.uk**

not directly comparable, it is evident that the public sector takes up a much larger share of employment than in the UK as a whole[9]. This is particularly germane as at a UK level we are about to enter a period of considerable downward pressures on public expenditure: NI, with its heavy dependency on the public sector for jobs, will be particularly susceptible to any changes.

- **Low skill base of working age population.** It is difficult to get a definitive handle on skills, as they are not readily amenable to measurement especially as part of a survey. And there are a number of arguments about what constitutes a good proxy for skills. One proxy is qualifications – or the lack of them. Data from Regional Trends show that in 2007 some 22% of the NI working age population were without a qualification: this was some 8 percentage points higher than the UK average and 5 percentage points higher than the next "worst" region (West Midlands)[10]. The position is improving though: ten years ago one in three working age adults didn't have a qualification; today the figure is nearer one in five.

- **Increased in-migration to NI.** The last five years has seen a marked shift in NI in terms of migration – we have seen substantial numbers of people coming here to work after decades (if not longer) of economic out-migration. There are indications that inflows are tailing off, but even if this occurs (and there is some flow back), there will remain a substantial migrant population in NI for the foreseeable future. The latest available data on migrants and migrant workers is dealt with in detail in Chapter 21 of the Bulletin, which also outlines work in hand to determine the economic and labour market impacts of migration in NI. There has been a considerable research effort on migrant workers over the past couple of years, and the results of two studies, one on the experiences of migrant workers and the other on public attitudes towards migrants are discussed in Chapters 22 and 23 of the Bulletin. However we must not forget that there is still substantial out-migration of people, particularly young people who move to GB for Higher Education purposes[11].

Strengths and Weaknesses of the NI Labour Market

Some key strengths and weaknesses of NI in relation to its labour market are given in **Figure 1**. Some of these are contextual – they depend on external factors over which the UK Government may have limited influence but which the NI government will have less (the performance of the UK economy, for example). Some of these factors will impact on NI labour market and be amenable to a greater or lesser degree to NI government action (eg political stability) but are beyond the scope of purely economic intervention. Other factors will be directly the concern of government economic policy – but on the demand side, and not directly the concern of policies and interventions aimed at the supply side. Finally, there will be those that are amenable to supply side actions, including policy and programme intervention and of building the evidence base through targeted research and evaluation. This latter group is the main focus of attention of articles in the Bulletin.

Labour Supply and Demand

NI has a fast growing labour supply – in part reflecting past high birth rates: these dropped in the 1980s and 1990s, but show some signs of recovering recently. For example in the past decade since 1997, the NI working age population has grown by around 100,000, and this growth is expected to continue over the medium term, although projections show that from 2011 onwards, numbers in the young adult labour-market entry age groups will begin to fall, and the working age population itself is due to grow only slightly from around 2026 onwards[12]. Also, as mentioned above, the situation has being affected by the in-migration of a large number of migrant workers: previous projections had showed that the most likely scenario was

9 Source for NI figures – DETI Monthly Labour Market Report **www.detini.gov.uk**. NI figure relates to employees in employment, December 2008. The equivalent UK figure (20%) is taken from Economic and Labour Market Review (**www.statistics.gov.uk/elmr**) but is calculated on different basis ie all those in employment, and will therefore include the self employed.
10 Source: Regional Trends 40 (2008) **www.statistics.gov.uk**
11 See Labour Market Bulletin #19 Chapter 15 for more information **www.delni.gov.uk/labour-market-bulletin-19.pdf**
12 See NI Abstract of Statistics Online, NISRA (**www.nisra.gov.uk**)

Skills and the Northern Ireland Labour Market – an Overview

Dave Rogers, Analytical Services, DEL

Figure 1: Selected Key Strengths and Weaknesses in relation to the NI Labour Market

	Strengths	Weaknesses
Economy	• Forecast suggest that NI economy will contract less during downturn than UK or RoI	• NI's output per head still considerably lower than UK and RoI average • Recent economic forecasts for NI suggest a contraction of around 3% in NI economy in 2009. This will reduce demand
Labour Supply	• Increase in labour supply – NI has expanding workforce and this means that it will not experience a demographic downturn in medium term • NI has a stream of relatively well educated young people entering the workforce with high participation in education and training • General rise in the proportion of working age people with Level 2 qualifications and above and fall in proportion with no qualifications (now down to 22%) • In past few years there have been high levels of net in-migration	• Increase in labour supply is also a potential weakness as demand and thus employment falls • Although NI young people do well there remains a group who have no or poor qualifications • Some evidence of poor skills levels in existing workforce • Net outmigration of young people for Higher Education • Some evidence of skills shortages and recruitment difficulties in some occupational/sectoral areas • Low levels of training in NI workplaces relative to UK as a whole • Relative lack of childcare restricting access to labour market
Labour Demand	• Strongly rising employment - until recently • Relatively low labour costs – making people easier to employ • Median private sector wages rising faster than UK average over most recent years until 2007 (albeit from low base) • Increasing productivity	• Falling labour demand throughout most of the economy • Low pay – can depress the attractiveness of jobs to potential employees and exacerbate "benefit trap" • Median private sector pay hardly rose in 2007 and by less than UK average in 2008 • High dependence on public sector (around 31% of NI jobs cf 20% in GB) • NI productivity still lags behind UK average
Non-employment	• Despite recent rises in unemployment, rates still well below levels of early 1990s and low by UK/EU standards • Many of people coming onto the register are from high skill occupations and should be able to return to labour market quickly when economy picks up	• Rising unemployment – JSA levels nearly doubled between late 2007 and early 2009 and indications are figures will continue to rise • Pockets of high unemployment and non-employment especially in certain areas • Persistently high levels of economic inactivity: around 28% - highest in UK and hardly fallen over last 25 years • Some groups (eg disabled people, older workers) disproportionately excluded from the labour market
Wider factors	• Local political structures appear stable • Low interest rates • Low inflation outlook	• High dependence on funding from UK Government with indications of tight public sector settlements over next few years • Potential for deflation • Volatile commodity prices (eg oil)

for a slight decline in the working age population from around 2025 onwards, the most recent figures are now suggesting this will not happen probably due to in-migration, higher birth rates, or a combination of the two. David Marshall, Gillian McCrory, and Tony Dignan discuss NI demographic projections in more detail in Chapter 20.

Skills

As we move into recession, it is likely that skills will become even more important in the labour market, especially as any recovery will be much more strongly underpinned if it is led by export growth in manufacturing and tradable services – and this can only happen if the skill base is improved. The importance of skills is reflected in a number of articles in this issue of the Bulletin. Chapter 5, by Graeme Harrison, Neil Gibson, Karen Barklie and Katrina Houghton from Oxford Economics, provides an analysis of NI's future skills needs which will be used in informing the review of the Skills Strategy which is currently under way. This will also be informed by the results from the 2008 NI Skills Monitoring Survey, the preliminary results from which are summarised by Jan Shury and Ban Davies from IFF Research. The fieldwork of the survey took place in Autumn 2008, and thus caught the start of the recession: as such it will, to a certain extent, weave the labour market new paradigm into its findings. Chapter 7, also by Oxford Economics in collaboration with FGS Consulting, reports on the findings of a North-South study on the demand for skills which DEL commissioned in conjunction with Forfás, FÁS, and the Department for Enterprise, Trade and Employment from the RoI. Finally on skills, one of the key elements of the Skills Strategy was to ensure that labour market information flows appropriately to aid informed decision-making (the Labour Market Bulletin itself is a manifestation of this principle) – and much effort has been made in DEL to foster this proves over recent years, especially at a local level. Progress on this is reported on by Victor Dukelow in Chapter 25.

Essential Skills

A central plank of DEL's interventions over recent years has been in recognition that for many people, a lack of essential skills such as literacy and numeracy (and, more recently, information and communication technology skills) hinders progress in the labour market (and of course also has potentially profound social consequences); this has led to DEL's Essential Skills for Living strategy[13]. In Chapter 8, Patricia Wyers from the Department of Education outlines the key results from the PISA study of the proficiency of 15-year-olds in English, Mathematics, and Science – these are the people about to come onto the labour market. It can be seen from her article that, although there is much to be encouraged about in the performance of our young people, there remains room for improvement. And there are still too many entering the working age population (ie, the potential workforce) lacking those essential skills that are so well named. In Chapter 9, Stephen McGonagle gives an update on DEL's Essential Skills strategy and outlines development in research in this area.

Labour Market Entrants

Young people represent the key group in relation to new entrants to the labour market, and obviously their characteristics and skills are important for employers and the labour market in general. And their intentions are also important: these are discussed by Wendy Lecky in Chapter 10 where she summarises research commissioned by the Department and carried out by Professor Bob Osborne from the University of Ulster. Of course, the intentions of young people are not enough: they also have to be enabled. This is particularly important for those from a poor or deprived backgrounds. The issue of widening access is discussed by Thomas Coyle, David Patton, Allan Nesbitt and Stephen McGonagle in Chapter 11.

Many NI students go on to higher education and this area remains important area for public expenditure in NI. It is therefore important to know what happens

13 See LMB #18, Chapter 13

to students at and after their time at university. In Chapter 12, Kate Purcell from the London School of Economics details key results from the Futuretrack Survey of NI students, which gives some information about their experiences whilst at university: and in Chapter 13, Peter Martin gives results from the survey of leavers from higher education – for the first time, this follows up students more than three years since they finished their courses, and hence begins to give glimpses of medium, if not longer-term outcomes. The most visible role of universities is to offer people – mostly, but not exclusively young people – an education and to lay a solid skills base for their future careers. However it is not the only aspect: universities also have a role in linking with local businesses and the community as a whole. In Chapter 14 of the Bulletin, John Kerr reports on the findings from the Higher Education Business and Community Interaction Survey.

Non-Employment

As has been noted above, unemployment levels have been falling in NI for many years until very recently. Lower unemployment has been linked to the good performance of the NI economy, but has also been affected at a UK and NI level by government interventions such as the introduction of New Deal starting in 1998: previous Bulletins have carried the results of many New Deal evaluations and research that have been carried out. But time moves on, and New Deal is not so new as it once was. Changes have been wrought for a number of reasons: first, a recognition that the issue of economic inactivity had to be addressed if there is to be any lifting of the employment rate; and also, in no small part due to the research and evaluation effort, an appreciation that interventions needed to be modified. Hence late 2008 saw the replacement of New Deal by a new programme, Steps to Work. “Steps”, which offers assistance to some inactive people claiming benefit as well as to JSA claimants, has been piloted as part of a new approach to delivering services, and an interim evaluation of this approach, including Steps to Work, is reported on by Colin Mounstephen from Deloitte in Chapter 17. Pathways to Work, developed to help those on Incapacity Benefit (now the Employment and Support Allowance) has also been evaluated and Eric Hanvey from PEER Consulting reports on this in Chapter 16. In Chapter 18, Williamson Consulting report on the findings of the review of Ulster Supported Employment Limited (USEL); and in Chapter 19, KPMG give details of their evaluation of special projects. Finally – research in this area has shown time and time again that frontline staff are crucial to delivering a high quality and successful service to clients – in Chapter 29 Ian Shuttleworth from QUB and others report on their work detailing the perspectives of Pathways Personal Advisers on the challenges faced by and opportunities available to their clients in receipt of Incapacity Benefit.

Conclusion

The Labour Market Bulletin sets out a considerable body of research and information about the state and performance of the NI labour market to underpin debate both with government and wider afield. The DEL Research Agenda has also fostered a considerable body of additional research: but on the principle of “quis custodiet ipsos custodies?” (“who guards the guards?”), the Research Agenda itself was subject to evaluation and Alan Ramsey reports on the outcomes of this in Chapter 27. The lessons from this evaluation will be incorporated into the next Research Agenda which is due to be rolled out shortly. Hopefully this will further strengthen the evidence base – and provoke more debate.

The Labour Force Survey (LFS) is a quarterly sample survey whereby some 4,000 individuals aged 16 and over are asked about their personal circumstances and work. It is the largest regular household survey in Northern Ireland (NI) and provides a rich source of information about the labour force using internationally agreed concepts and definitions. Similar surveys are conducted throughout the European Union (EU) allowing cross-country comparisons to be made.

Results obtained from the sample are 'grossed-up' to provide an estimate of the levels within the population as a whole. Each individual participating in the survey is given a weight or 'grossing factor' which is related to that person's age and sex. In this way the final grossed results reflect the distribution by age and sex of the population.

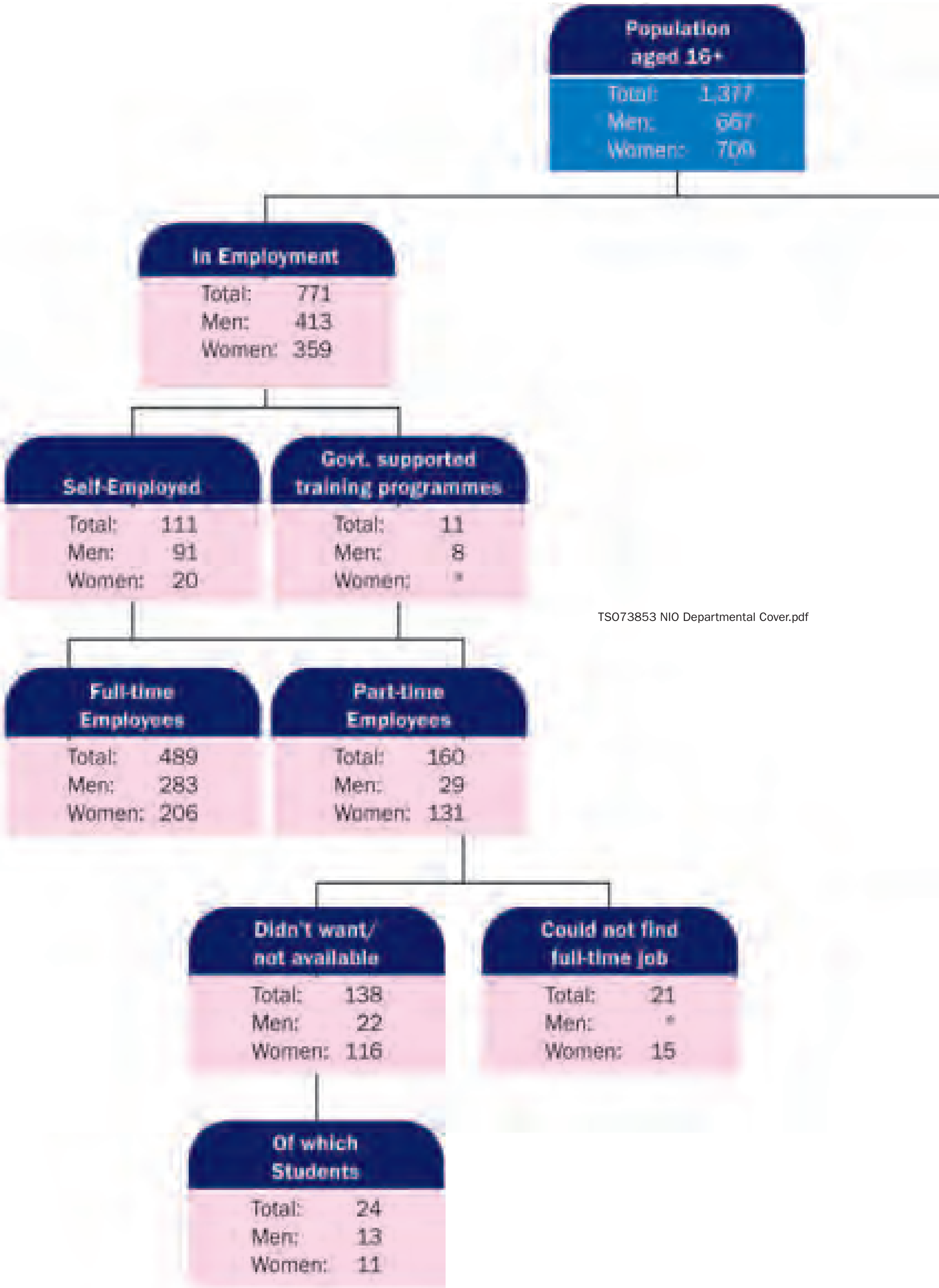
Individuals are classified into one of the following categories: in employment, unemployed or economically inactive.

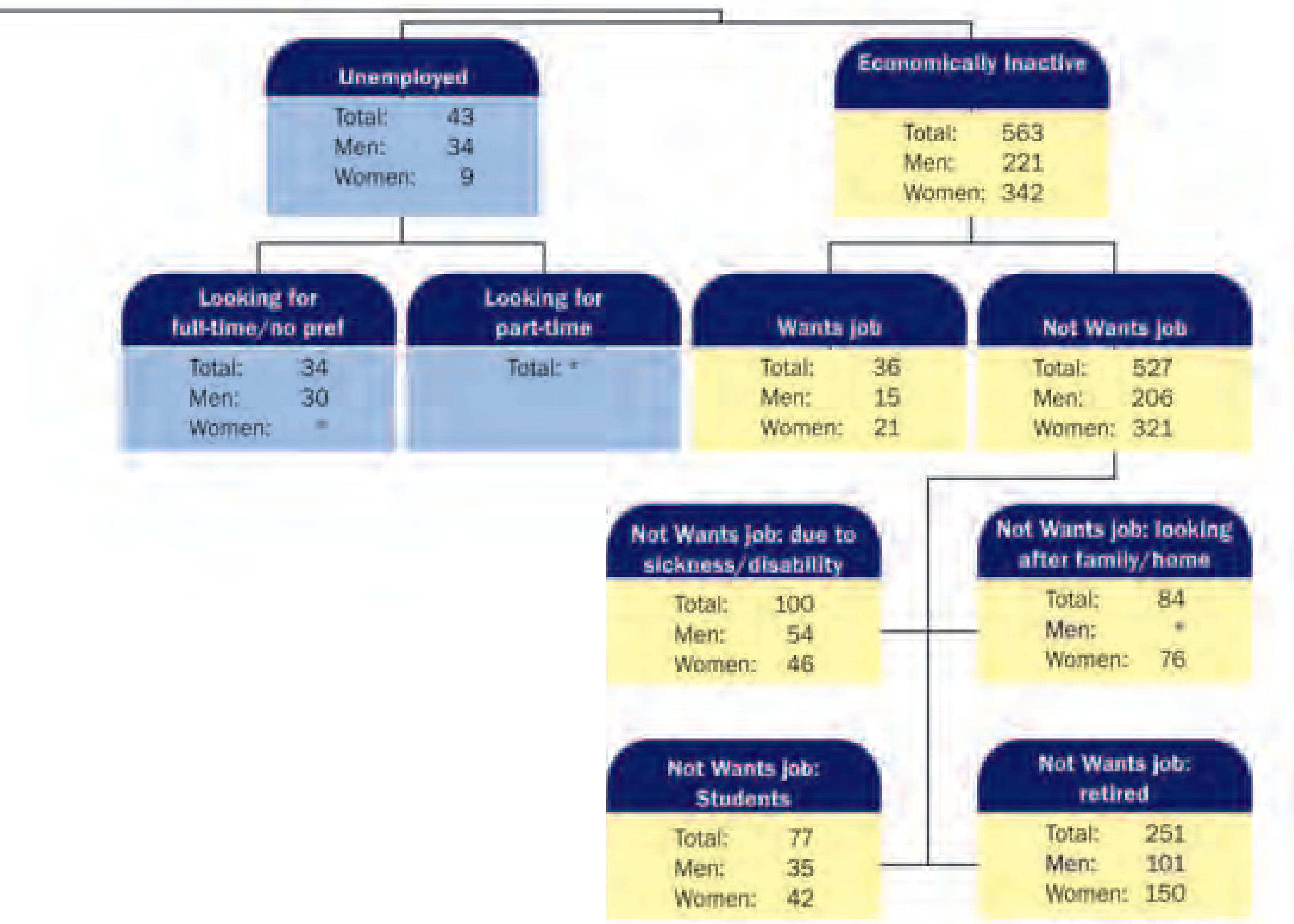
The charts show how each of these three major categories may be further sub-divided to produce LFS estimates for an entire spectrum of non-overlapping labour market groups ranging from full-time employee to economically inactive people who do not want a job. The results are for Quarter 4 (October – December) 2008.

Figure 1 shows the position for all adults and **Figure 2** for the working age population.

2

Figure 1: Overall Labour Market Structure (16+ Population), Quarter 4 2008.



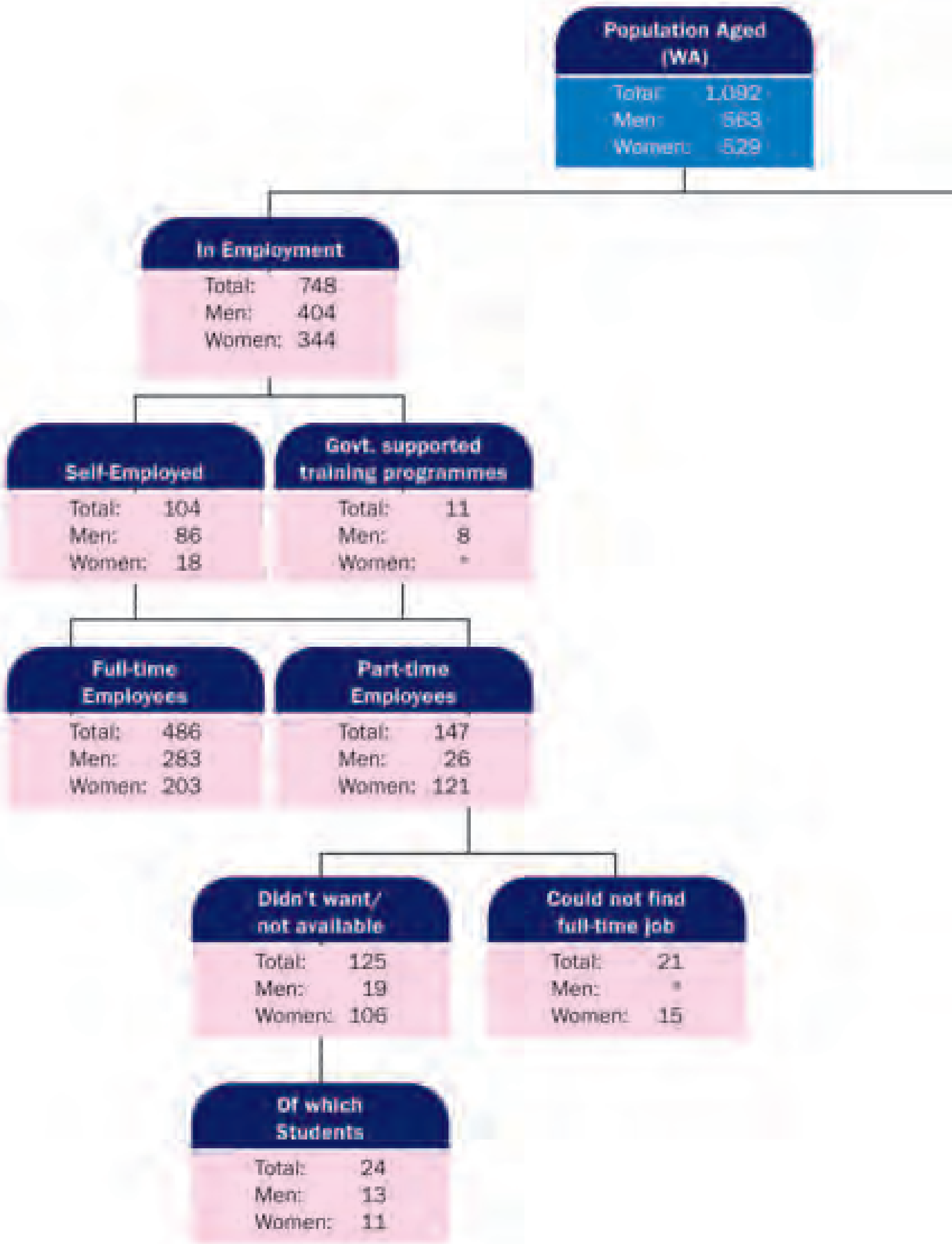


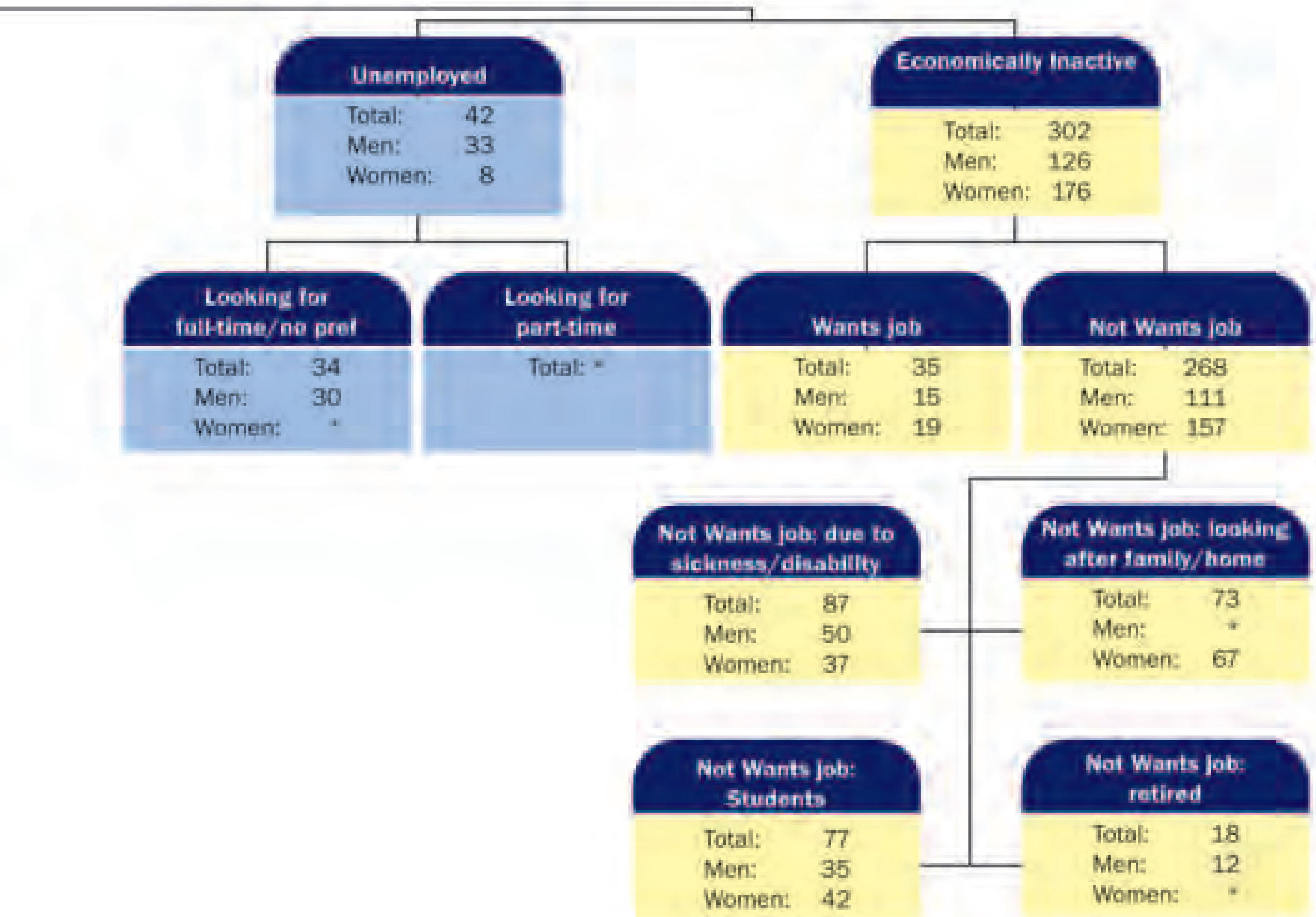
Notes:

This chart illustrates the structure of the private household population in relation to the key ILO defined categories of in employment, unemployed and economically inactive (see Technical Notes for definitions).

* Too small for a reliable estimate (this explains why a gender split for some categories is omitted)

Figure 2: Overall Labour Market Structure (Working-Age Population), Quarter 4 2008.





Notes:

This chart illustrates the structure of the private household population of working age in relation to the key ILO defined categories of in employment, unemployed and economically inactive (see Technical Notes for definitions).

* Too small for a reliable estimate (this explains why a gender split for some categories is omitted)

Working-Age = Ages 16 to 59 for females and ages 16 to 64 for males.

FURTHER INFORMATION

More detailed labour market analysis are published in the monthly report "Labour Market Report". This can be obtained (free of charge) by;

Writing to	Statistics Research Branch, Room 110, Netherleigh, Massey Avenue, BELFAST BT4 2JP
Telephoning	Belfast (028) 9052 9475 [Fax (028) 9052 9459]
Textphone	Belfast (028) 9052 9304
Visiting the web site	www.statistics.detini.gov.uk

Labour Market Statistics: 2008 Update

Statistics Research Branch, Department of Enterprise, Trade and Investment

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This article outlines current trends in the NI labour market using data from the Labour Force Survey (LFS), Quarterly Employment Survey (QES) and Claimant Count. A major strength of the LFS is that it is a self-contained integrated source of information on employment, unemployment, economic activity and many other labour market topics. It is the largest regular household survey carried out in NI and it uses concepts and definitions which are consistent with International Labour Organisation (ILO) guidelines. This article is based on data from the latest LFS available at the time of writing - Quarter 4 2008 (i.e. the 3 month period October to December 2008).

Table 1 provides a seasonally adjusted summary of the NI labour market position at October-December 2008 and an indication of change over the previous year. The figures show that there has been an annual decrease of 9,000 in the seasonally adjusted employment estimate and a rise in seasonally adjusted unemployment of 8,000, leading to a fall of 1,000 in the number of economically active persons.

Unadjusted Employment

The total number of persons in employment at October-December 2008 was 771,000. Of these 489,000 (63%) were full-time employees, 160,000 (21%) were part-time employees, 111,000 (14%) were self-employed and 12,000 (2%) were on government employment and training programmes or were unpaid family workers.

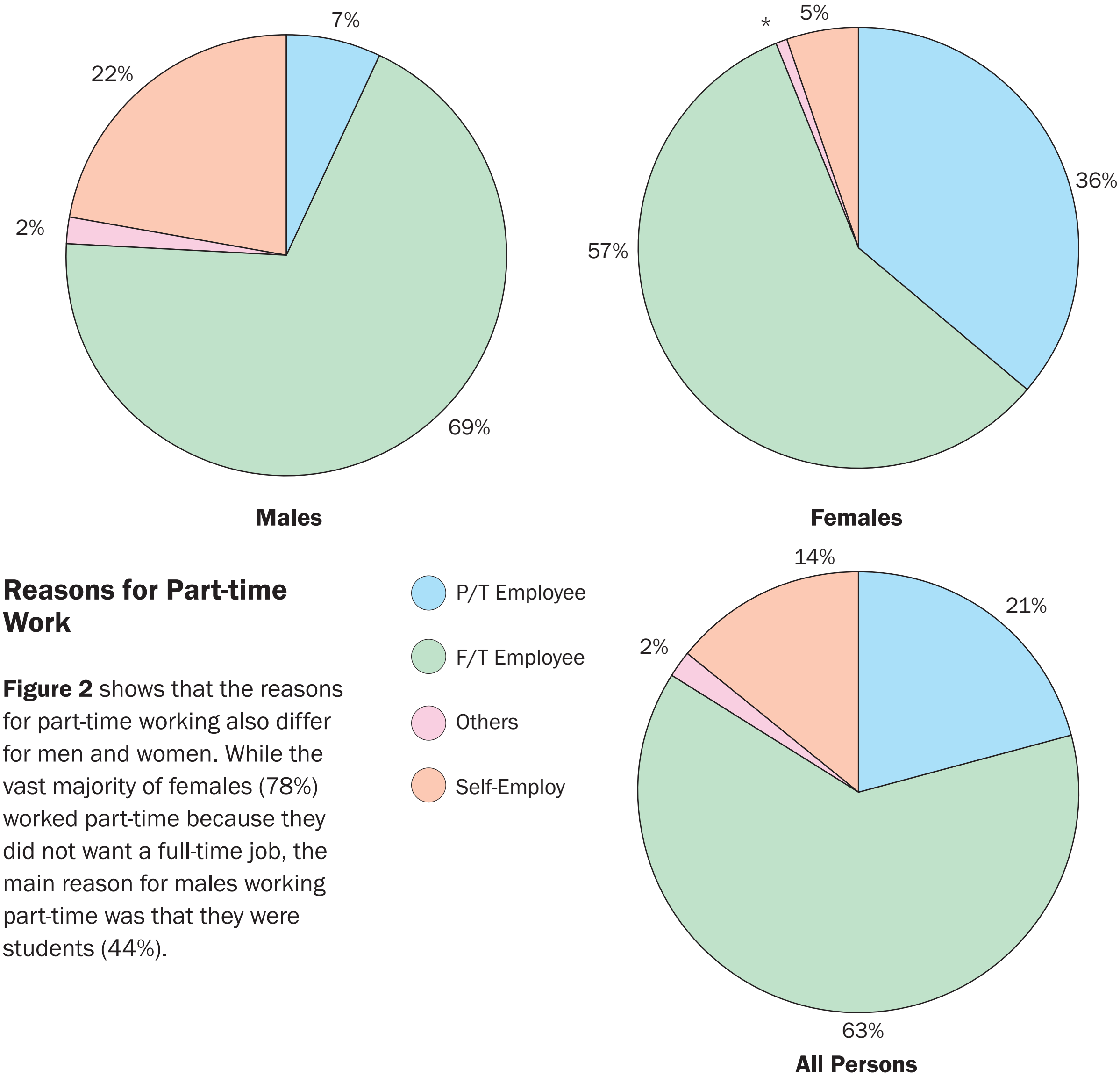
Figure 1 shows how the relative size of these categories differs for men and women. While self-employment accounts for 22% of the total number of male jobs, it makes up just 5% of female employment. Another feature of the NI labour market is the significant contribution which part-time work makes to female employment. 36% of all females in employment are part-time employees compared with just 7% of males.

Table 1: Summary of Labour Market Statistics October - December 2008 (seasonally adjusted)

	Level	Sampling Variability of level +/- #	Change over Year	Sampling Variability of change +/- #
ILO* employment	774	+/- 21	-9	+/- 27
ILO* unemployment	42	+/- 9	8	+/-11
Economically active	816	+/- 19	-1	+/- 25
Economically inactive	559	+/- 19	15	+/- 25
ILO*unemployment rate	5.1%	+/- 1.1pps	1.0pp[1]	+/- 1.4pps
Economic activity rate (16+)	72.6%	+/- 1.7pps	-0.4pp[1]	+/-2.1pps

*Definition agreed by the International Labour Organisation (ILO) - taken from the Labour Force Survey (LFS)
#95% confidence interval
[1]pp percentage points

Figure 1: Categories of Employment

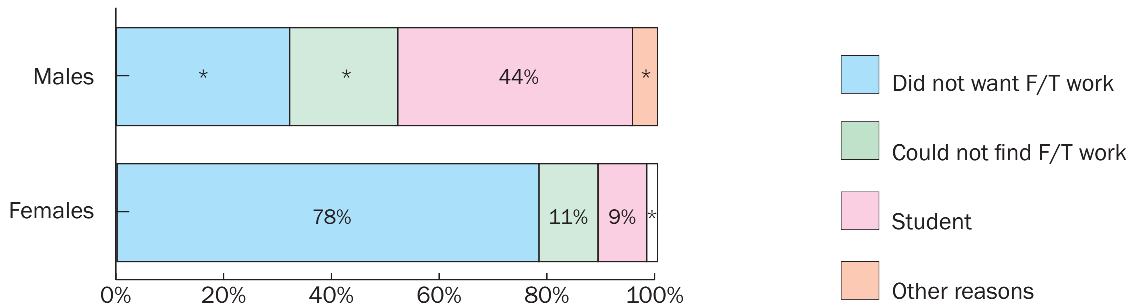


"Others" comprise those on government training and employment schemes and unpaid family workers.
* Too small for a reliable estimate.

Reasons for Part-time Work

Figure 2 shows that the reasons for part-time working also differ for men and women. While the vast majority of females (78%) worked part-time because they did not want a full-time job, the main reason for males working part-time was that they were students (44%).

Figure 2: Reasons for Employees Working Part-time



Other reasons comprise being ill or disabled.
* Too small for a reliable estimate.

Table 2: Employee Jobs, Full-time/Part-time split, September 2008

	Male		Female		Total	% change in total	
	Full Time	Part Time	Full Time	Part Time		since last quarter	since last year
Manufacturing	66,070	2,010	15,850	3,500	87,420	-1.2%	-1.2%
Construction	35,550	1,460	2,950	1,560	41,520	-3.9%	-7.3%
Services	175,880	51,890	167,580	173,280	568,630	-1.2%	-0.1%
Other[1]	7,230	7,600	1,130	1,140	17,100	0.0%	1.1%
Total	**284,720**	**62,960**	**187,500**	**179,490**	**714,680**	**-1.4%**	**-0.6%**

[1] Covers Industry Sections A, B, C and E

Employee Jobs

The other major source of employment information is the Quarterly Employment Survey (QES) which measures the number of employee jobs in NI. **Table 2** shows the breakdown of NI employee jobs at September 2008. Substantially more male employees are working full-time (284,720) compared to part-time (62,960), whereas the female split in employee jobs is more evenly spread (187,500 working full-time compared to 179,490 working part-time). In September 2008 the total number of female employee jobs accounted for just over half (51.4%) of the NI total.

Figure 3 shows the annual and quarterly changes in employee jobs. Between June 2008 and September 2008 the number of employee jobs in NI decreased by 9,810. This consisted of decreases in the Service Sector (-7,080), in Construction (-1,690) and in Manufacturing (-1,040). Employee jobs in Other Industries remained static.

Figure 3: Annual and Quarterly Changes in Employee Jobs

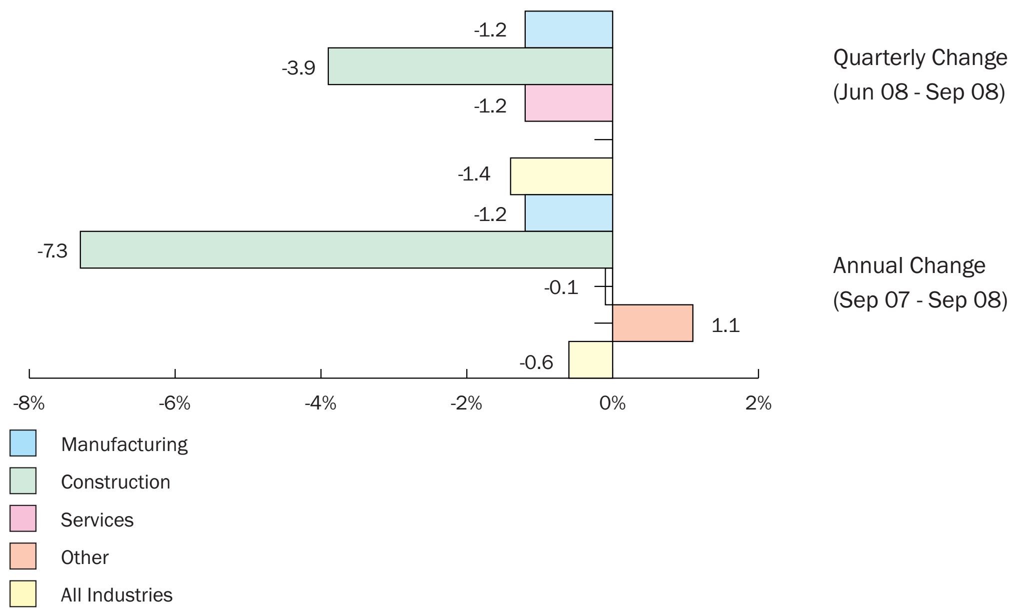
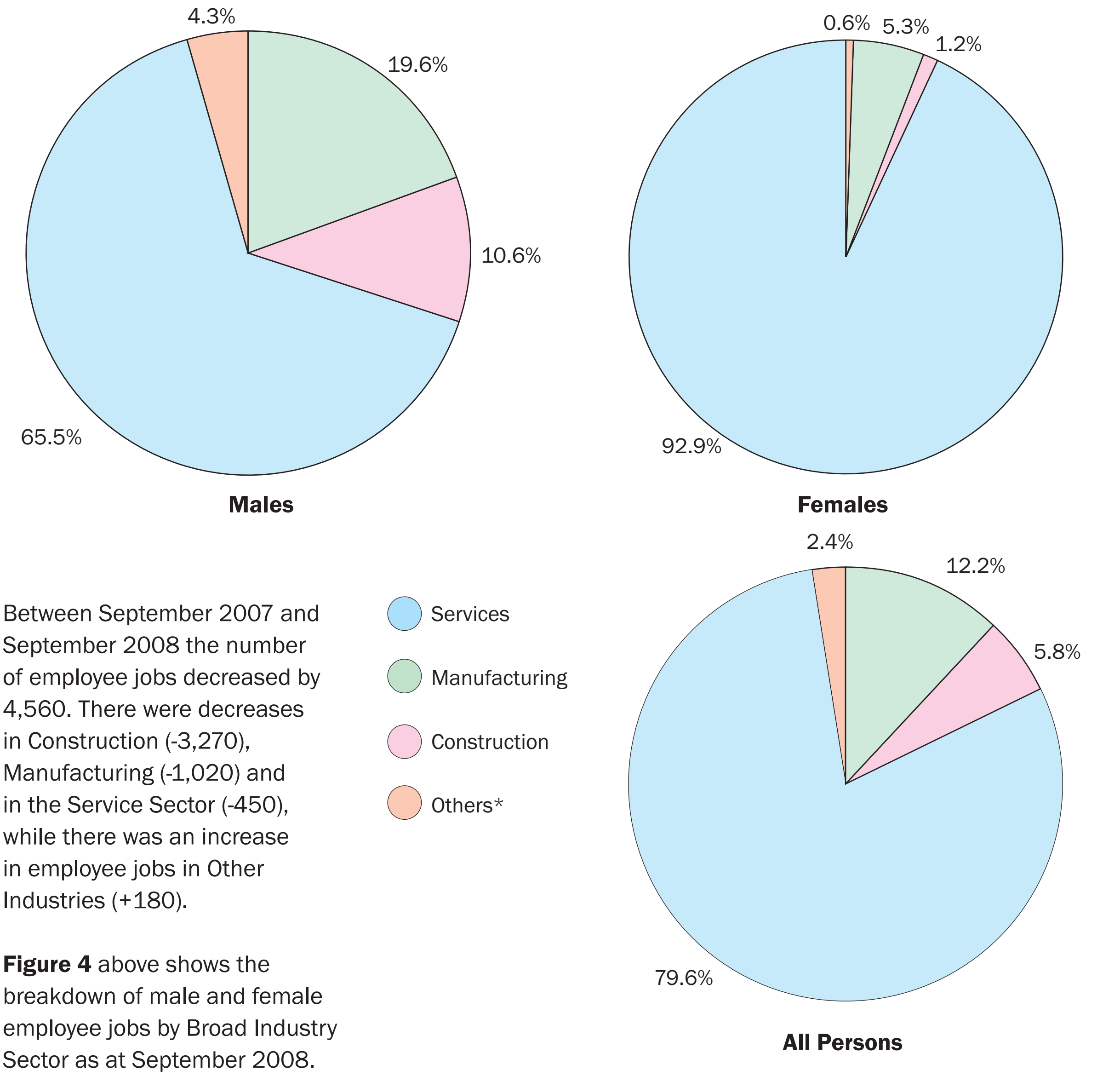


Figure 4: NI Employee Jobs by Broad Industry Sector



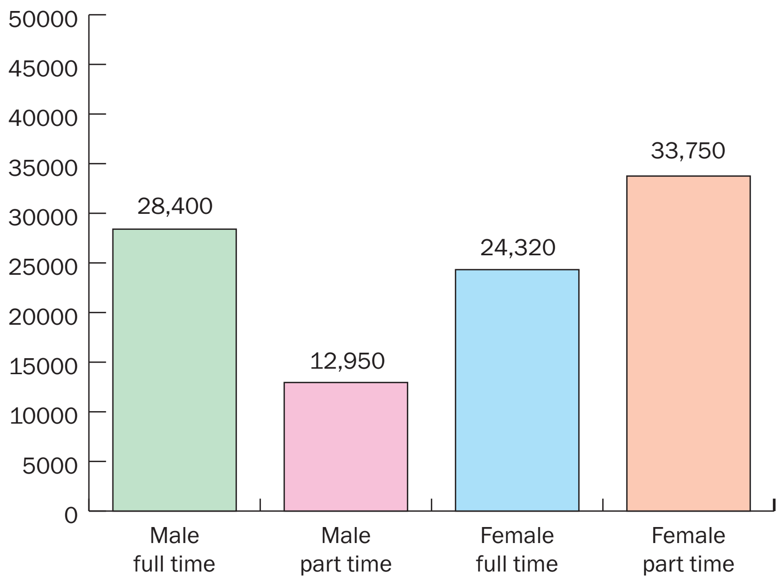
* Other industries includes Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply.

Between September 2007 and September 2008 the number of employee jobs decreased by 4,560. There were decreases in Construction (-3,270), Manufacturing (-1,020) and in the Service Sector (-450), while there was an increase in employee jobs in Other Industries (+180).

Figure 4 above shows the breakdown of male and female employee jobs by Broad Industry Sector as at September 2008. There are notable differences in the distribution of male and female employees across the broad sectors. Whilst some 65.5% of male employee jobs are in the service sector, males are still well represented in Manufacturing (19.6%) and Construction (10.6%). Female employee jobs however are more concentrated in the Service sector (92.9%), with only 5.3% involved in Manufacturing and 1.2% in Construction.

Figure 5 shows the rise in employee jobs between September 1998 and September 2008 for male and female, full-time and part-time jobs. The largest increase occurred in female part-time jobs, with an increase of 33,750. The second largest rise occurred in male full-time jobs (28,400).

Figure 5: Change in NI Employee Jobs, September 1998 – September 2008



Unemployment

The unemployed, as defined by the International Labour Organisation (ILO), are those who are without a job, available to start work within the next fortnight and have actively looked for work at some time in the previous four weeks. In the period October-December 2008 seasonally adjusted figures estimate that there were 42,000 persons unemployed in NI, which equates to an unemployment rate of 5.1%. **Figure 6** shows that unemployment rates in NI had been on a downward trend for a number of years, falling from 10.1% in October-December 1995 to 3.8% in mid 2007. However, since then the unemployment rate has increased marginally with the October-December 2008 rate now estimated at 5.1%. It is noticeable that the latest unemployment rate for males (7.3%) is considerably higher than the equivalent rate for females (2.5%).

Duration of Unemployment

Unadjusted data show that in the period October-December 2008, 14,000 (34%) of the unemployed had been out of work and seeking employment for one year or more. The proportion of unemployed males that had been unemployed for one year

Figure 6: Seasonally Adjusted Unemployment Rates

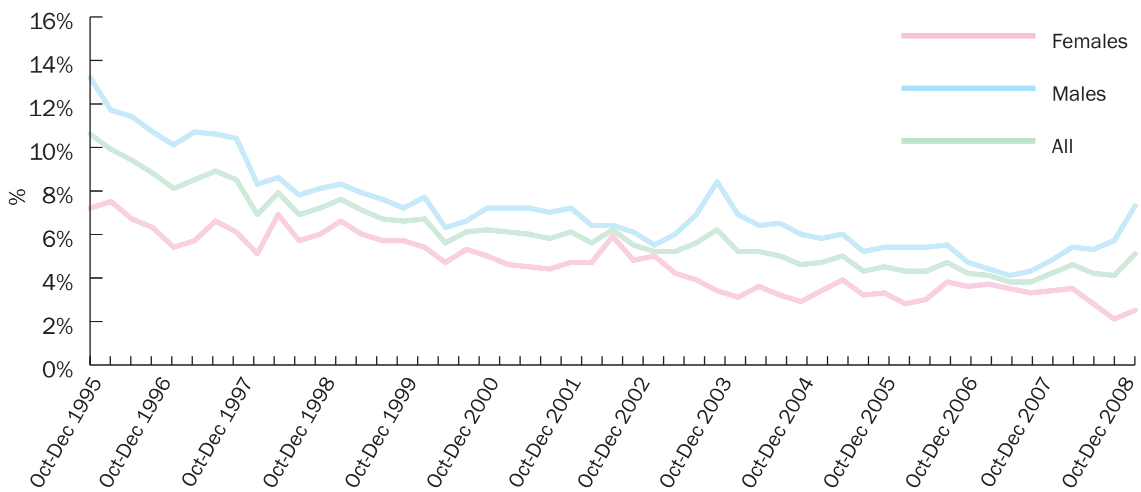
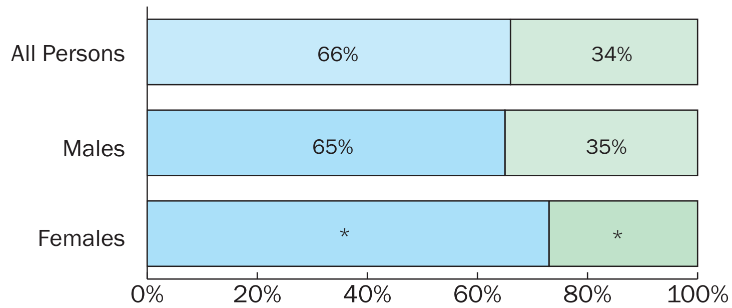


Figure 7: Duration of Unemployment



* Too small for a reliable estimate.
Excludes those who did not state the length of time they had been unemployed.

or more was marginally higher at 35%. In contrast, the data for females was too small to provide a reliable estimate.

Claimant Count Unemployment

The seasonally adjusted claimant count rate as a percentage of the workforce for NI in December 2008 (4.2%), has increased by 1.5 percentage points since December 2007. This rate compares with a low of 2.7% first reached in July 2007. The claimant count rate for NI has been consistently higher than the UK rate throughout the past ten years while maintaining a similar pattern. However the gap between the UK rate and the NI rate has narrowed considerably in the last ten years and is currently 0.6 percentage points (December 2008). The greatest differential between NI and the UK in this period was seen in December 1998 and January 1999, and again in April 1999 when the difference was 2.7 percentage points. The smallest differential occurred in November 2006 and during 2007 when the difference was 0.1 percentage points in the first ten months of that year. (**Figure 8**)

Subregional analysis

An analysis at Travel-To-Work-Area (TTWA) level shows that claimant count rates as a percentage of working age population were generally highest in the north west of the region. The highest rates were 5.7% in Strabane and 5.2% in Londonderry while the lowest rate was in Ballymena 2.6%. Belfast TTWA comprises just under one half of the working age population in NI. The rate for NI as a whole was 3.3% (**Figure 9**)

Figure 8: Seasonally adjusted claimant count rates for NI and the UK, December 1998 to December 2008.

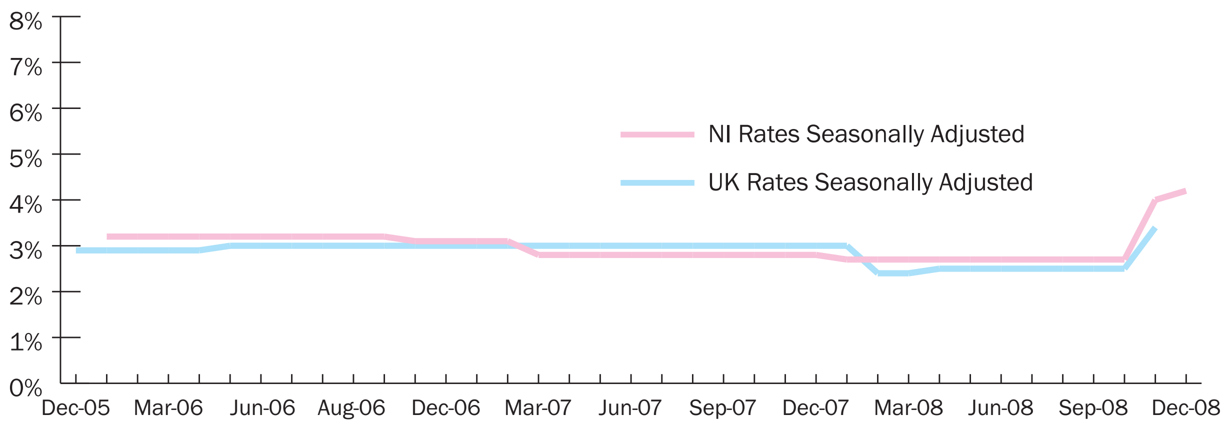
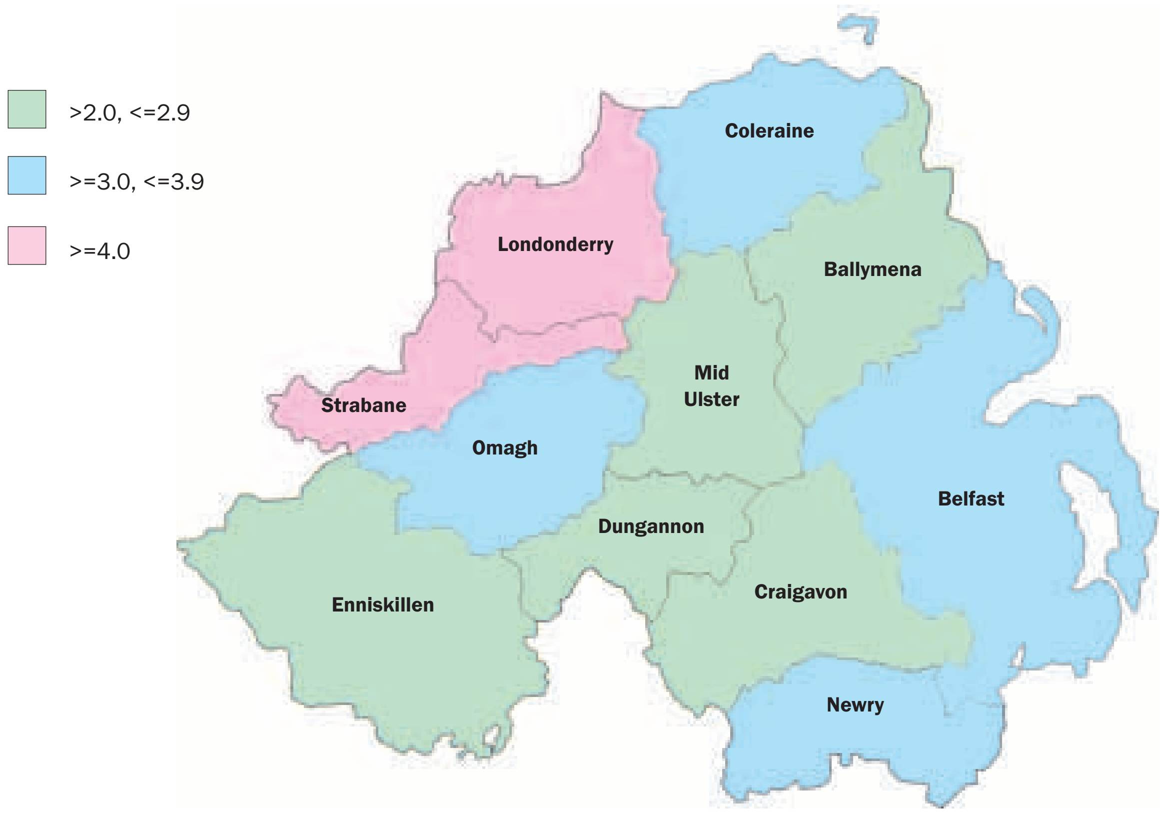


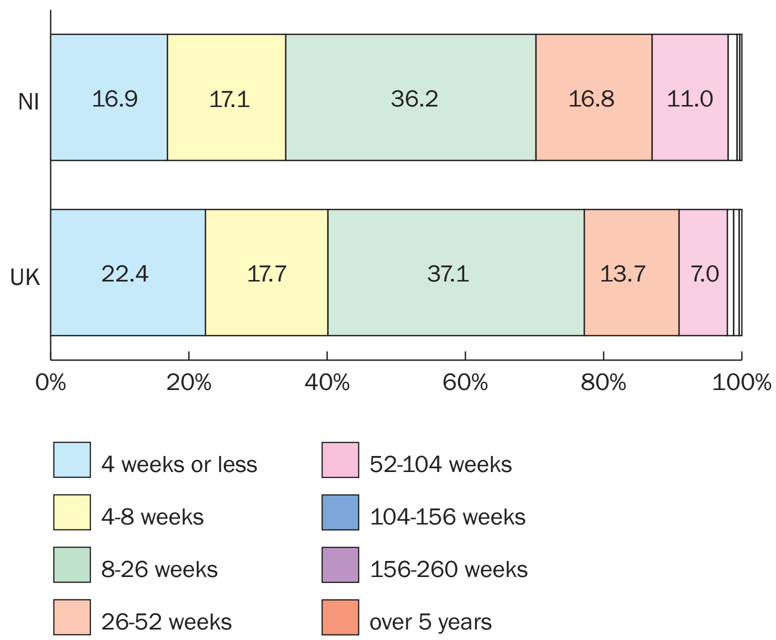
Figure 9: NI claimant count Travel-To-Work area rates - December 2008.



Analysis by duration

In December 2008, the structure of long-term claimants in NI was slightly different from that of the UK. Although the proportion of claimants who were short-term unemployed (claiming unemployment-related benefits for less than one year) were similar (87.0% in NI compared to 90.9% in the UK), NI had a smaller proportion of new claimants of duration 4 weeks or less than the UK (16.9% compared with 22.4% respectively). NI had a lower proportion of claimants who had been claiming between three and five years than the UK, 0.4% and 0.8% respectively (**Figure 10**).

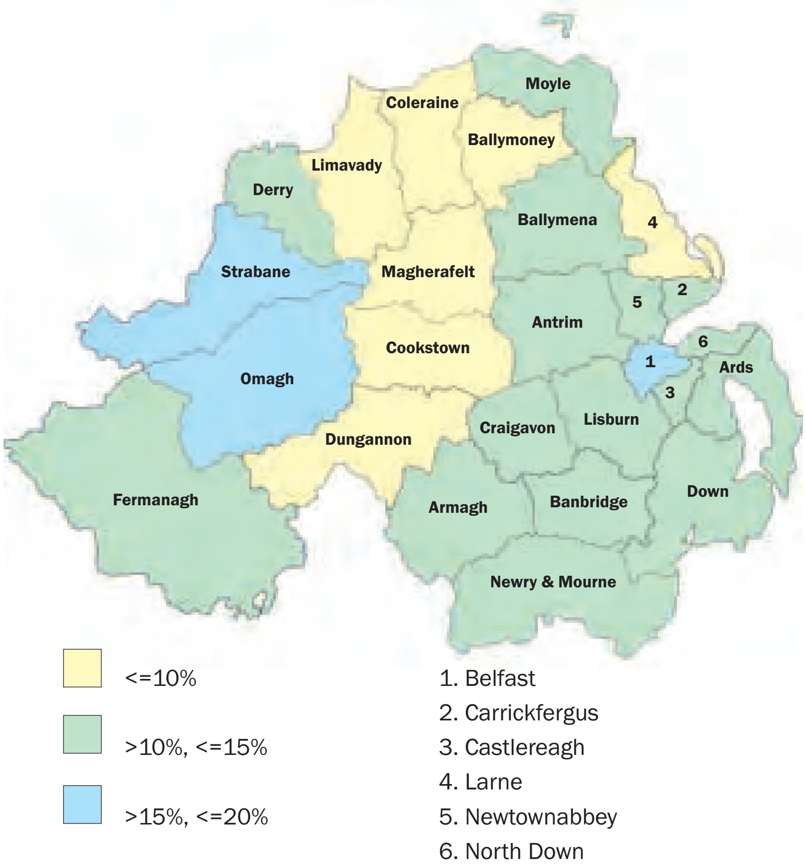
Figure 10: Proportion of claimants by duration; December 2008



13.0% of all claimants in NI were long term claimants (those individuals who have been claiming unemployment related benefits for over a year).

The two District Council areas with the highest concentration of long term claimants occurred in the eastern and western parts of NI, namely 18.3% of claimants in Belfast were long-term claimants at December 2008 followed by Strabane with 18.0% of claimants and Omagh with 16.6% of claimants. Larne, Magherafelt and Ballymoney had the lowest incidence of long term unemployment with 4.4%, 6.2% and 7.2% respectively claiming for one year or more. All of the 26 district councils had less than 20% long term unemployed, compared to 20 one year previously in December 2007 (**Figure 11**).

Figure 11: Concentration of long-term claimants by District Council Area; December 2008



Developments in claimant count statistics

1. Jobs Density Indicator
A UK-wide review of Labour Market Statistics was conducted during 2002 with recommendations published on 5 November 2002. One recommendation was to introduce a measure of jobs density: defined as the total jobs in an area divided by the resident working age population. It is an indicator of labour demand and augments the residence-based claimant count proportion, which was introduced in January 2003 as a more appropriate indicator for local areas than the workplace-based claimant count rate.

Estimates of job density were published for the first time in July 2003 for District Council Areas (DCAs) and in September 2003 for Parliamentary Constituency Areas (PCAs) and Travel-To-Work Areas (TTWAs). Estimates are published annually at DCA level and PCA level (the latest being for 2006). The latest year figures were published at TTWA level was 2004, although employee data is available for these areas, data for the other components (see overleaf) are not readily available. ONS have however published new TTWA's based on Census 2001 commuting patterns.

The numbers of jobs are compiled from a number of official sources (see **Box 1**) for employee jobs, agricultural employees, self-employed jobs, government-supported trainees and HM Forces.

Key Points

In 2006 job density estimates show there are 0.79 jobs per person of working age in NI, compared to a figure of 0.88 for GB.

Of the 12 UK regions, NI (0.79) has the second lowest Jobs Density, only higher than the North East (0.78).

Box 1

Employee jobs (excluding Agricultural employees)
By far the largest component, employee jobs accounts for 82% of the total number of jobs at a NI level. Estimates were obtained from the Quarterly Employment Survey, at December each year.

Agricultural employees
Estimates are obtained separately from the Agricultural Census, which is carried out by the Department of Agriculture and Rural Development. Data are for June of each year. Agricultural employees account for 1% of the total number of jobs.

Self-employed jobs (including Agriculture)
The second largest component accounting for 14% of the NI total is self-employment data from the annual local area Labour Force Survey (LFS).

Government-supported trainees
The Department of Employment and Learning provides this data, at June of each year. Government-supported trainees account for 2% of the total number of jobs.

HM Forces
Estimates of armed forces personnel are produced by the Defence Analytical Services Agency as at 1 July of each year. Adjustments are made for military personnel serving overseas or whose location is unknown. They account for 1% of the NI total.

Population estimates
Latest official mid-year population estimates, for persons of working age, produced by the NI Statistics & Research Agency are used as the denominator. 2006 Job density indicators are based on 2006 mid-year population estimates.

Table 3: Jobs Density Indicator (JDI) by Government Office Region 2001-2006

Government Office Region	2001	2002	2003	2004	2005	2006
North East	0.69	0.71	0.71	0.71	0.75	0.78
North West	0.79	0.80	0.80	0.81	0.80	0.85
Yorkshire and The Humber	0.79	0.80	0.81	0.82	0.81	0.86
East Midlands	0.78	0.78	0.78	0.78	0.80	0.81
West Midlands	0.81	0.81	0.81	0.82	0.82	0.87
Eastern	0.81	0.81	0.82	0.80	0.82	0.84
London	0.95	0.92	0.93	0.94	0.94	1.02
South East	0.87	0.88	0.87	0.86	0.88	0.89
South West	0.86	0.87	0.87	0.87	0.86	0.90
England	0.83	0.84	0.84	0.84	0.85	0.88
Wales	0.73	0.73	0.74	0.76	0.78	0.86
Scotland	0.82	0.82	0.82	0.83	0.84	0.91
GB	0.83	0.83	0.83	0.83	0.84	0.88
NI	0.75	0.76	0.77	0.78	0.79	0.79
UK	0.83	0.83	0.83	0.83	0.84	0.88

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Table 4: Jobs Density Indicator by District Council Area 2001 – 2006

District Count Area (DCA)	2001	2002	2003	2004	2005	2006
Antrim	0.84	0.86	0.89	0.90	0.91	0.98
Ards	0.45	0.45	0.45	0.46	0.46	0.45
Armagh	0.66	0.66	0.67	0.70	0.70	0.69
Ballymena	0.91	0.96	0.96	0.98	1.02	1.01
Ballymoney	0.54	0.53	0.54	0.55	0.54	0.53
Banbridge	0.47	0.46	0.48	0.49	0.51	0.50
Belfast	1.26	1.29	1.33	1.37	1.36	1.37
Carrickfergus	0.41	0.42	0.39	0.39	0.39	0.39
Castlereagh	0.74	0.76	0.74	0.76	0.76	0.76
Coleraine	0.73	0.75	0.79	0.82	0.82	0.83
Cookstown	0.60	0.59	0.63	0.64	0.66	0.63
Craigavon	0.82	0.82	0.82	0.82	0.84	0.82
Derry	0.71	0.72	0.72	0.73	0.72	0.72
Down	0.56	0.56	0.54	0.54	0.53	0.55
Dungannon	0.77	0.77	0.79	0.80	0.80	0.77
Fermanagh	0.72	0.72	0.72	0.73	0.74	0.73
Larne	0.53	0.53	0.51	0.52	0.54	0.53
Limavady	0.52	0.52	0.53	0.53	0.54	0.58
Lisburn	0.63	0.64	0.64	0.65	0.68	0.70
Magherafelt	0.65	0.65	0.65	0.66	0.69	0.67
Moyle	0.46	0.46	0.45	0.46	0.48	0.49
Newry & Mourne	0.66	0.66	0.67	0.67	0.70	0.69
Newtownabbey	0.72	0.74	0.69	0.71	0.74	0.73
North Down	0.48	0.49	0.51	0.51	0.53	0.56
Omagh	0.71	0.70	0.73	0.73	0.73	0.75
Strabane	0.54	0.54	0.52	0.53	0.51	0.49
NI	0.75	0.76	0.77	0.78	0.79	0.79

Two District Council Areas (DCAs) in NI had a JDI greater than 1.00 in 2006, Belfast DCA (1.37), and Ballymena DCA (1.01). This indicates that a considerable amount of the workforce commutes in from other DCAs.

Carrickfergus DCA had the lowest JDI (0.39) in 2006 suggesting that residents in Carrickfergus travel out of the DCA to work.

Two DCAs (Carrickfergus, 0.39 and Ards, 0.45) with a JDI of less than 0.50 are within commuting distance of the Belfast DCA.

While JDI has generally increased for NI from 2001 to 2006, in four DCA's JDI has decreased from 2001 to 2006, namely Ballymoney, Carrickfergus, Down and Strabane.

The increase in JDI in Antrim from 2005 to 2006 is mainly due to availability of armed forces data at District Council level in 2006 rather than for NI as a whole in previous years figures.

Figure 12: Jobs Density Indicator by District Council Area 2001 – 2006

>0.9

>=0.7, <0.9

>=0.5, <0.7

<0.5

1. Belfast
2. Carrickfergus
3. Castlereagh
4. Larne
5. Newtownabbey
6. North Down

Table 5: Jobs Density Indicator by Parliamentary Constituency Area 2003 - 2006

Parliamentary Constituency Area (PCA)	2003	2004	2005	2006
Belfast East	1.02	1.04	1.04	1.02
Belfast North	1.09	1.12	1.09	1.08
Belfast South	1.73	1.80	1.83	1.85
Belfast West	0.78	0.79	0.79	0.82
East Antrim	0.47	0.48	0.48	0.48
East Londonderry	0.69	0.71	0.71	0.73
Fermanagh & South Tyrone	0.79	0.80	0.80	0.78
Foyle	0.72	0.73	0.72	0.72
Lagan Valley	0.69	0.70	0.73	0.74
Mid-Ulster	0.62	0.63	0.65	0.63
Newry & Armagh	0.76	0.78	0.80	0.79
North Antrim	0.77	0.78	0.81	0.80
North Down	0.49	0.50	0.50	0.53
South Antrim	0.75	0.77	0.80	0.82
South Down	0.50	0.50	0.51	0.51
Strangford	0.55	0.56	0.55	0.55
Upper Bann	0.76	0.76	0.78	0.77
West Tyrone	0.64	0.65	0.64	0.64
NI	0.77	0.78	0.79	0.79

Figures for 2001 and 2002 are not included in the above table because ward basis is not directly comparable with those for later years. JDI ranged from about 0.5 to about 1.8 across the parliamentary constituency areas, with East Antrim (0.48) and South Down (0.51) having the lowest JDI and Belfast South (1.85) the highest. Belfast North (1.08) and Belfast East (1.02) were the only other PCAs with JDIs greater than 1 indicating that a considerable amount of the workforce commutes in from other parliamentary constituencies to work in these three Belfast PCA's. In contrast Belfast West had a JDI of 0.82 indicating that the residents travel out of this PCA to work.

In two of the PCA's, the JDI decreased between 2003 and 2006 – in Belfast North from 1.09 to 1.08 and in Fermanagh & South Tyrone from 0.79 to 0.78. The largest percentage increases occured in South Antrim (9.3% from 0.75 to 0.82) and in North Down (8.2% from 0.49 to 0.53).

TTWA areas were designed to represent self contained local labour markets; the current boundaries were published in 1998 based on travel-to-work-information from the 1991 Census of Population. TTWAs were defined as self containment of at least 75% (i.e. the number of people who both live and work in the area should be at least 75% of both the total number of people who work in the area and the total number of workers who live in the area). Latest results available are for 2004.

Belfast TTWA had the highest JDI in 2004 (0.87) and Strabane TTWA the lowest (0.59). There has been little change in the values of the JDI between 2001 and 2004.

Figure 13: Jobs Density Indicator by Parliamentary Constituency Area 2006

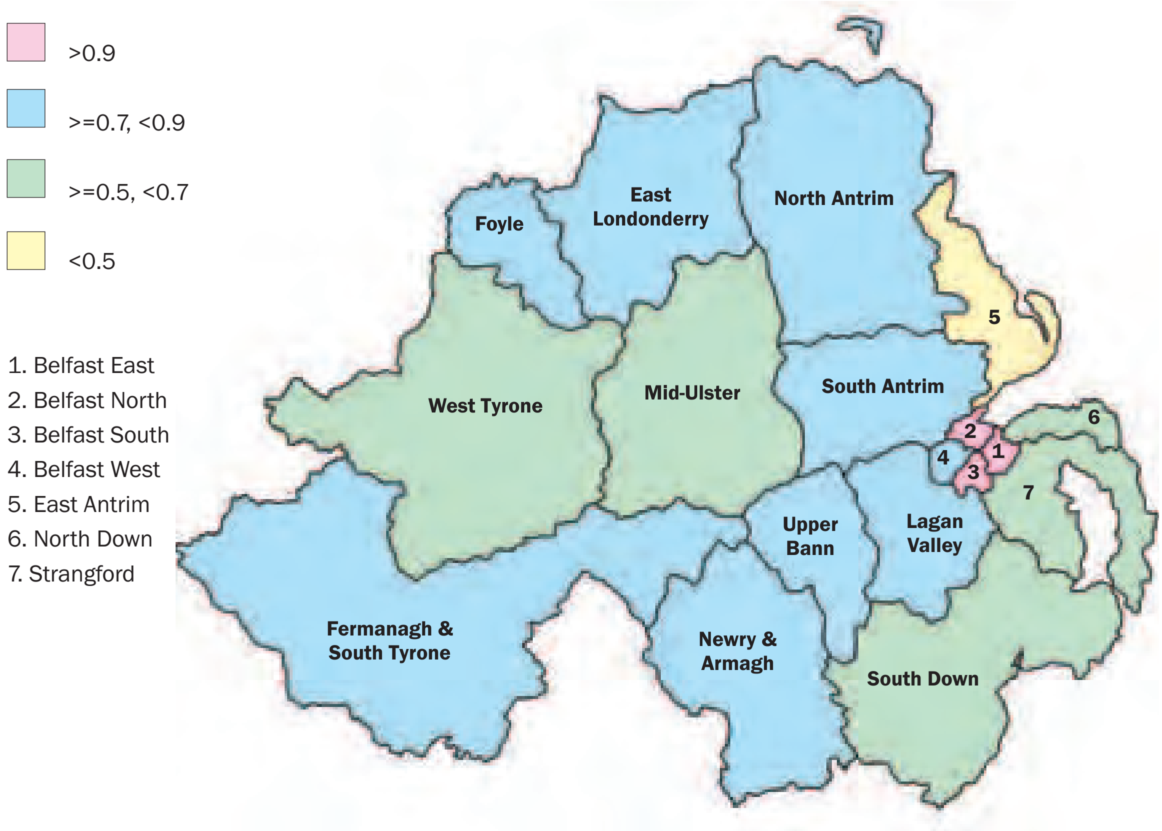

Table 6: Jobs Density Indicator by Travel-to-Work Area 2001 – 2004

Travel-to-Work Area (TTWA)	2001	2002	2003	2004
Belfast	0.83	0.84	0.85	0.87
Coleraine	0.67	0.67	0.68	0.70
Craigavon	0.71	0.72	0.71	0.72
Enniskillen	0.72	0.71	0.71	0.71
Londonderry	0.67	0.67	0.67	0.68
Mid-Ulster	0.66	0.66	0.65	0.65
Newry	0.67	0.67	0.67	0.67
Ballymena	0.76	0.79	0.79	0.80
Omagh	0.73	0.71	0.71	0.72
Strabane	0.58	0.58	0.58	0.59
Dungannon	0.78	0.77	0.77	0.78
NI	0.75	0.76	0.77	0.78

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The range of JDI across the TTWA's (0.28) was much smaller than for DCA's and PCA's.

Geography	Low	High	Range
District Council Area (2006)	0.39	1.37	0.98
Parliamentary Constituency (2006)	0.48	1.85	1.37
Travel-to-Work-Area (2004)	0.59	0.87	0.28

Figure 14: Jobs Density Indicator Travel-to-Work Area 2004

2. Ward Claimant Count Rates

In March 2004, data for the new Census Area Statistics (CAS) wards were made available for all current Jobseekers' Allowance claimant datasets. CAS wards are geographically compatible with the 2001 Census of Population; however users of the 2003 ward data should note that official totals, e.g. for District Council Areas (DCAs), continue to be based on the 1984 wards and may therefore disagree with figures built up from the 2003 wards. No back series is available for the 2003 wards.

In June 2004, the new claimant count proportions for 2003 CAS wards were first published. These figures express the claimant count as a proportion of the mid-2001 resident working-age (females 16-59, males 16-64) population in the ward. Figures are available from February 2004 onwards.

Updated mid-year population estimates are not available for CAS Wards. Estimates of the working-age population were produced based on 2001 Census data at CAS ward level, which were adjusted to 2001 official mid-year population estimates at District Council

Table 7: The Ten Wards in NI with the Highest Proportion of Claimants in December 2008

Ward	District Council Area (DCA)	Number of Claimants			% Of Working Age		
		Male	Female	Total	Male	Female	Total
The Diamond	Derry	154	33	187	19.5	4.6	12.4
East	Strabane	108	27	135	16.8	4.7	11.1
Strand	Derry	235	40	275	17.8	3.2	10.7
Rosemount	Derry	139	36	175	15.9	4.2	10.2
Clonard	Belfast	218	33	251	17.6	2.5	9.8
Whiterock	Belfast	239	50	289	16.4	3.1	9.5
Falls	Belfast	216	45	261	16.6	3.0	9.4
Greystone	Limavady	76	20	96	14.7	3.9	9.3
Bushmills	Moyle	29	12	41	13.1	5.5	9.3
Upper Springfield	Belfast	248	52	300	15.8	2.9	9.0

Area. The following ward level data therefore uses the mid-2001 resident working age population.

Claimant Count data at ward level is available via the Department of Enterprise, Trade and Investment's website **www.statistics.detini.gov.uk** and the NOMIS website **www.nomisweb.co.uk.**

All the 10 highest CAS ward claimant count rates occurred in Derry, Strabane, Belfast, Limavady and Moyle DCA's. This is not surprising, as these five DCAs had the five highest DCA claimant count rates in December 2008. In these wards the claimant count rates for males were much higher than the rates for females. In the Diamond ward around 1 in 5 males of working age were claimants compared with 1 in 20 males in NI as a whole.

The lowest CAS ward claimant count rates occurred in the Lisburn, Castlereagh and North Down DCAs. Four occurred in Castlereagh DCA, which had the lowest rate of all DCAs. Even in the five wards with the highest rates (0.7%) of these ten wards, only 1 in 143 persons of working age were claiming. In all ten wards male and female claimant rates were closer than in the previous wards with the highest overall rates.

Table 8: The Ten Wards in NI with the Lowest Proportion of Claimants in December 2008

Ward	District Council Area (DCA)	Number of Claimants			% Of Working Age		
		Male	Female	Total	Male	Female	Total
Wallace Park	Lisburn	7	5	12	0.4	0.4	0.4
Gilnahirk	Castlereagh	#	#	6	#	#	0.5
Hillfoot	Castlereagh	#	#	7	#	#	0.5
Craigavad	North Down	5	3	8	0.6	0.4	0.5
Ballymacbrennen	Lisburn	#	#	12	#	#	0.6
Stormont	Belfast	19	4	23	1.2	0.3	0.7
Knockbracken	Castlereagh	10	4	14	1.0	0.4	0.7
Moneyreagh	Castlereagh	11	5	16	0.9	0.4	0.7
Ballymacash	Lisburn	15	4	19	1.1	0.3	0.7
Cultra	North Down	7	4	11	0.9	0.6	0.7

Figures are suppressed for confidentiality reasons.

Rural – Urban Comparisons

For this report, rural areas were defined as all parts of NI excluding (i) the Belfast Metropolitan Area, (ii) the city of Derry/Londonderry and (iii) towns with populations of more than 5,000 people.

Of the 582 CAS wards in NI, 266 are defined as rural and the remaining 316 are defined as urban. At December 2008, the rural CAS wards had an average claimant count rate of 3.1%[1], while the 316 urban CAS wards had a claimant count rate of 3.7%. This would compare with an overall claimant count rate of 3.5% for NI using the mid-2001 resident working age population as well. All ten wards listed earlier with the highest proportion of claimants are classified as urban wards.

The differential of 0.6 percentage points between urban and rural wards was slightly less than recent years:
- December 2007 (0.8pps), December 2006 (1.0pps) and December 2005 (0.9pps). (The actual claimant count rate for NI was 3.3% using the appropriate mid-2007 resident working age population.)

Economic Activity

The economically active (ILO employed + unemployed) are those participating in the labour market either by working or looking for work. Economic activity rates express the number economically active as a percentage of the population aged 16 and over. In the period October-December 2008, there were 814,000 economically active people in NI – equating to an overall activity rate of 59.1%.

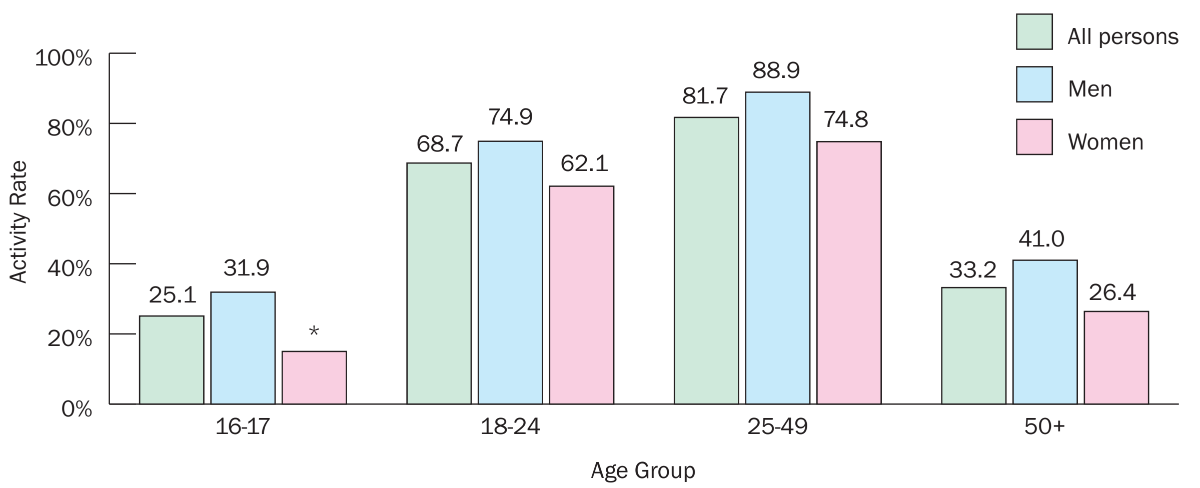
Activity rates

Figure 15 shows how economic activity rates are relatively low during the ages associated with full-time education, rise during the 'prime' working years (18-49 years of age) and begin to drop again near retirement age. For women this trend is slightly more mute, largely because many females of working age have family commitments which make it difficult for them to actively participate in the labour market.

Qualification Levels

Figure 16 shows the qualification levels of the working age population at October-December 2008, with separate estimates for the economically active and inactive populations. Overall 18% of the working age population were qualified to at least 'degree' level, while 22%

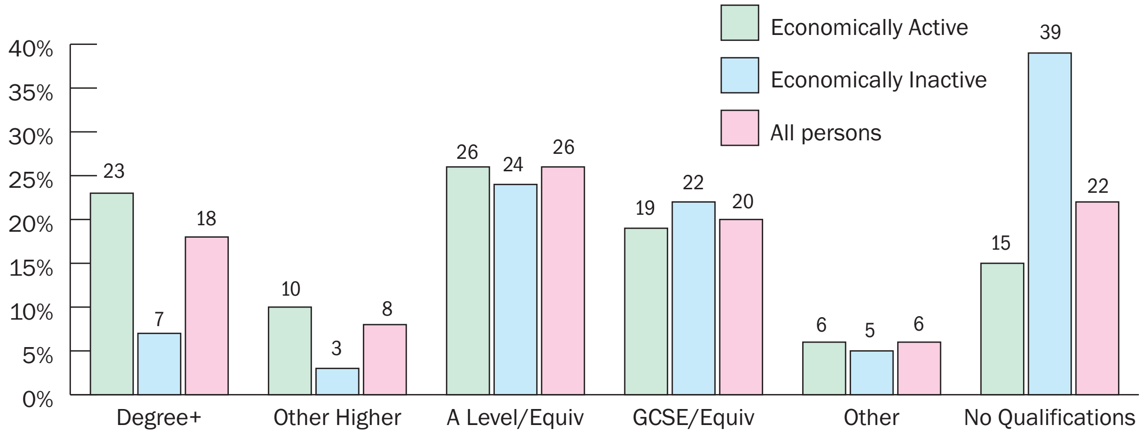
Figure 15: Economic Activity Rates by Age



* Too small to provide a reliable estimate

1 The average claimant count rate for rural CAS wards was calculated by expressing the summation of all claimants in rural CAS wards as a percentage of the summation of the working age in all rural CAS wards. The same procedure was applied to calculate the urban CAS ward claimant count rate.

Figure 16: Qualification Levels of the Working Age population by Labour Market status



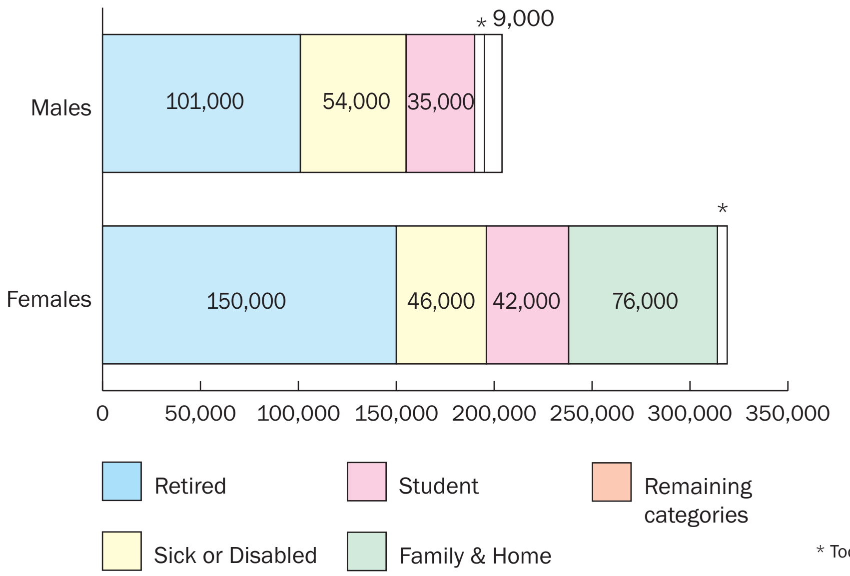
had no formal qualifications. However, there were stark differences in these figures for the economically active and inactive populations. While 23% of the economically active population held a degree or equivalent qualification, the figure for the inactive population was much lower at 7%. Likewise, while 15% of the economically active population had no formal qualifications, the equivalent figure for the inactive population was much higher at 39%.

Economic Inactivity

People aged 16 and over who are not in employment and are not unemployed according to the ILO definition are classified as economically inactive. In the period October-December 2008 there were 563,000 economically inactive persons in NI – an increase of 16,000 from one year earlier.

The economically inactive can be divided into two main groups; those who do not want a job (94%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (6%). A breakdown of the former category is shown at **Figure 17**.

Figure 17: Reason for not Wanting Work



* Too small to provide a reliable estimate.

Overall, the main reason for not wanting work was retirement; 49% of men and 47% of women who did not want a job were retired. The other reasons for not wanting work varied according to the gender of the respondent, with men more likely to cite sickness/disability (26%) as their reason and women family/home commitments. Indeed, 24% of women gave 'looking after family home' as their reason.

At October-December 2008 there were 36,000 economically inactive who did want a job, but for a variety of reasons were not actively seeking work. The main reason given by these people for not seeking or being available for work was sickness/disability (51%).

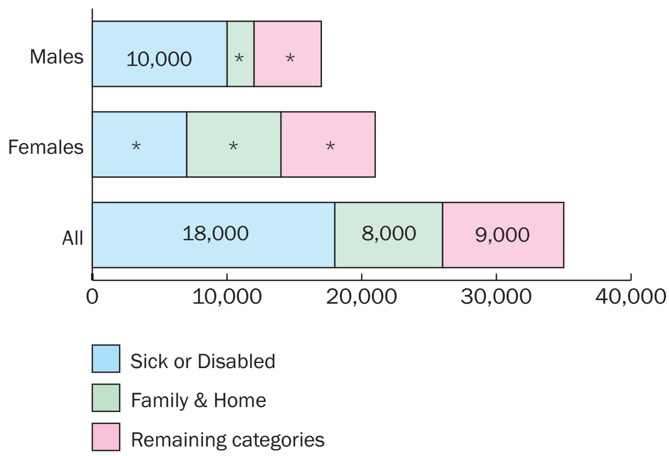
Households

Separate datasets specifically designed for analyses at the household level are also available from the Labour Force Survey (LFS). At October - December 2008 there were 686,000 private households in NI. There were 1,753,000 persons living in these households, giving an average of 2.56 persons per household. This compared with a UK average of 2.36 as a whole. Indeed, NI (2.56) had the highest number of persons per household of all the UK regions.

Figure 18 looks at household types according to the relationships between the persons living in them, for both NI and the UK. The most common type of household in NI consisted of a couple with children, which accounted for 33.7% of all households. The other two main household types were one person households and couples with no children (both accounting for 24.8%). Lone parents amounted to 13.0% (89,000) of all households. The main difference between the distribution of household types in NI and the UK is the higher proportion of households in NI composed of couples with children than in the UK (33.7% compared with 27.8%). This is balanced by a lower proportion of households composed of couples with no children in NI (24.8%), compared with 28.4% in the UK. There were proportionally more lone parent households in NI than in the UK (13.0% compared with 10.4%).

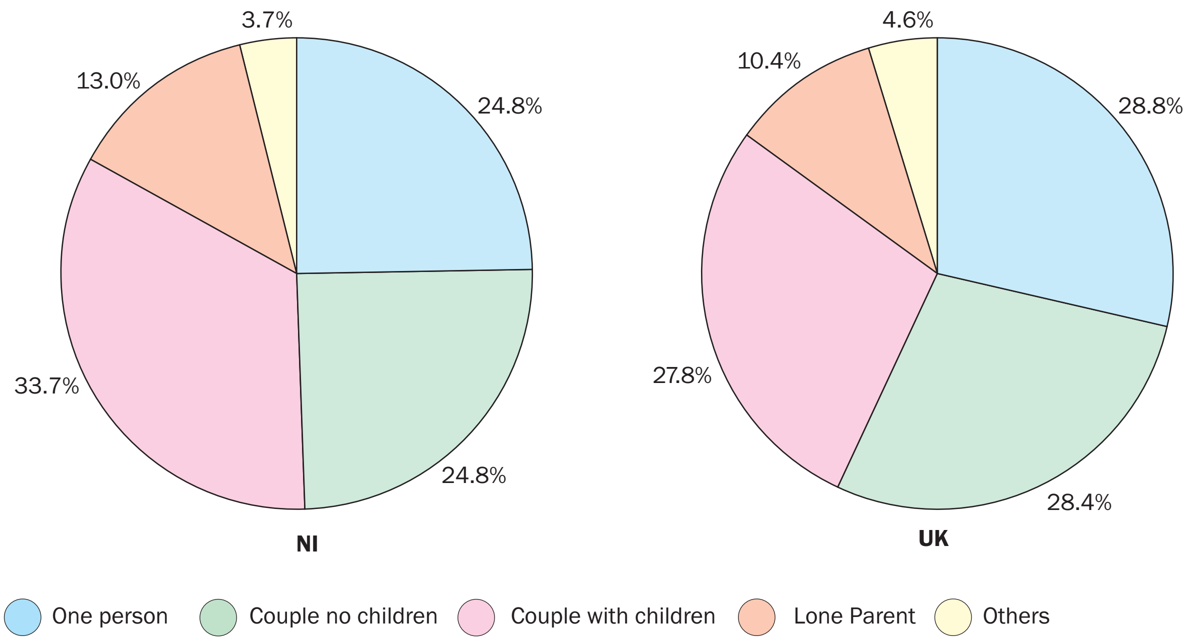
Table 9 shows the proportions of working age households according to the economic activity of their members. (A **working age household** is defined as a household with at least one person of working age in it.) The most common type of household in NI was one where all persons were employed (referred to as a **workrich household**), accounting for almost one half of all working age households. Note these households may contain only one person who is employed, or several persons, all of whom are employed. There is a 11 percentage point difference between the proportion of workrich working age households in NI (47%) and the UK (58%). In fact, NI has the lowest proportion of working age households of all UK regions in this category. The other two main categories of households were those containing employed and economically inactive persons (30%) and those where all persons were economically inactive (16%). Both of these proportions were higher than the equivalent figures for the UK as a whole (21% and 12% respectively).

Figure 18: Wanting a Job, reason for not looking for work



* Too small to provide a reliable estimate

Figure 19: Household Types, NI and UK, October - December 2008



"Others" comprise households with two or more people in all different family units, two or more family units and same sex couples.

Table 9: Working age Households by Combined Economic Activity, October - December 2008

Type of Economic Activity	NI	UK
1) All Employed	47%	58%
2) Employed and Economically Inactive	30%	21%
3) All Economically Inactive	16%	13%
4) Employed and Unemployed	2%	4%
5) All Unemployed	*	2%
6) Unemployed and Economically Inactive	2%	2%
7) Employed, Unemployed and Econ. Inactive	3%	1%
All households[1] (100%)	524,000	19,040,000

[1] Excludes cases where the combined household economic activity is not known. * Too small for a reliable estimate.

A **workless household** is defined as a household where no one is in employment and comprises types 3, 5 and 6 from **Table 9**. In October - December 2008, there were 102,000 workless working age households, or 19.5% of all working age households, in NI. This compared with 16.3% in the UK as a whole and was the second highest proportion among the UK regions, with only the North East (20.2%) having a higher proportion of households workless.

Note that the proportions in these household categories are affected by the number of persons in a household.

Consequently the fact that NI has a larger average number of persons per household and a smaller proportion of one person households than the UK, means that there is more likely to be a combination of economic activity states within households than all persons of one activity state.

3

Regional and International Comparisons

One of the strengths of the Labour Force Survey is the availability of comparable socio-economic data for other UK regions and European Union (EU) member states. **Table 10** provides a Labour market profile of each region of the UK at October-December 2008.

This shows that the Northern Ireland economic activity rate for those of working age (72.6%) is lower than any of the other UK regions. The unemployment rate in NI (5.1%) is joint third lowest among the UK regions, with the highest rate (8.4%) occurring in the North East.

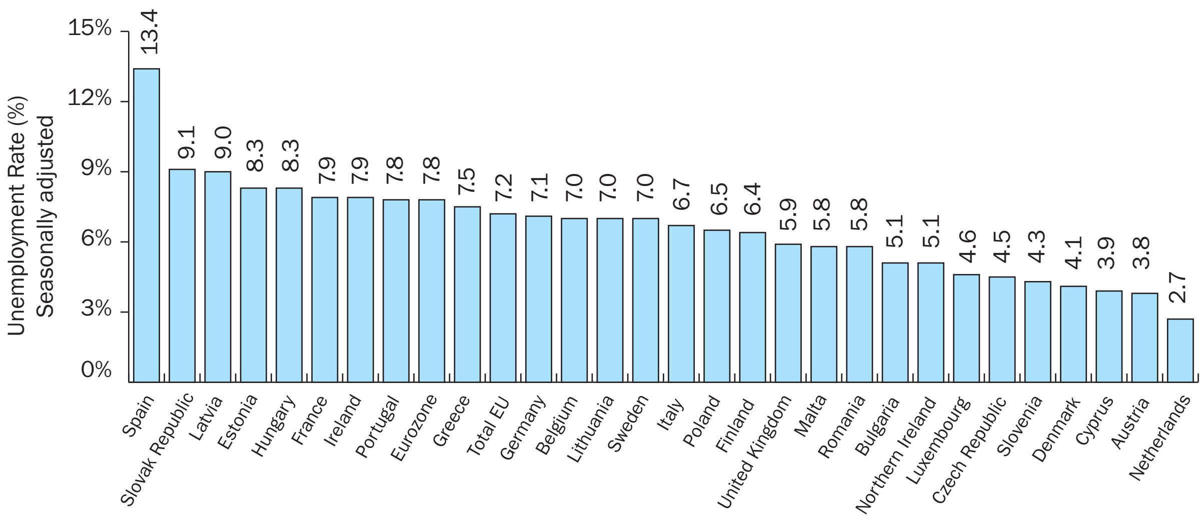
Figure 20 shows how the unemployment rate in NI compares to others in the European Union. The NI rate (5.1%) is 2.1 percentage points lower than the European Union average (7.2%). It is also 2.8 percentage points below the current rate in the RoI (7.9%).

Table 10: Regional Summary (seasonally adjusted) October-December 2008

	Total aged 16 and over (000's)	Activity rate (%) 16-59/64	Unemployed (000's)	Unemployment Rate (%)	LTU as % of total unemployed*	Employment rate (%) 16-59/64
North East	2,081	76.7%	105	8.4%	22.7%	70.1%
North West	5,500	77.2%	263	7.8%	30.7%	71.0%
Yorkshire & the Humber	4,188	77.5%	173	6.6%	24.1%	72.3%
East Midlands	3,576	81.3%	142	6.1%	23.1%	76.2%
West Midlands	4,301	77.9%	204	7.7%	22.3%	71.8%
East	4,571	82.2%	165	5.5%	20.5%	77.5%
London	6,108	77.3%	294	7.2%	26.8%	71.6%
South East	6,676	82.9%	218	4.9%	13.7%	78.7%
South West	4,231	82.1%	127	4.7%	17.2%	78.1%
Wales	2,408	76.2%	100	7.0%	16.8%	70.7%
Scotland	4,195	79.7%	137	5.1%	22.7%	75.4%
NI	1,374	72.6%	42	5.1%	33.6%	68.8%
UK	49,210	79.2%	1,971	6.3%	22.9%	74.1%

LTU = Long-term unemployed (1 year or more). * Not seasonally adjusted.

Figure 20: International Unemployment Rates (seasonally adjusted)



Source: Eurostat

FURTHER INFORMATION

More detailed labour market analysis are published in the monthly report “Labour Market Report”. This can be obtained (free of charge) by;

Writing to Statistics Research Branch, Room 110, Netherleigh, Massey Avenue, BELFAST BT4 2JP

Telephoning	Belfast (028) 9052 9475
	[Fax (028) 9052 9459]
Textphone	Belfast (028) 9052 9304
Visiting the web site	www.statistics.detini.gov.uk

Labour Market
Bulletin 22

The Northern Ireland Census of Employment 2007: A Look at the Results by District Council Area

Statistics Research Branch, DETI

In the ten years to 2007 the number of jobs in NI rose sharply. This can be seen by considering the most recently-published results from the Census of Employment, which measures employee jobs. In the period 1997-2007, the total number of employee jobs rose by 125,000. However this overall rise masks variations across NI, and this article describes the local job picture at District Council area level as shown by a detailed analysis of the 2007 results.

The NI Census of Employment (CoE) is a comprehensive survey of all employers (excluding agriculture) in NI (figures for agriculture are collected by the Department of Agriculture and Rural Development and can be added to the CoE figures to produce a "full economy" picture). The CoE is carried out every two years by the Department of Enterprise, Trade and Investment and is designed to give an accurate count of the number of employee jobs. Information is collected on the number of employees, their status (i.e. sex and full-time/part-time working), the workplace location and the industry activity in which they are involved.

The CoE counts the number of jobs rather than the number of persons with a job (i.e. a person holding two part-time jobs will be counted twice) and the sub NI analysis is based on the actual location of the jobs, not on the home address of the employees. For example, the number of employee jobs in Antrim District Council Area (DCA) refers to the number of jobs that are actually located in Antrim DCA, not the number of employees living in Antrim. It should be noted that, in a small number of instances where employers were not able to provide figures by actual location, the employees were allocated to the address where pay records were held. The re-location or change of reporting procedures by large employers can therefore affect the CoE sub NI analysis when making inter-censal comparisons. In addition, an updated Central Postcode Directory (CPD) has been used for the 2007 Census of Employment. The CPD is used to allocate the postcodes of businesses to administrative boundaries (i.e. ward, District Council, Parliamentary Constituency etc.). This update has caused some postcodes to be reallocated to a different administrative boundary compared to previous Censuses. The latest available CoE data relate to September 2007 and was first published in December 2008.

Table 1 shows the profile of employee jobs across NI and is disaggregated by District Council Area and broad industrial sector.

The table highlights that the largest number of employee jobs is located in Belfast DCA. 198,796 jobs (or 28.0% of total employee jobs). Belfast DCA also has the highest proportion of jobs within the Service Sector (91%), and consequently the proportion of jobs in Manufacturing (5%) and Construction (3%) are well below the NI average. In contrast Moyle DCA has the fewest number of employee jobs with just 3,445 (or 0.5% of total employee jobs) being located there.

The industry breakdown of employee jobs varies significantly between District Councils.
The Manufacturing Sector

in Dungannon, Larne and Magherafelt is comparatively large (over one quarter of all jobs are in the manufacturing sector), whereas in Belfast, Moyle, North Down, Down and Castlereagh, manufacturing represents less than 10% of all jobs. Magherafelt has the largest proportion of jobs in the Construction industry (17%), while Belfast has the smallest proportion of jobs in this Sector (3%). The Service Sector shows a large variation between the highest and lowest District Councils - while only 56% of jobs in Magherafelt are in Services, the figure for Belfast (91%) is 35 percentage points higher. However, 21 of the 26 District Councils did have over 70% of their jobs in the Service Sector.

Table 1: Employee Jobs by District Council Area (DCA), September 2007

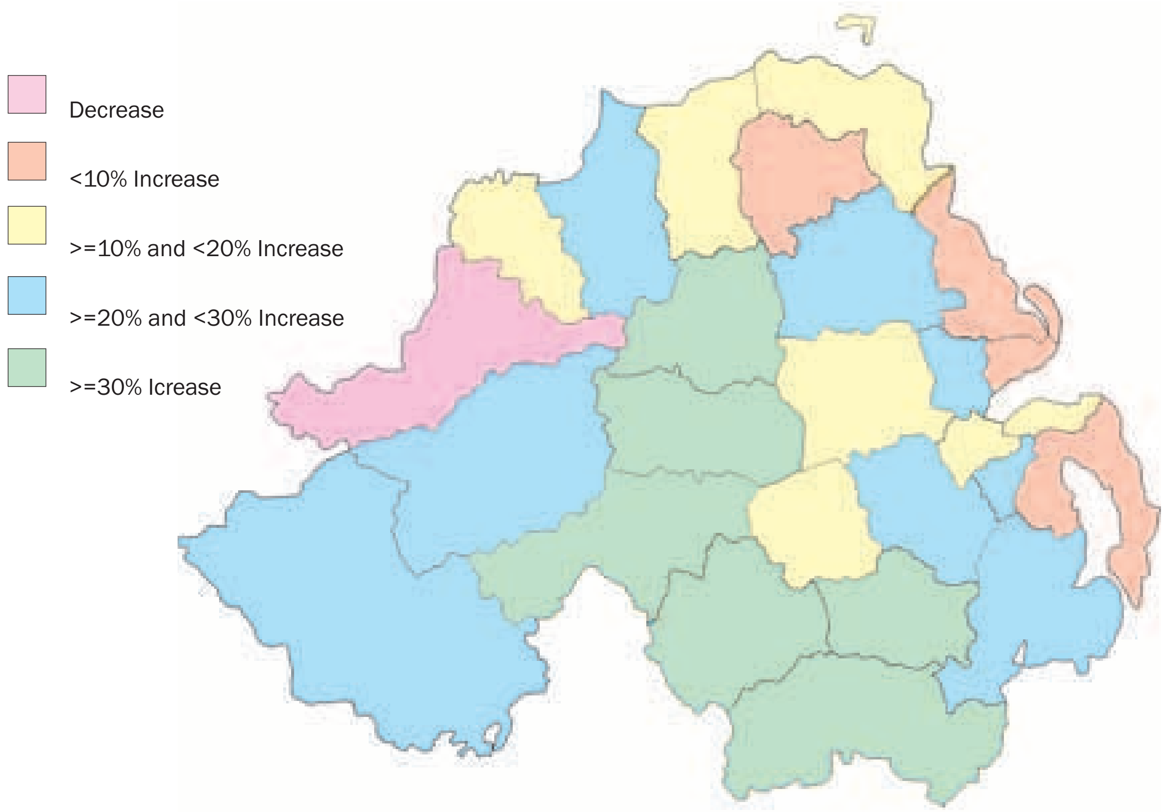
District Council	Number of Employee Jobs					% of Total for each DCA				
	Manuf.	Const.	Serv.	Other*	Total	Manuf.	Const.	Serv.	Other*	Total
Antrim	3,317	1,631	19,557	132	24,637	13%	7%	79%	1%	100%
Ards	1,966	1,313	14,287	102	17,668	11%	7%	81%	1%	100%
Armagh	2,187	1,181	16,394	243	20,005	11%	6%	82%	1%	100%
Ballymena	5,860	1,954	21,728	382	29,924	20%	7%	73%	1%	100%
Ballymoney	970	1,057	5,447	68	7,542	13%	14%	72%	1%	100%
Banbridge	1,468	1,424	8,800	155	11,847	12%	12%	74%	1%	100%
Belfast	10,279	5,691	181,578	1,248	198,796	5%	3%	91%	1%	100%
Carrickfergus	1,234	384	6,640	181	8,439	15%	5%	79%	2%	100%
Castlereagh	2,331	952	22,351	60	25,694	9%	4%	87%	0%	100%
Coleraine	2,517	1,170	18,973	221	22,881	11%	5%	83%	1%	100%
Cookstown	2,828	1,422	7,405	89	11,744	24%	12%	63%	1%	100%
Craigavon	8,160	2,003	26,982	372	37,517	22%	5%	72%	1%	100%
Derry	4,641	1,940	35,933	196	42,710	11%	5%	84%	0%	100%
Down	1,356	1,678	14,976	172	18,182	7%	9%	82%	1%	100%
Dungannon	6,450	1,347	13,635	255	21,687	30%	6%	63%	1%	100%
Fermanagh	3,623	1,745	15,872	355	21,595	17%	8%	73%	2%	100%
Larne	2,334	352	5,620	270	8,576	27%	4%	66%	3%	100%
Limavady	1,611	1,324	6,574	29	9,538	17%	14%	69%	0%	100%
Lisburn	6,276	2,912	30,875	133	40,196	16%	7%	77%	0%	100%
Magherafelt	3,703	2,536	8,249	263	14,751	25%	17%	56%	2%	100%
Moyle	207	280	2,943	15	3,445	6%	8%	85%	0%	100%
Newry & Mourne	5,480	3,209	24,627	212	33,528	16%	10%	73%	1%	100%
Newtownabbey	4,267	2,272	23,889	96	30,524	14%	7%	78%	0%	100%
North Down	1,591	974	19,379	52	21,996	7%	4%	88%	0%	100%
Omagh	2,035	2,254	13,741	247	18,277	11%	12%	75%	1%	100%
Strabane	960	1,323	6,545	111	8,939	11%	15%	73%	1%	100%
NI	**87,651**	**44,328**	**573,000**	**5,659**	**710,638**	**12%**	**6%**	**81%**	**1%**	**100%**

* Includes employee jobs in Hunting, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply
Percentages are rounded and may not sum

The Northern Ireland Census of Employment 2007: A Look at the Results by District Council Area

Statistics Research Branch, DETI

Figure 1: % Change in the Employee Jobs, 1997-2007



Changes since 1997 Census of Employment

Figure 1 shows the percentage change in employee jobs for each District Council Area between the 1997 and 2007 Censuses of Employment. Overall the number of employee jobs in NI increased by 125,180 (21%). However, the comparative growth in each DCA differed significantly during the period. Strabane recorded a fall (-1%) in the number of employee jobs, while Ards, Ballymoney, Larne and Carrickfergus recorded a growth of less than 10%, well below the overall NI figure (21%). In contrast Banbridge, Armagh, Magherafelt, Newry & Mourne, Dungannon and Cookstown District Councils experienced growth in excess of 30%. **Table 2** shows the changes since the 1997 Census in more detail.

4

Table 2: Changes in Employee Jobs by District Council Area, 1997-2007

District Council	Change in Number of Employee Jobs					% Change in each DCA				
	Manuf.	Const.	Serv.	Other*	Total	Manuf.	Const.	Serv.	Other*	Total
Antrim	-462	240	4,034	-28	3,784	-12%	17%	26%	-18%	18%
Ards	-1,720	521	2,118	-80	839	-47%	66%	17%	-44%	5%
Armagh	186	338	4,421	114	5,059	9%	40%	37%	88%	34%
Ballymena	220	673	5,940	33	6,866	4%	53%	38%	9%	30%
Ballymoney	-1,240	489	1,212	-31	430	-56%	86%	29%	-31%	6%
Banbridge	-248	568	2,551	1	2,872	-14%	66%	41%	1%	32%
Belfast	-7,338	1,253	34,778	-285	28,408	-42%	28%	24%	-19%	17%
Carrickfergus	-465	63	1,213	-110	701	-27%	20%	22%	-38%	9%
Castlereagh	-1,086	69	6,272	-80	5,175	-32%	8%	39%	-57%	25%
Coleraine	-1,162	282	4,638	-24	3,734	-32%	32%	32%	-10%	20%
Cookstown	1,220	836	2,372	-24	4,404	76%	143%	47%	-21%	60%
Craigavon	-3,327	520	7,736	129	5,058	-29%	35%	40%	53%	16%
Derry	-4,374	647	9,551	-181	5,643	-49%	50%	36%	-48%	15%
Down	-235	493	3,056	-132	3,182	-15%	42%	26%	-43%	21%
Dungannon	2,299	723	3,816	25	6,863	55%	116%	39%	11%	46%
Fermanagh	-403	965	3,633	-22	4,173	-10%	124%	30%	-6%	24%
Larne	159	160	452	-149	622	7%	83%	9%	-36%	8%
Limavady	-458	587	1,811	-81	1,859	-22%	80%	38%	-74%	24%
Lisburn	409	885	7,553	-135	8,712	7%	44%	32%	-50%	28%
Magherafelt	502	1,258	2,183	-31	3,912	16%	98%	36%	-11%	36%
Moyle	-94	68	608	-31	551	-31%	32%	26%	-67%	19%
Newry & Mourne	1,177	1,490	7,905	-77	10,495	27%	87%	47%	-27%	46%
Newtownabbey	-847	815	5,208	-21	5,155	-17%	56%	28%	-18%	20%
North Down	-1,088	234	3,971	-121	2,996	-41%	32%	26%	-70%	16%
Omagh	247	1,359	2,253	-111	3,748	14%	152%	20%	-31%	26%
Strabane	-2,145	654	1,416	14	-61	-69%	98%	28%	14%	-1%
NI	**-20,273**	**16,190**	**130,701**	**-1,438**	**125,180**	**-19%**	**58%**	**30%**	**-20%**	**21%**

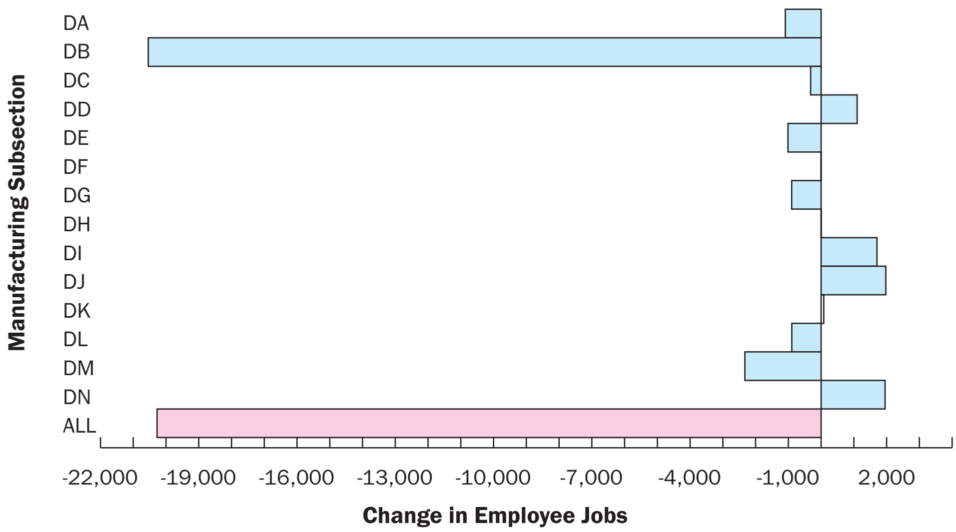
* Includes employee jobs in Hunting, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply

Change in Manufacturing Jobs

Between September 1997 and September 2007 the number of manufacturing jobs in NI decreased by 20,273 (19%). The actual change in each District Council varies considerably, with Dungannon showing the largest increase (+2,299) and Belfast the largest fall (-7,338). Overall, 17 of the 26 Councils showed a fall in the number of manufacturing jobs. Strabane District Council recorded the largest proportional fall in manufacturing jobs (down 69% during the period) with Cookstown District Council showing the largest proportional rise (up 76% over the period).

Figure 2 shows the change in employee jobs between 1997 and 2007 for each manufacturing subsection at NI level. It illustrates clearly how the fall in manufacturing has been caused by a major loss of employee jobs in the Manufacture of Textiles and Textile Products.

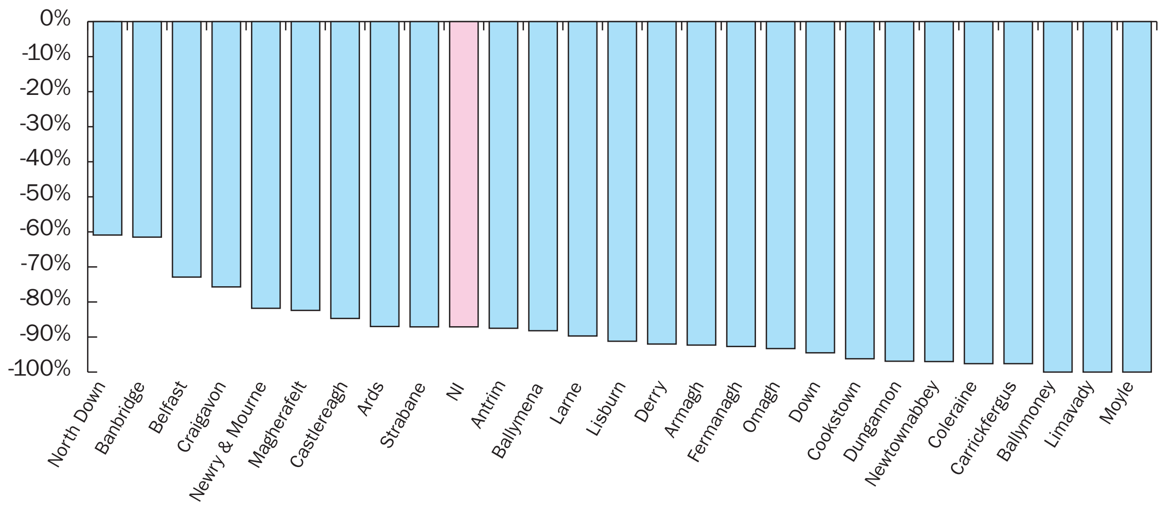
Figure 2: Change in the Employee Jobs, 1997-2007



Manufacturing Subsection			
DA	Food Products; Beverages & Tobacco	DH	Rubber & Plastic Products
DB	Textiles & Textile Products	DI	Other Non-Metallic Mineral Products
DC	Leather & Leather Products	DJ	Basic Metals & Fabricated Metal Prods
DD	Wood & Wood Products	DK	Machinery & Equipment, (NEC)
DE	Pulp & Paper; Publishing & Printing	DL	Electrical & Optical Equipment
DF	Coke, Petroleum Prods & Nuclear Fuel	DM	Transport Equipment
DG	Chemical Products & Man-Made Fibres	DN	Manuf Not Elsewhere Classified (NEC)
		All	All Manufacturing

During the period 1997-2007 the number of employee jobs in the Manufacture of Textiles & Textile Products (i.e. manufacturing subsection DB) fell by 20,541. Indeed, the fall in Textiles was greater than the total fall in manufacturing as a whole over the ten year period (that is, if you exclude Textiles, the number of jobs in manufacturing actually grew over the period). **Figure 3** shows how this decline has affected each District Council, with all Councils suffering a

Figure 3: Employee Jobs in Textiles and Textile Products, % Change 1997-2007



decrease. Moyle, Limavady and Ballymoney showed the largest proportional decrease, with Textile jobs in these District Councils being eliminated completely.

Although there was a large fall in the Textiles industry, other areas of manufacturing did fair better (see **Figure 2**). There were increases in six of the 14 manufacturing subsections with the largest increases being reported in the Manufacture of Basic Metals and Fabricated Metal Products (+1,976), Manufacturing Not Elsewhere Classified (+1,953), in Manufacture of Other Non-Metallic Mineral Products (+1,706) and in the Manufacture of Wood and Wood Products (+1,100).

The number of employee jobs in the Manufacture of Basic Metals and Fabricated Metal Products increased by 1,976, with the majority of the rise occurring in Dungannon (+367), Cookstown (+329) and Magherafelt (+303) District Councils. Employee jobs in Manufacturing Not Elsewhere Classified increased by 1,953, with Newry & Mourne DCA (+1,064) showing the largest increase. In the Manufacture of Other Non-Metallic Mineral Products there was an increase of 1,706 employee jobs with Fermanagh DCA recording growth of 758 employee jobs.

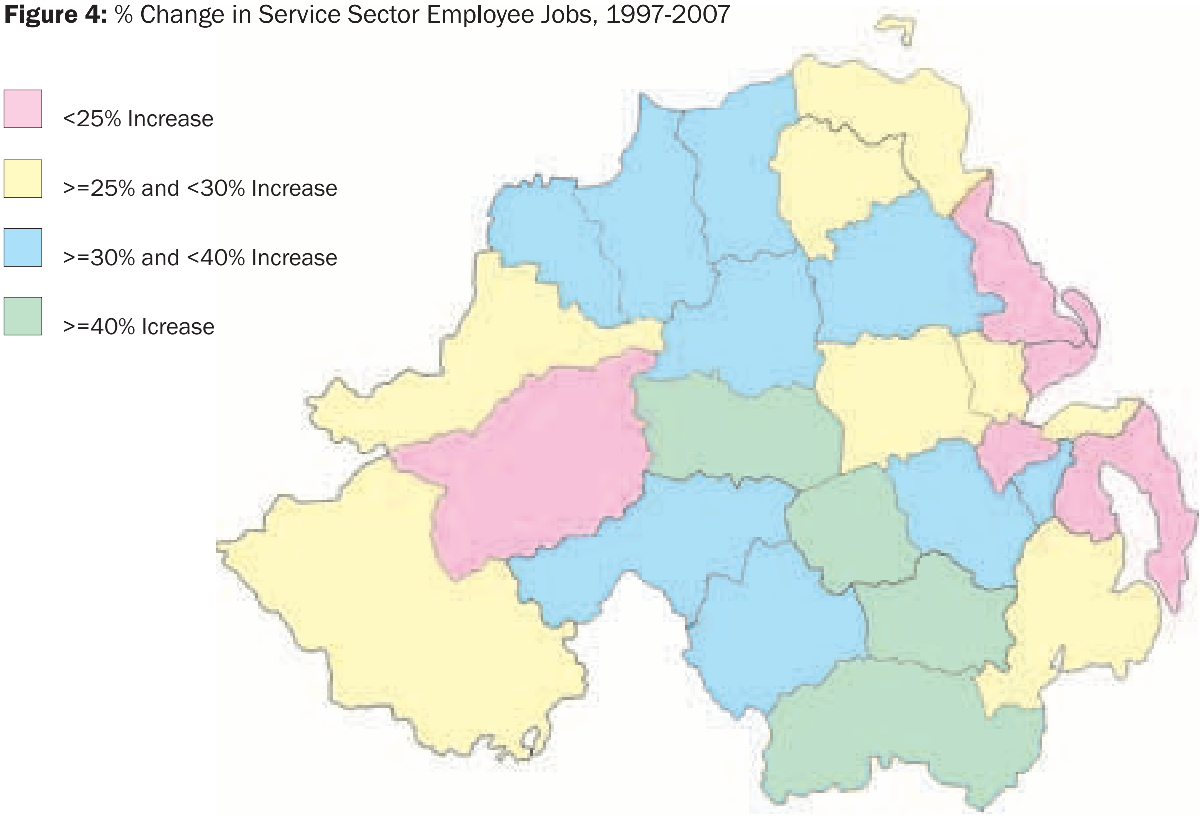
Change in Construction Jobs

Table 2 showed that between September 1997 and September 2007 the number of construction jobs in NI increased by 16,190 (58%). An increase in construction was recorded in all District Councils, however, the magnitude of the increase varied considerably. Omagh (+152%) had the largest proportional increase, whereas Castlereagh (+8%) recorded the smallest.

Change in Service Sector Jobs

During the period September 1997 to September 2007, the number of service sector employee jobs in NI increased by 130,701 (30%). The rise in services was greater than the total rise in employee jobs during the period. **Figure 4** shows the percentage change in service sector employee jobs for each

Figure 4: % Change in Service Sector Employee Jobs, 1997-2007



District Council Area. Newry & Mourne, Cookstown, Banbridge and Craigavon all recorded a rise in services of over 40%, well above the NI average (+30%). Conversely Larne, Ards and Omagh had a growth of less than 20% in service sector jobs during the period.

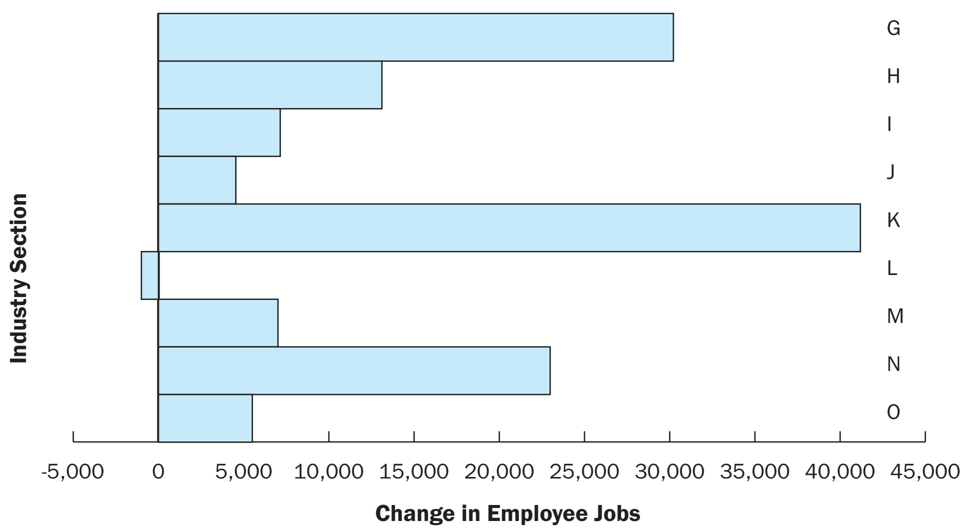
Figure 5 shows the increase in services in more detail. It indicates that the largest increases have occurred in Real Estate, Renting & Business Activities (+41,189), Wholesale & Retail Trade; Repairs (+30,217) and Health & Social Work (+22,984). Over the period Public Administration and Defence was the only sector to show a decrease (-1,002).

Section K: Real Estate, Renting & Business Activities – During the ten-year period the number of employee jobs in NI in this section increased by 41,189 (112%) and all District Councils recorded an increase. The extent of the change varied from a 393% increase in Strabane to a 44% increase in Larne. Within this industry section there were large increases in Other Business Activities (+29,036), in Real Estate Activities (+5,653) and in Computer and Related Activities (+5,506).

Section G: Wholesale & Retail Trade; Repairs – NI employee jobs in this section increased by 30,217 (32%). Increases were recorded in all of the District Councils, with the largest proportional increases occurring in Dungannon (+73%) and the smallest increase in Belfast (+7%).

Section N: Health and Social Work – The number of employee jobs in NI in this section increased by 22,984 (25%) during the period. Dungannon was the only District Council to record a decrease (-9%). District Council increases varied from a 6% increase in Omagh to an 82% increase in Lisburn.

Figure 5: Change in Service Sector Employee Jobs, 1997-2007



Industry Section

G	Wholesale & Retail Trade; Repairs
H	Hotels & Restaurants
I	Transport, Storage & Communication
J	Financial Intermediation
K	Real Estate, Renting & Business Activities
L	Public Administration and Defence
M	Education
N	Health & Social Work
O	Other Service Activities

The Northern Ireland Census of Employment 2007: A Look at the Results by District Council Area

Statistics Research Branch, DETI

Public Sector Jobs 2007

At September 2007 there were 217,674 public sector employee jobs in NI, which represents 30.6% of the 710,638 employee jobs in NI as a whole. The proportion of public sector employee jobs varies across the 26 District Councils with Castlereagh District Council having the highest proportion (45.7%) of employee jobs in the public sector and Cookstown District Council the lowest (18.8%). **Table 3** shows the profile of employee jobs across NI and is disaggregated by District Council and public/ private split.

Figure 6: % Public Sector Employee Jobs

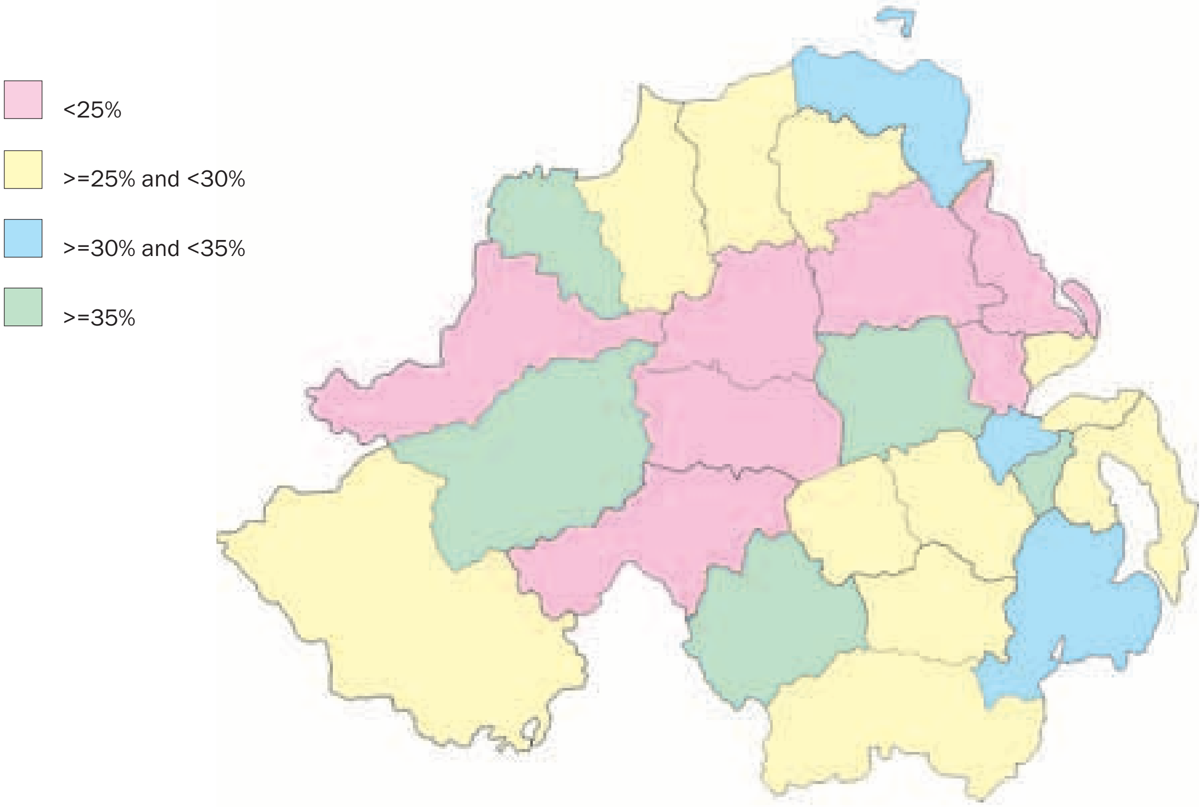


Table 3: Employee Jobs by District Council Public-Private Split 2007

	Number of Employee Jobs			% of Total for each DCA		
	Public	Private	Total	Public	Private	Total
Antrim	8,806	15,831	24,637	36%	64%	100%
Ards	4,825	12,843	17,668	27%	73%	100%
Armagh	7,151	12,854	20,005	36%	64%	100%
Ballymena	6,924	23,000	29,924	23%	77%	100%
Ballymoney	1,942	5,600	7,542	26%	74%	100%
Banbridge	3,025	8,822	11,847	26%	74%	100%
Belfast	69,161	129,635	198,796	35%	65%	100%
Carrickfergus	2,346	6,093	8,439	28%	72%	100%
Castlereagh	11,740	13,954	25,694	46%	54%	100%
Coleraine	6,448	16,433	22,881	28%	72%	100%
Cookstown	2,210	9,534	11,744	19%	81%	100%
Craigavon	11,024	26,493	37,517	29%	71%	100%
Derry	15,176	27,534	42,710	36%	64%	100%
Down	5,923	12,259	18,182	33%	67%	100%
Dungannon	4,726	16,961	21,687	22%	78%	100%
Fermanagh	5,710	15,885	21,595	26%	74%	100%
Larne	1,919	6,657	8,576	22%	78%	100%
Limavady	2,594	6,944	9,538	27%	73%	100%
Lisburn	11,186	29,010	40,196	28%	72%	100%
Magherafelt	3,530	11,221	14,751	24%	76%	100%
Moyle	1,099	2,346	3,445	32%	68%	100%
Newry & Mourne	9,188	24,340	33,528	27%	73%	100%
Newtownabbey	6,362	24,162	30,524	21%	79%	100%
North Down	5,837	16,159	21,996	27%	73%	100%
Omagh	6,656	11,621	18,277	36%	64%	100%
Strabane	2,166	6,773	8,939	24%	76%	100%
NI	**217,674**	**492,964**	**710,638**	**31%**	**69%**	**100%**

Change in Public Sector Employee Jobs 1997-2007

Between 1997 and 2007 the number of public sector employee jobs in NI increased by 20,739 (10.5%). The percentage change across the District Councils varies greatly with Craigavon showing the greatest percentage increase +28.7% and Strabane showing a decrease of -13.0%. Over the decade six District Councils (Strabane, Ards, Ballymoney, Omagh, Dungannon and Limavady) showed a decrease in the number of public sector employee jobs.

Over the same period four District Councils (Craigavon, Newtownabbey, Castlereagh and Newry & Mourne) showed percentage increases over 25% in the number of public sector employee jobs, as shown in **Table 4.**

Table 4 shows that twenty-two of the twenty-six District Councils showed a decrease in the **proportion** of public sector jobs over the ten year period, with Dungannon showing the largest decrease (a fall from 32% to 22% or a fall of 10.4 percentage points) although the number of public sector jobs in Dungannon District Council were virtually unchanged over the period. Indeed, only six District Councils showed a decrease in the **number** of public sector jobs (and these decreases were modest). Falling proportions of public sector jobs alongside increased numbers of jobs in the public sector across most District Councils highlights the much larger rises in the private sector over the period (there was a 10.5% rise in the number of public sector jobs and a 26.9% rise in private sector jobs in NI over the ten year period).

Figure 7: % Change in Public Sector Employee Jobs 1997–2007

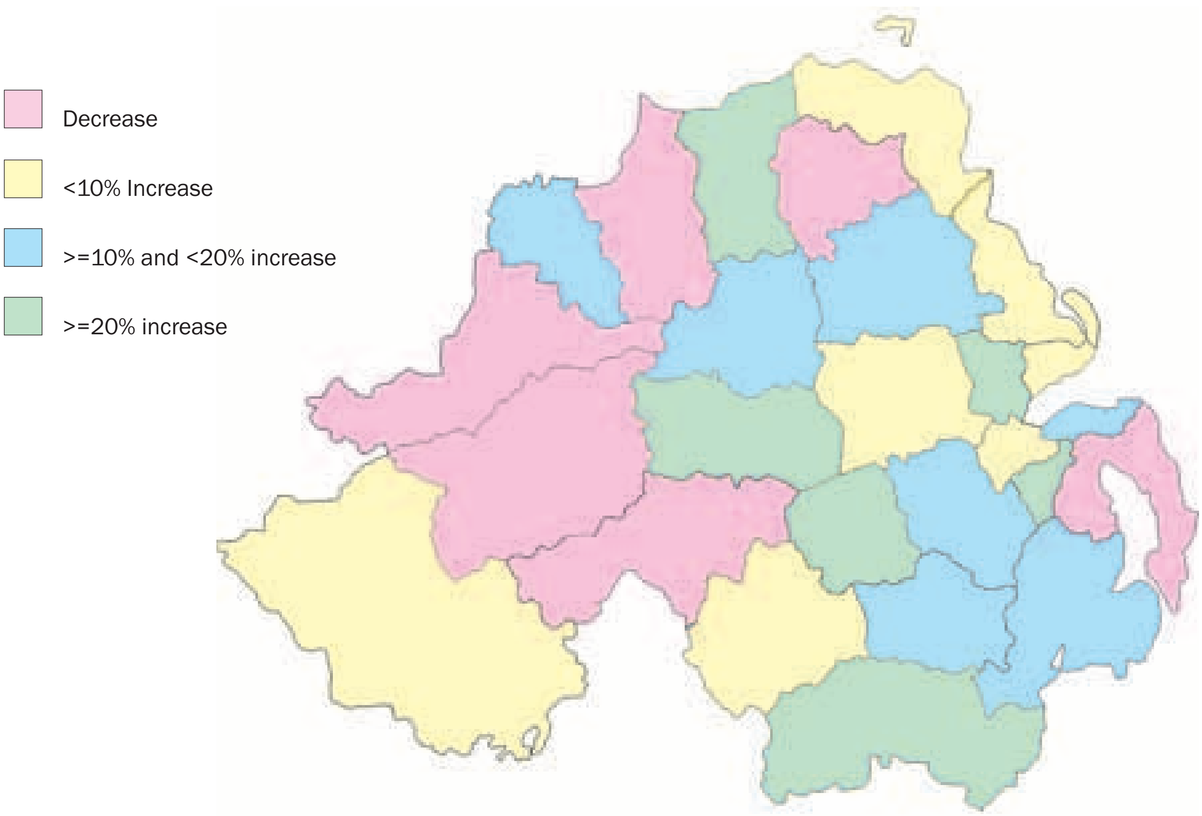


Table 4: Change in Public Sector Employee Jobs by District Council 1997–2007

	1997		2007		Change 1997 -2007		
	Number of Public Sector Jobs	As % of all jobs	Number of Public Sector jobs	As % of all jobs	Number	% Change in Number	Percentage Point Change in proportion
Antrim	8,621	41%	8,806	36%	185	2.1%	-5.6
Ards	4,986	30%	4,825	27%	-161	-3.2%	-2.3
Armagh	6,535	44%	7,151	36%	616	9.4%	-8.0
Ballymena	5,818	25%	6,924	23%	1,106	19.0%	-2.1
Ballymoney	1,987	28%	1,942	26%	-45	-2.3%	-2.2
Banbridge	2,553	28%	3,025	26%	472	18.5%	-2.9
Belfast	65,569	38%	69,161	35%	3,592	5.5%	-3.7
Carrickfergus	2,192	28%	2,346	28%	154	7.0%	-0.5
Castlereagh	9,390	46%	11,740	46%	2,350	25.0%	-0.1
Coleraine	5,351	28%	6,448	28%	1,097	20.5%	0.2
Cookstown	1,789	24%	2,210	19%	421	23.5%	-5.6
Craigavon	8,567	26%	11,024	29%	2,457	28.7%	3.0
Derry	13,002	35%	15,176	36%	2,174	16.7%	0.5
Down	5,160	34%	5,923	33%	763	14.8%	-1.8
Dungannon	4,773	32%	4,726	22%	-47	-1.0%	-10.4
Fermanagh	5,493	32%	5,710	26%	217	4.0%	-5.1
Larne	1,907	24%	1,919	22%	12	0.6%	-1.6
Limavady	2,605	34%	2,594	27%	-11	-0.4%	-6.7
Lisburn	9,679	31%	11,186	28%	1,507	15.6%	-2.9
Magherafelt	3,029	28%	3,530	24%	501	16.5%	-4.0
Moyle	1,051	36%	1,099	32%	48	4.6%	-4.4
Newry & Mourne	7,346	32%	9,188	27%	1,842	25.1%	-4.5
Newtownabbey	5,060	20%	6,362	21%	1,302	25.7%	0.9
North Down	5,240	28%	5,837	27%	597	11.4%	-1.0
Omagh	6,743	46%	6,656	36%	-87	-1.3%	-10.0
Strabane	2,489	28%	2,166	24%	-323	-13.0%	-3.4
NI	**196,935**	**34%**	**217,674**	**31%**	**20,739**	**10.5%**	**-3.0**

Conclusion

Over the ten year period 1997 to 2007, employee jobs in NI increased by some 125,180 (21%). However, at District Council level, the change in jobs over this period varied widely with increases as high as 60% in Cookstown while Strabane recorded a 1% fall.

At an industry level, the biggest increases occurred in the service sector (+130,701) with the largest increases in services occurring in Real Estate, Renting & Business Activities (+41,189) and Wholesale & Retail Trade; Repairs (+30,217). In fact, the rise in the number of jobs in services was larger than the rise in all jobs over the same period. Of the 130,701 increase in service sector jobs, more than a quarter (27%) were located in Belfast District Council Area.

Manufacturing jobs fell by some 20,273 over the period with the major loss within manufacturing taking place in the Manufacture of Textiles and Textile Products (-20,541), which was larger than the decrease for manufacturing as a whole. In manufacturing, changes again varied widely at District Council level with areas such as Strabane, Ballymoney, Derry, Ards, Belfast and North Down showing falls of over 40%, while Dungannon and Cookstown had rises of over 50% in the same ten-year period.

The proportion of total jobs that are in the public sector has fallen over the ten-year period from 34% to 31%, and 22 District Councils showed a decrease in their proportion. This was despite an increase in the number of public sector jobs (+20,739 or 10.5%) between 1997 and 2007, with over half of these extra public sector jobs located in four Council areas – Belfast, Castlereagh, Craigavon and Derry.

FURTHER INFORMATION:

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Informing the Review of the Skills Strategy: Forecasting Future Skills Needs in Northern Ireland

Graeme Harrison, Neil Gibson, Karen Barklie and Katrina Houghton, Oxford Economics

DEL launched its skills strategy – Success through Skills – in 2005. Its vision is one of achieving a skilled NI workforce by 2015. From it, targets flowed which were underpinned in the Executive's Programme for Government. In 2009, DEL will be carrying out a review of the skills strategy. In order to add to the evidence base and further inform debate, the Department commissioned Oxford Economics, in association with FGS Consulting, to carry out an analysis forecasting possible scenarios for future skill needs in NI, particularly to 2015, which marks the current end of the strategy period. This article summarises the main findings of this work.

Introduction

The Skills Strategy for NI, 'Success through Skills' was launched in 2005 with the following strategic vision for NI by 2015:

"the NI economy is highly competitive in global terms; based on high value jobs with progressive leadership from a strong cadre of local managers; it has increased export levels and it attracts substantial amounts of inward investment; its people are entrepreneurial and innovative; small businesses are encouraged to grow and strong, coherent services and support for businesses of all sizes are provided. Employment has increased, leading to an expansion of the workforce and migrant workers are playing a valuable role in the economy; the workforce, increasingly, is literate and numerate and has sufficient ICT skills. Individuals can solve problems, work in teams, are innovative and enterprising and expect to learn new skills throughout their working lives. A broader adoption of technology and e-learning will have reduced transport and location barriers[1]"

In 2008, the NI Executive's Programme for Government[2] put the economy at centre stage of policy in NI with 'growing a dynamic and innovative economy' a main tenet of the programme. This, and several of the Public Sector Agreement (PSA) targets, have both direct and indirect implications for skills. On the direct side, there are a number of skill targets such as ensuring "80% of the working age population are qualified to at least GCSE level or equivalent". Indirectly PSA 1 (productivity) and PSA 3 (employment levels) will be influenced by skill levels, reflecting the policy desire to get more people working and earning more, ultimately improving productivity.

The Skills Strategy's implementation plan is grouped under four themes:

- Understanding the demand for skills
- Improve skill levels of the workforce
- Improve quality and relevance of education and training
- Tackling skills barriers to employment

It could therefore be said that this research addresses directly the first of the four themes though many of the policy issues and recommendations arising refer to all four.

Approach

The approach to this research included the following elements:

Consultation and desk-based research phase
This included interviews with key stakeholders, both face-to-face and by telephone; a presentation session to Sector Skills Councils (SSCs) and Invest NI sector representatives; a review of Sector Skill Agreements (plans by the SSCs to raise skill levels in their sectors); a

1 See **www.delni.gov.uk/index/publications/pubs-sectoral/skills-strategy-ni.htm**
2 See **www.pfgbudgetni.gov.uk**

survey of SSCs and Invest NI sector representatives; and a Stakeholder Conference which took place towards the end of 2008. The consultative and research process and findings are fully documented in Annex H of the final report.

Extensive analysis of Labour Force Survey (LFS) data
A 10-year time series of LFS data for UK regions was analysed, by industry and occupation, and by National Vocational Qualification (NVQ) and National Qualification Framework (NQF) categories. This enabled Oxford Economics to make regional skill, occupation and degree subject comparisons.

Enhanced the original forecasting methodology
A forecasting methodology originally devised by Regional Forecasts[3] was used and which informed NI economy and labour market models including those used by the Government's Economic Development Forum (EDF)[4]. In particular, more attention was paid to "replacement demand" – ie new labour required to fill the places of those who move between occupational groups. The new enhanced model is now based on a full flows matrix of leavers and joiners; and includes forecasts of skills stocks and the skills of leavers and joiners. In addition, degree subject analysis was added.

Developed an aspirational scenario
In order to assess what might be needed to meet the targets of the programme for government, Oxford Economics developed an aspirational scenario that achieves PSA 1 (productivity); which reflects the unique characteristics and competitiveness strengths of the NI economy; and captures the ethos and direction of policy (Success through Skills, MATRIX, Invest NI etc), including focus on Government's priority sectors.

The Importance of Skills

"Our aim is to ensure our people have the right skills to deliver economic prosperity now and in the future" NI Executive: Programme for Government.

There is widespread consensus on the value of higher skills both to the individual and to the economy as a whole. Across the UK, regions such as London, with a higher share of private sector graduates in total employment, tend to have higher productivity. In NI, as in other regions and economies, wages are positively correlated with a person's highest level of qualification and better skilled working age persons are more likely to be employed and less likely to be unemployed or economically inactive. Productivity, wage levels and employment are all part of the NI Executive's published economic goals; therefore skills should be an intrinsic part of achieving these goals.

In this report future skill needs are expressed in terms of formal qualifications – some of the levels are combined and categorised as shown in **Table 1** (the classification is based on the NQF: this is only a high level summary).

Skills in context

NI skill strengths
Given that skills are intrinsic to Government's economic goals, it has been a positive development that skills levels in the NI workforce have been improving steadily over the last decade with the % of the workforce with sub-degree, degree and postgraduate qualifications (NQF 4-8) increasing from just over 20% to almost 30%. This is explained by a combination of:

- The **sectoral shift** in the economy away from more traditional lower skilled (in formal qualification terms) activities such as agriculture and textile manufacturing towards more skills hungry activities in the service sector and higher value added elements of manufacturing;

Box 1: Importance of skills

- Higher skills are associated with higher productivity, higher wage levels and higher employment rates
- As each of these are part of the NI Government's published economic goals, skills should be an intrinsic part of achieving these goals

3 Regional Forecasts merged with Oxford Economics in January 2007
4 See **www.detini.gov.uk** ➜ Economic Development Policy ➜ Economic Development Forum

Graeme Harrison, Neil Gibson, Karen Barklie and Katrina Houghton, Oxford Economics

Table 1: Skills classification and terminology

NQF	Description	Terminology
8	Doctorate	Postgraduate
7	Masters, postgraduate certificate and diploma	
6	Honours degree	First degree and sub-degree
5	Sub-degree including foundtion degrees	
4	Certificates of higher education	
3	NVQ Level 3 A-Levels	Intermediate a
2	NVQ Level 2 GCSE grades A*-C	Intermediate b
1	NVQ Level 1 GCSE grades D-G	Low
Entry	Entry level certificate in adult literacy Other qualifications No qualifications	

- A **generational effect** of older less qualified workers leaving the labour force, coupled with inflows of more qualified young people. It is worth remembering that NI has one of the best school systems in the UK in terms of leaver qualifications although large numbers still choose to leave for GB higher education institutions and remain working there following graduation; and
- **Up-skilling** of the workforce with persons completing part time or evening courses;

These are important factors to consider when thinking of the change in future stock of workforce skills.

The steady improvement in workforce skills has helped to place the Northern Ireland economy 'within the pack' of UK regions in terms of graduate concentrations. With approximately 30% of persons employed qualified to sub-degree, degree and postgraduate level, this is on par with the Eastern region and above the Welsh and industrial Midland regions, but below RoI, London and leading international economies such as the US and Finland.

Across the economy most of the private service sectors have a broadly comparable concentration of graduates in NI compared to the UK average, (a positive characteristic) even in the key export potential sectors of financial and business services. Of course the potential for graduates to work in a sector, for example a call centre, and not require the level of qualification possessed is a possibility. There is part evidence of this from NI's observed private service productivity gaps (though new Regional Accounts GVA has changed the size of these gaps) and evidence from the 'NI Skills At Work' report (2006) of 'over-qualification'. According to the latter, while 'over-qualification' is less of an issue in NI than in other parts of the UK, even in NI a third of workers are in possession of a qualification which is higher than the qualification required for the job they currently occupy. At the same time according to the NI Skills Monitoring Survey, in 2005 roughly one in ten employers considered that they had a skill gap in their workforce (which refers to existing employees), with skill gaps most prevalent in financial services, health & social care and other services. In other words across and within sectors there is evidence of skill mis-matches with instances of both over and under-qualification.

Box 2: NI skill strengths - Summary

- Workforce skill levels have been improving steadily over the last decade
- NI is 'within the pack' of UK regions for higher level workforce qualifications
- Most of the private service sectors have a broadly comparable concentration of graduates in NI compared to the UK average (though there is some potential for over-qualification)

NI skill weaknesses
Despite the skill strengths of the NI economy, a number of weaknesses can also be identified.

A key weakness is the under-representation of graduates in some key sectors in the economy. Outside private services, graduate concentrations in agriculture, manufacturing, construction, retail and hotels & restaurants lag between 10% and 60% behind the UK average.

NI also has a relative under-representation of managerial and professional occupations. This is likely a reflection of the limited ‘upper–end’ activities located in the region (reflected in the small number of NI PLCs and the ‘small nature’ structure of the economy). Many of NI’s industrial and indeed professional services activities are not at the high end headquarter or design and strategy end of the spectrum and thus demand for managerial and professional occupations is lower. For the key export/potential high export sectors of manufacturing and business services, the managerial and professional gap is very evident, even compared to NI’s ‘near neighbours’ in prosperity terms - Wales and the North East.

In terms of workforce degree subjects, there appears to be limited subject specialisation within NI, with a higher concentration of general subjects (business & administration and combined degrees) and much less specialism across elements of STEM[5], creative arts & design and arts subjects[6]. This pattern holds when measuring the number of degree holders by subject per 10,000 working age in addition to the share of overall degree holders in employment. It is of note that London, the most productive region of the UK, has the highest concentration of creative arts & design and arts graduates in employment, whereas NI has the least. Similarly the South East and Eastern, the next two most productive regions, have the highest concentration of elements of STEM graduates in work – again NI trails in last place for a more narrow definition of STEM graduates (NI’s workforce STEM degree ranking is better when medical degrees are included for which NI appears to have an excess concentration of degree qualified persons). Drilling down to key export sectors, both manufacturing and business services in NI appear to be lacking in these same key subject areas with the more generalist business and administration subject mix more prevalent.

Box 3: NI skill weaknesses - Summary

- Under-representation of managerial and professional occupations
- Graduate concentrations in agriculture, manufacturing, construction, retail and hotels & restaurants lag well behind the UK average (could be a demand and supply issue)
- Limited higher education subject specialisation/greater prevalence of general degrees

Where could NI be?
Against this backdrop, the report explored what the NI economy would look like if it had equivalent UK skill, occupation and degree subject concentrations within sectors (but assuming the existing sectoral composition). This should not be interpreted directly as what NI could achieve or what should be targeted in an aspirational scenario: rather the headline figures in **Box 4** are largely illustrative to identify the scale of NI’s difference with UK averages[7].

Box 4: Where could NI be if it had equivalent UK concentrations within sectors?

- 12,000 more persons in employment with sub-degree, degree and postgraduate qualifications
- 30,000 more managers and 20,000 more professionals
- 4,000 more STEM degree holders in work (based on a narrow STEM definition – physical sciences, mathematical & computer sciences and engineering & technology)
- 7,000 more creative and arts degree holders in the workforce

5 STEM subjects are the sciences, engineering, technology and mathematics. Some definitions of STEM are wider and include allied disciplines eg medicine
6 Arts subjects include Linguistics, Languages, Literature, History and Philosophy
7 Note it would be worthwhile developing this analysis further to consider where NI could be assuming equivalent UK excluding Greater South East concentrations –this was beyond the scope of this research

Informing the Review of the Skills Strategy: Forecasting Future Skills Needs in Northern Ireland

Graeme Harrison, Neil Gibson, Karen Barklie and Katrina Houghton, Oxford Economics

What does tomorrow's economy hold in store?

Up until the recent spike in commodity prices, the correction in house prices and full unravelling of the credit crunch, the global, national and NI economies enjoyed an unprecedented 'golden era' over the last decade in terms of rising output and employment, falling unemployment and increasing wealth and consumer spending. Upon more critical reflection, it is clear now that an element of this growth was debt-led, and unsustainable in the long-term, as saving ratios fell to historically low levels and house prices are now clearly recognised as having been over-valued.

Between 1996 and 2008 the NI economy created 13,000 net new jobs per annum[8] (**Figure 1**), making it the fastest growing region in the UK in employment terms, albeit starting from a lower employment rate base.

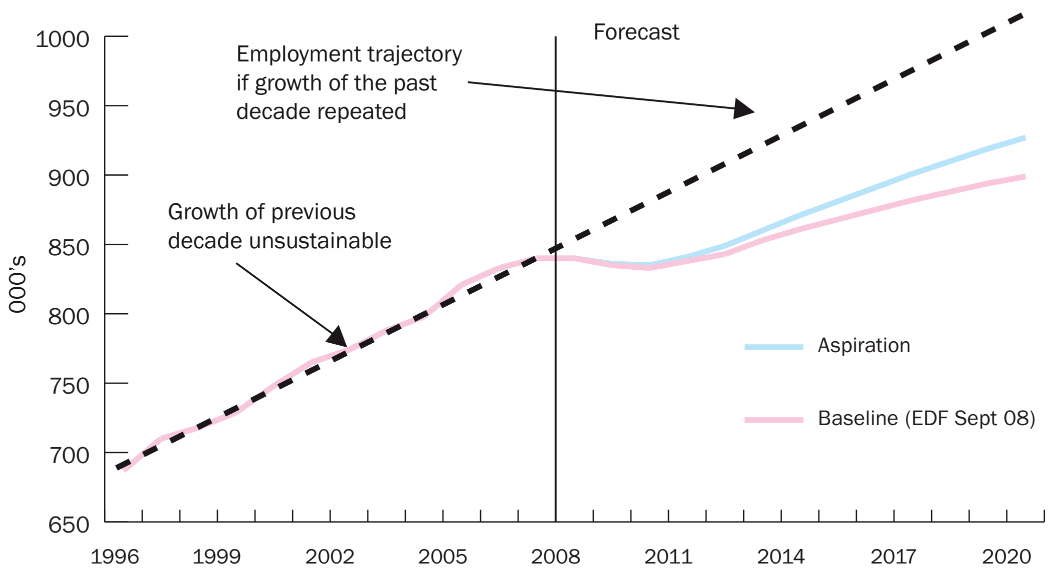
It is worth noting however that structural economic weaknesses have persisted and in some cases worsened. NI's employment rate is still a long way from converging to the UK rate (the unemployment rate is similar but inactivity much higher); relative GVA per head has barely shifted from being 20% less than the UK average; and relative productivity compared to the UK has fallen by almost 10%[9].

The replacement demand[10] analysis in the main report has showed that up until approximately 2004, job vacancies arising from high levels of expansion demand in the economy (the growing stock of total employment) and vacancies due to persons exiting employment (retirement, out migration etc), have been largely met by leavers from the education system and by joiners from unemployment (the stock of unemployed was almost 100,000 in the mid 1990s[11] so there was sufficient 'slack' in the labour market)[12].

However as the stock of unemployment could not fall indefinitely; and the incentives to join employment from inactivity remaining low (with rising living costs, especially housing, the financial trade off between work and benefits was marginal); and furthermore the rate of expansion demand picked up (with 20,000 net new jobs in 2005): the only way the NI economy could meet its labour demand was via a sharp increase in migration inflows. This fortunately coincided with Eastern European accession to the EU[13].

One of the strengths therefore of the replacement demand and skills forecasting model developed for this research is that it predicted the demand for

Figure 1: NI total employment forecast (job-based)



Source: DETI, LFS, Oxford Economics

8 Job-based measure

9 This is based on Regional Accounts GVA at the time of Oxford Economics' submission to EDF in September 2008 and not the latest figures published in December 2008, which indicate a recent improvement in NI's relative productivity compared to the UK excluding the Greater South East

10 Gross replacement demand is the demand to fill vacancies created by people leaving employment for a variety of reasons. Net replacement demand adjusts for joiners to employment from unemployment, inactivity excluding full-time students and other occupations

11 Claimant count

12 Annex G in the main report shows that with a current school leaver age cohort of roughly 25,000, roughly 17,000-20,000 pa enter employment in NI. The remainder leave NI for higher and further education elsewhere or go straight to unemployment/inactivity (NEETs – Not In Education, Employment of Training).

13 An interesting question around this is the extent to which employment growth at the time of accession was a demand or supply issue. It could well be that the availability of low cost migrant workers helped to prop up or grow faster sectors of the economy that otherwise in the past might have shed jobs for reasons of cost competitiveness or lack of available local labour

migrant in-flows and broadly in the same magnitude as recorded by official NISRA statistics.

The current (late 2008/early 2009) economic environment is very different to the previous 'golden era' decade and could hardly be more challenging. There are considerable unknowns with respect to how this current economic crisis will play out, which matters for the future demand outlook, not least:

- uncertainties attached to the range of policy measures implemented, most importantly the fiscal and monetary actions by the Treasury and Bank of England, including cuts in interest rates;
- when bank lending will return to normal levels;
- whether the economy will face a long period of deflation and what the impact of this might be; and
- the extent to which consumers will retract and re-build saving ratios.

The short-term economic problems and uncertainties will undoubtedly change markedly the level of demand for skills in the next 2-3 years from what the economy has been used to (and possibly the mix of skill demand as well). In addition the flow/supply of skills may change considerably, for example greater replacement of older expensive workers with younger cheaper resources, migrants competing with the indigenous non-employed, older workers staying in employment for longer etc.

All of these questions exist as a challenging 'backdrop' against which the research findings of this report need to be considered. Though the longer-term outlook remains positive, a return to the previous decade of growth is not projected for NI (or indeed for most other developed economies). The central baseline forecast for the NI economy between 2008 and 2020 is of approximately 5,000 net new jobs *per annum*. This may not be the outcome NI aspires to, but the reality is the decade ahead will be more challenging than ever and as the analysis in the main report shows, the possibility of an over-supply of labour and rising unemployment in the first half of the next decade cannot be discounted, especially as economic growth forecasts continue to be revised downwards.

In saying this, the research actually shows that net employment growth of 5,000 *pa* is a more sustainable level for the NI economy given projected numbers of leavers and joiners and assuming similar annual entrants from the education system as in the past (which could actually fall as the school leaver age cohort decreases, which is a legacy of falling birth rates, though rising wealth and migration have recently been helping to reverse this trend). Any higher employment growth than 5,000 net *pa* and the NI economy could struggle to attract the migrant inflows required, especially as the weak value of Sterling erodes the Euro value of expatriated migrant earnings (making Sterling economies a less attractive migrant destination) and UK migration policy tightens with the introduction of a points-based system.

Therefore under this 5,000 *pa* net jobs central baseline forecast, the NI economy should in the long-term fully absorb leavers from education and still have a requirement for moderate migration inflows (1,000-4,000 *pa* in-migration requirement in the baseline and 4,000-7,000 *pa* in the aspirational scenario – to put this in context international working age in-migration in 2007 was approximately 18,000, before even counting domestic migration inflows). Note again from above that other changes in supply patterns could influence both migrant demand and demand for school leavers, such as workers retiring later or a greater inflow from the inactive.

As is shown later under future skill needs, the weaker economic outlook relative to the past does not however necessarily 'read across' to mean a drop in demand for higher level skills. Indeed quite the opposite. The economy is still predicted to undergo a transformation towards more skills 'hungry' sectors and occupations. Additionally in order to produce internationally competitive products and services, a higher skills base will be required than in the past when the domestic debt-led boom and economic catch-up in NI generated rapid job growth, particularly in retail

Box 5: Tomorrow's economy (EDF September 2008)

- The previous decade was a 'golden era' for the NI economy with 13,000 net new jobs created on average pa
- The short-term economic environment today however could hardly be more challenging
- The central baseline employment forecast for the NI economy between 2008 and 2020 is lower at 5,000 net new jobs pa with net jobs losses predicted in the short-run (note a number of uncertainties still surround the base outlook and latest forecasts predict slower growth)
- However net employment growth of 5,000 pa, according to Oxford Economics' model, is a more sustainable level of employment growth for the NI economy given projected numbers of leavers from and joiners to employment and assuming similar annual entrants from the education system as in the past
- With this growth, the NI economy should, in the long-term, fully absorb leavers from education and still have a requirement for moderate and more sustainable migration inflows, despite overall slower employment growth (one of the key reasons is that the number of joiners from unemployment will be lower than the past decade)
- In addition the weaker short-term outlook does not necessarily 'read across' to mean a drop in demand for higher level skills. The economy is still predicted to undergo a transformation towards more skills hungry exporting sectors and occupations. A higher skills base will be required compared to the past, when the domestic debt-led boom and economic catch-up in NI generated rapid job growth in lower skill sectors, particularly in retail and construction; and also to ensure NI remains internationally competitive as other economies strive to improve their skills offering.

and construction. In future therefore the NI economy will have to rely more on exports as a source of demand rather than consumers and government.

This research also considered the skill needs of a more aspirational outcome for the NI economy. Described in more detail in the main report, the aspiration is the employment and occupation trajectory the NI economy would need to follow to meet the PSA 1 private sector productivity target by 2015, given the characteristics of the NI economy; the ethos and direction of policy (MATRIX, Invest NI etc), including focus on key priority sectors, namely financial and business services, ICT, life sciences and hi-tech manufacturing, which ensures growth is export led but with local multiplier impacts on secondary sectors; and also assuming productivity in the rest of the UK improves as envisaged by the Leitch Review. Note while this type of scenario was broadly endorsed at the Skills Stakeholder Conference in November 2008, it should be seen as just one potential option and a first step to arrive at a defined path for how the NI economy might achieve its published goals.

Under the aspirational scenario, net annual job creation is forecast to be 7,300 *pa* compared to 5,000 in the baseline and GVA/wages & profits higher by £2.7bn in 2020 (2003 prices), equivalent to an 8% larger economy compared to the baseline. The aspirational scenario is therefore less about job creation and more about significant productivity enhancements, as a result of higher levels of skills inherent in employment (from both new entrants and a higher rate of upskilling of the existing workforce). It incorporates faster employment growth but only as one element of the achievement of PSA 1[14]. GVA per head (relative to the UK average) would rise from its long term level around or just above 80% to above 85%, though the more striking development would be the improvement in the PSA 1 target which as said above, would be achieved by 2015 and overall parity (no gap) with the UK outside the Greater South East by 2020 (note the data suggest this was close to being the case in the mid-1990s). As such the aspirational trajectory can be said to be one of catch-up and convergence and would represent exceptional performance if achieved.

14 Given current economic conditions and the uncertain outlook, a more employment-orientated strategy would be less realistic.

Future skill needs

While all of the above analyses are essential building blocks, the crux and main interest of this report is their implication for the direction of future skill needs and how this differs from the past. Typically the focus for skills supply provision is on the net requirement flow from education, training, and migration – this is because joiners from non-employment and other occupations are assumed to be qualified already to take up a similar job as in the past. For the non-employed these tend to be low grade occupations. Ideally migration would be netted off but very little is known about and there is a lack of reliable official data currently on migrant qualifications (and how overseas qualifications are rated by employers in the NI labour market) and with a relatively stable annual education output into employment, net migrant flows should act more as a residual. It should be noted that the skills forecasts presented in this report are demand-led (from an employers' perspective). Any reference to upskilling in this report refers to upskilling of the existing employed workforce. This does not include upskilling of the non-employed which does occur, and from a supply-side perspective could boost NI's overall employment rate.

Table 2 compares the skill requirements for education leavers and in-migration combined under the baseline

Box 6: What would an aspirational scenario look like and deliver if PSA 1 is achieved?

- Net annual job creation of 7,300 pa – a productivity scenario with employment growth only one element
- More jobs in exporting priority sectors
- GVA higher by £2.7bn in 2020 (2003 prices) – an 8% larger economy
- Relative GVA per head up from 80% to 85%
- PSA 1 parity by 2020 (i.e. not only halving the gap, closing it)
- In summary catch up and convergence – exceptional performance, a genuine 'stretch' target!

Table 2: Net requirement from education and migration and upskilling requirement of existing workforce (2010-2020 annual average)

	Baseline		Aspiration		Historical	
	Net requirement from education and migrants	Upskilling	Net requirement from education and migrants	Upskilling	Net requirement from education and migrants (2003-2007)	Upskilling (1997-2007)
Postgraduate (NQF 7-8)	1.8	2.6	2.0	3.7	2.0	1.6
First degree and sub-degree (NQF 4-6)	7.8	6.0	8.7	8.5	7.2	3.8
Intermediate a (NQF 3)	4.8	0.3	5.5	0.3	6.4	-0.6
Intermediate b (NQF 2)	2.8	0.0	3.9	-0.9	4.7	-0.9
Low (NQF 1 and below)	3.6	-8.9	3.8	-11.7	6.4	-3.9
Total	**20.8**	**0.0**	**23.7**	**0.0**	**26.6**	**0.0**
Postgraduate (NQF 7-8)	9%	-	8%	-	7%	-
First degree and sub-degree (NQF 4-6)	38%	-	36%	-	27%	-
Intermediate a (NQF 3)	23%	-	23%	-	24%	-
Intermediate b (NQF 2)	13%	-	16%	-	18%	-
Low (NQF 1 and below)	17%	-	16%	-	24%	-

Source: Oxford Economics

and aspirational scenario. It also presents the upskilling requirement of the existing workforce[15]. Note forecasts are presented for the period 2010-2020 excluding the near term slowdown period to avoid this distorting the longer-term picture of skill needs. (Forecasts for the near-term are however presented in the main report) For comparison of recent trends, the average skill requirement pattern for the past five years is also presented.

The annual average long-term demand for sub-degree, degree and postgraduate qualified persons (NQF 4-8) from education and in-migration is 9,600 in the baseline and just under 11,000 in the aspirational scenario (sum of rows 2 and 3 in **Table 2**). This represents almost half of the total requirement in both scenarios (20,800 and 23,700) compared to a third in recent years. The share of higher qualification requirements in the total net requirement of Government's priority sectors is potentially even higher at 70% for financial/exporting professional services and ICT and just over 50% for hi-tech manufacturing and life sciences. One caveat needs to be entered here – it could be that the financial services share may be an over-estimate as call centre employment is likely to be under-estimated in official employee data: this is a classification issue. The hi-tech manufacturing share may reflect the legacy of the existing workforce and possibly could be higher. Further work would be required to improve the robustness of these estimates.

Only one in six jobs for people leaving the education system/ migrants will be for people with low qualifications under both scenarios (NQF 1 and below). This compares to one in five in the past five years. While this represents a low share overall, it is nonetheless still a nontrivial share.

As the skills forecasting methodology developed for this research is based on past trend data, which may or may not reflect 'actual' skill demand, care should be taken in interpreting the results. It may be the case that in recent years inflows into the labour market from education have not had as high a level of formal qualification as employers might have wished, from which the economy would otherwise have benefited from better educational standards[16].

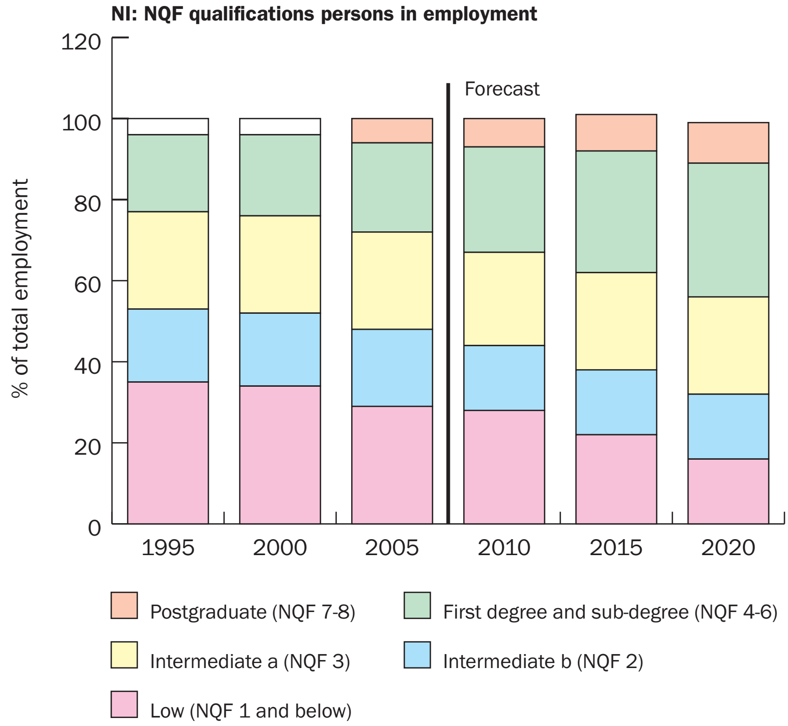
As evident from **Table 2**, the up-skilling of the existing workforce is also an extremely important element of the changing workforce skill structure, as it is too in analysis by the UK Commission for Employment and Skills of developing a world-class skills base in NI[17]. The estimates suggest a further 8,600 persons qualified to NQF level 4-8 per annum required in the baseline and 12,200 in the aspirational scenario through upskilling[18]. The negative numbers lower in the skills spectrum, NQF 2 and below, reflect 'stepping up' the skills ladder, i.e. persons moving from highest qualification NQF 2 and below to NQF 3 and higher. This statement should not be interpreted to mean that there is no requirement to upskill at lower levels, nor that the whole emphasis should be on higher levels. This is because upskilling figures are effectively net flows. We need many people to flow up the skills ladder say from NQF 3 to higher levels (ie NQF 4 and above). But we also need to maintain our stock of people with intermediate qualifications. This will require people moving from NQF 2 to NQF 3, and so on with people moving up to NQF 2. The low net flow upskilling figures for intermediate qualifications thus masks an underlying dynamic of the need for upskilling throughout the skills spectrum, from low to high[19].

Overall then the skill demand picture, taking into consideration sectoral and occupational trends and leaver and joiner flows, is one of an increasingly 'graduate hungry' economy.

15 Upskilling forecasts are based on estimated observed past trends from the LFS, calculated as the change in stock of skills minus joiner skills plus leaver skills (i.e. an accounting identity). For the aspirational scenario, an extra uplift in the rate of upskilling is needed to achieve the PSA 1 productivity target.
16 The opposite may also be true where employers recruit persons with higher qualifications than actually necessary, e.g. call centres, though employers can still benefit from the higher skills available
17 Source: Presentation by Mike Campbell, UKCES, NI Annual Economic Conference 2008
18 While this figure appears high it is plausible given the number of part-time HE enrolments
19 In practice more of the higher level skills could come from entrants from education if for example the share of school leavers going on to higher education was to rise, which would reduce the upskilling requirement.

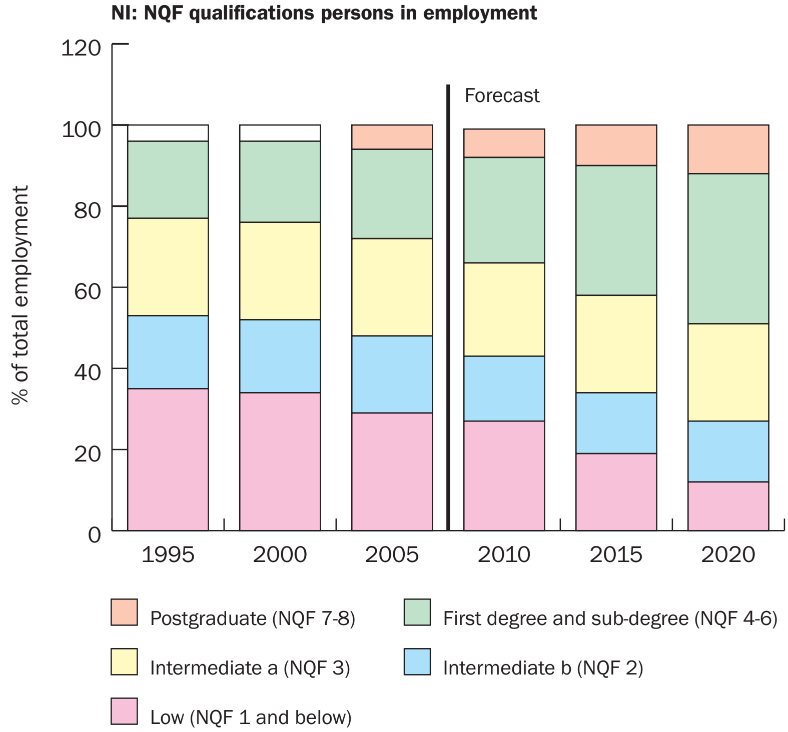
What the inflow of new skills, outflow of skills and up-skilling of the existing workforce means for the overall stock of workforce skills is presented in **Figures 2** and **3**. The higher skilled NQF 4-8 proportion of the workforce is forecast to rise to 43% in 2020 under the baseline scenario (49% in the aspiration) from an estimated 28% in 2005. Conversely the proportion of the workforce with low qualifications falls from 2005 level of 29% to 16% in 2020 (12% in the aspiration). This compares closely to the trends in the Leitch Review (see **Table 3**). Again this serves to emphasise the rising gradient of future skill needs in the NI economy. A key factor here is that in future a decreasing share of vacancies will be filled by the non-employed and a rising share by better qualified leavers from the education system.

Figure 2: Trend in workforce skills (baseline)



Source: LFS, Oxford Economics

Figure 3: Trend in workforce skills (aspiration)



Source: LFS, Oxford Economics

Table 3: Trend in forecast stock of workforce skills – NI comparison with UK Leitch (2020)

	Baseline		Aspiration	
	NI - Oxford Economics	UK - Leitch	NI - Oxford Economics	UK - Leitch 'catch up'
Postgraduate (NQF 7-8)	10%	11%	12%	13%
First degree and sub-degree (NQF 4-6)	33%	31%	37%	33%
Intermediate a (NQF 3)	24%	26%	24%	27%
Intermediate b (NQF 2)	16%	19%	15%	17%
Low (NQF 1 and below)	16%	13%	12%	11%
Total	**100%**	**100%**	**100%**	**100%**

Source: Oxford Economics, Leitch Review

Future degree subject needs

It has also been possible in this research to take skills forecasting one step forward by making indicative estimates of the degree subject qualifications required using the net requirement forecast for higher level qualifications and HESA data on degree subject sectoral and occupational employment destinations. Note this is the first time degree subject demand analysis has been attempted in NI and a great deal of caution needs to be taken with this form of analysis as it is based on past trend data from HESA. This may represent what the labour market could get, not what it desired. In other words employers may be taking more general business and administration degrees when they would ideally like more advanced STEM subjects (for example taking a business studies graduate when they might have preferred a maths graduate). This analysis should therefore be considered subject demand if past trends are indicative of actual labour

Box 7: Future skill needs

- Just under one half of the total net requirement from education and in-migration between now and 2020 is estimated to be for sub-degree, degree and postgraduate qualified persons (average of 9,600 pa in the baseline, just under 11,000 in the aspiration), compared to an average of one-third over the past five years. For Government's priority sectors, the proportion of higher level skill requirements of total requirements is greater at around 70% for financial/professional exporting services and ICT, and just over 50% for hi-tech manufacturing and life sciences (though additional sector research is required to firm up these projections),
- Only one in six jobs for people leaving the education system/ migrants will be for people with low qualifications under both scenarios (NQF 1 and below), compared to one in five in the past five years,
- Up-skilling of the existing workforce is an extremely important element of the changing workforce skill structure – 8,600 upskilled graduates per annum are required from lower qualification levels in the baseline on top of new entrants from full-time education (12,200 in the aspirational scenario),
- The higher skilled NQF 4-8 proportion of the workforce is forecast to rise to 43% in 2020 under the baseline scenario (49 per cent in the aspiration) from an estimated 28% in 2005. Conversely the proportion of the workforce with low qualifications falls from 2005 level of 29% to 16% in 2020 (12% in the aspiration). This compares closely to the trends in the Leitch Review for both the baseline and better performance scenarios,
- Overall then the skill demand picture, taking into consideration sectoral and occupational trends and leaver and joiner flows, is one of an increasingly 'graduate hungry' economy, particularly so if NI aims to close the productivity gap and achieve PSA 1.

market desires and not just labour market practicalities/ subjects supplied by universities.

Table 4 shows that relative to recent trends (the final column), the degree subject requirement will become: more skewed towards physical sciences, mathematical & computer sciences, engineering & technology, law and creative arts & design; and less skewed towards subjects allied to medicine and education. This should help to address some of the current 'specialisation' weaknesses of the NI graduate workforce provided the education system aligns its supply to this requirement. Note however that the forecasts build in some subject 'creep' in some of these growing subject areas based on past trends and an assumption that degree subject gaps with the UK average will be closed over time. Therefore not all of the change in subject demand is explained entirely by sectoral employment trends[20]. Without wishing to focus on the short-term, it is nonetheless worth drawing to attention the near term implications of the economic slowdown for graduate job prospects. **Figure 4** and **Figure 5** present degree subject demand forecasts under the baseline for two subject areas – architecture, building & planning and computer sciences (other subject charts are available in

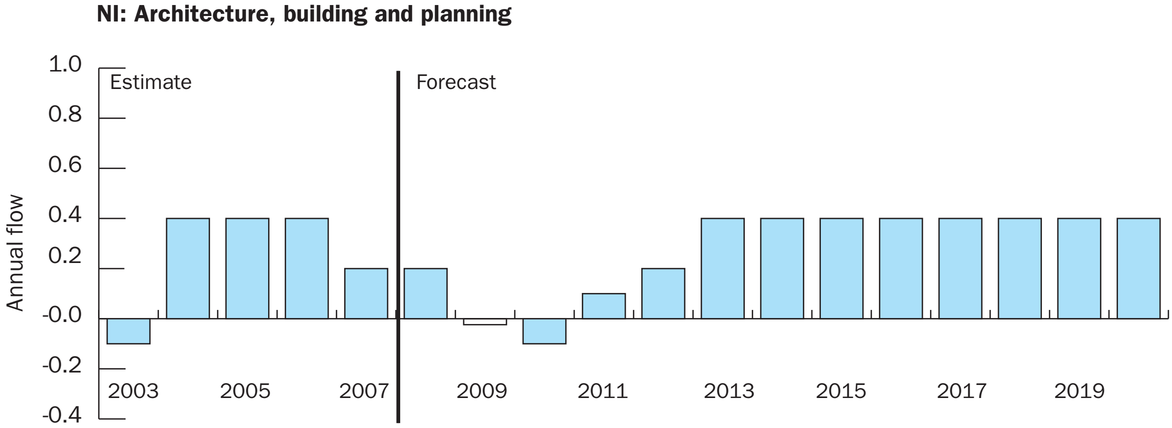
Table 4: Net requirement from education and migration – degree subjects (2010-2020 annual average)

	Baseline	Aspiration	Baseline % total	Aspiration % total	HESA NI domiciled graduates from UK HEIs entering employment in NI % total (2003-2007 annual average)
STEM	3.5	3.9	48.0%	49.0%	43.0%
Medicine & dentistry	0.2	0.2	3.2%	2.9%	3.3%
Subjects allied to medicine	1.1	1.2	15.6%	14.7%	17.3%
Biological sciences	0.4	0.4	5.3%	5.1%	5.2%
Veterinary science	0.0	0.0	0.1%	0.0%	0.1%
Agriculture & related subjects	0.0	0.0	0.1%	0.0%	0.7%
Physical sciences	0.2	0.2	2.4%	2.8%	2.2%
Mathematical sciences	0.0	0.1	0.6%	0.9%	0.5%
Computer science	0.6	0.8	9.0%	9.5%	6.5%
Engineering & technology	0.5	0.6	7.3%	8.1%	4.0%
Architecture, building & planning	0.3	0.4	4.6%	4.9%	3.1%
Law	0.3	0.5	4.8%	5.7%	2.8%
Business and Administration	1.1	1.2	15.5%	14.7%	15.6%
Languages	0.2	0.2	3.0%	2.7%	3.0%
Creative Arts and Design	0.3	0.4	4.3%	5.0%	3.4%
Education	0.9	0.9	11.9%	10.7%	18.0%
Combined degree	0.1	0.1	1.6%	1.7%	0.6%
Other *	0.8	0.8	10.9%	10.5%	13.6%
Total	**7.2**	**8.0**	**100.0%**	**100.0%**	**100.0%**

Source: Oxford Economics
Note: NQF 4-8 requirement from education and migration adjusted for LFS subject degree % NQF 4-8
* Social studies; mass communication and documentation; philosophical studies

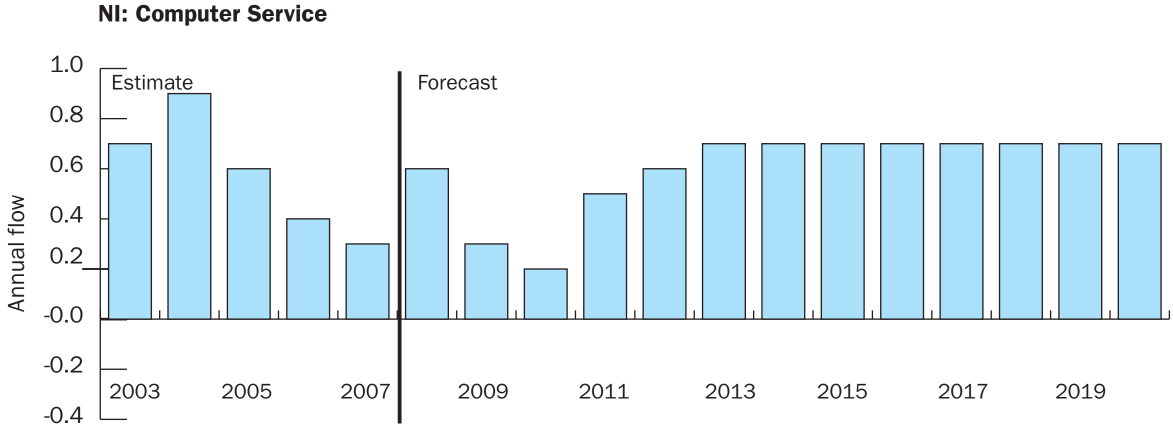
20 The sum of degree subject demand in the final row of **Table 4** is equal to the degree element of the net requirement for NFQ 4-08 qualifications. A proportion of NQF 4-8 qualifications (roughly 25%), which include foundation qualifications, are not classed as full degree qualifications and are not recorded in LFS degree subject or HESA data.

Figure 4: Degree subject demand – Architecture, Building & Planning (baseline)



Source: Oxford Economics

Figure 5: Degree subject demand – Computer Sciences (baseline)



Source: Oxford Economics

Box 8: Future degree subject needs

- Relative to recent trends, the degree subject requirement will become more skewed towards physical sciences, mathematical & computer sciences, engineering & technology, law and creative arts & design. This should help to address some of the current 'specialisation' weaknesses of the NI graduate workforce, provided the education system aligns its supply to this requirement
- Though in the short-run job prospects for graduates will weaken (as it will across the entire skills spectrum), particularly for degree subject areas traditionally supplying sectors such as construction which are most exposed to the current downturn (though much depends on who employers recruit first from the choice of potential joiners). Graduate prospects are forecast to recover in 2011 and 2012, although by this stage there will be a backlog of competing graduates from earlier years still potentially not in employment.

the main report). The charts clearly illustrate the impact of the slowdown, particularly for architecture, building & planning graduates, a large share of who typically enter construction related occupations. It is however worth saying that the graduate net requirement is based on the assumption of no major change in joiner rates from non-employment (the LFS data on which joiner rates are based are not available for a recessionary period). It could well be that all graduates are absorbed first (whether or not their high skills are required or can be appropriately rewarded), severely limiting opportunities for the non-employed in the short-run, including those persons recently made redundant, especially those with poor or redundant skills.

Adequacy of supply

It was beyond the scope of this study to look at the skills supply side in detail in terms of factors such as the changing size of the school leaver age cohort, higher education joiner rates, the 'brain drain', further and higher education subject enrolment trends and DEL's "C'mon Over" campaign to attract talent from the UK and further afield.

However net replacement demand analysis inherently brings in elements of the supply side and it is also useful to bring in other elements to 'sanity check' the model forecasts.

Indeed it has already been described above how the skills forecasting model developed for this research predicted the recent demand for migrant in-flows and broadly in the same magnitude as recorded by official NISRA statistics. For the future to 2020 the model predicts 1,000-4,000 in-migrants *pa* will be required in the baseline (4,000-7,000 *pa* in the aspiration), on top of the historic relatively stable entry flow from education to fill vacancies.

The research also compares degree subject demand estimates to HESA graduate NI employment destination figures by subject (**Table 5**). This provides useful 'read' across some sectors suggesting some validity in the approach. It does however indicatively suggest that even under the baseline forecast there would be a shortfall in subject areas such as mathematical & computer sciences, engineering & technology, law and creative art & design graduates, if the last 4 years outturns as recorded by HESA were to be replicated going forwards[21]. The shortfalls grow larger still under the aspiration scenario. This is before even considering the up-skilling element which at this stage cannot be split across sectors, occupations and subjects.

Conclusions and policy remarks

As explained above, the research identifies a number of interesting conclusions with respect to the NI economy and its future skills needs. In some cases this provides confirmation and quantification of known trends. In other cases it identifies new challenges and issues. The main conclusions and associated policy remarks arising from the research are summarised below (and are elaborated in more detail in the main report).

- **NI's skills performance.** NI's concentration of higher qualified persons in the workforce (NQF 4-8) is on a par with many of the UK regions and a notable improvement in the proportion, from just over 20% to almost 30%, has occurred over the last decade. Despite this improvement, the region still suffers from a proportionately larger group of the working age population with no formal qualifications, which contributes to NI's overall relatively low employment rate.

- **Importance of skills.** There is clear evidence in published literature to show the importance of formal skills in driving economic growth and providing improved returns to individuals in terms of likely labour market outcomes and earnings potential. This is further supported by primary research reported in this study. For example over 90% of working age graduates are in employment in NI and a graduate in the workplace has an average salary premium of more than double over an individual with no formal

21 Note: Supply from HESA is based on employment destination numbers and not number of qualifiers

Table 5: Net requirement from education and migration and comparison with supply – degree subjects (2010-2020 annual average)

	Demand		Supply
	Baseline	Aspiration	HESA NI domiciled graduates from UK HEIs entering employment in NI (2003-2007 annual average grossed up)
STEM	3.5	3.9	3.6
Medicine & dentistry	0.2	0.2	0.3
Subjects allied to medicine	1.1	1.2	1.4
Biological sciences	0.4	0.4	0.4
Veterinary science	0.0	0.0	0.0
Agriculture & related subjects	0.0	0.0	0.1
Physical sciences	0.2	0.2	0.2
Mathematical sciences	0.0	0.1	0.0
Computer science	0.6	0.8	0.5
Engineering & technology	0.5	0.6	0.3
Architecture, building & planning	0.3	0.4	0.3
Law	0.3	0.5	0.2
Business and Administration	1.1	1.2	1.3
Languages	0.2	0.2	0.2
Creative Arts and Design	0.3	0.4	0.3
Education	0.9	0.9	1.5
Combined degree	0.1	0.1	0.1
Other *	0.8	0.8	1.1
Total	**7.2**	**8.0**	**8.4**

Source: Oxford Economics
Note: NQF 4-8 requirement from education and migration adjusted for LFS subject degree % NQF 4-8
* Social studies; mass communication and documentation; philosophical studies

Box 9: Adequacy of degree supply

- Even under the baseline outlook a shortfall in subject areas such as mathematical & computer sciences, engineering & technology, law and creative art & design graduates is forecast, if the last 4 years outturns as recorded by HESA were to be replicated going forwards
- The shortfalls grow larger still under the aspiration scenario before even considering the up-skilling element which at this stage cannot be split across sectors, occupations and subjects.

skills. As a globally integrated economy becomes more of a reality the need to be internationally competitive will only increase and thus the need to improve qualification levels will remain, and even more so through the current downturn when global FDI is scarce.

- **The impact of recession.** The skills landscape will be noticeably different during the recession currently being experienced both in NI and across most of the developed world. There will undoubtedly be over supply in the short run and the immediate economic fortunes in 2009 and 2010 look extremely challenging for leavers from education, persons recently made redundant, and the non-employed seeking work.

- **Looking towards recovery.** There is little certainty over the timing and scale of economic recovery in NI. Based on latest forecasts at the time of writing (February 2009), Oxford Economics, in common with many other forecasters, believe it will be 2010 before growth returns in any form; and the peak employment levels of early 2008 may not return until 2017. In the recovery phase, the shape of growth will be different than the past – led less by the housing / construction and retail sectors and more by export-led activities. This will have implications for skills needs. We believe the long-run picture will be labour market expansion of approximately 5,000 - 6,000 net per annum, compared to well over 10,000 on average per annum of the last decade. However given the current uncertainties, there will be a need to reappraise the quantum and nature of skills needs set out in this report.

- **Demand for skills.** Even though the NI economy is forecast to slow considerably in the downturn and even in the longer-run is unlikely to return to the levels of job growth of the recent past, there will still be a significant demand for additional labour (to both support expansion of certain sectors and to replace retirees and other leavers from the labour market). On average the analysis suggests approximately 15,000 jobs are available in the NI economy in a given year even without any net increase in the total number of jobs (this is the net replacement demand figure). A labour market expanding at 5,000 net jobs per annum is consistent with the current education system outturns – assuming net migration is roughly in balance (down from recent trends) and employment rates roughly unchanged (again a change from the recent trend of rising employment rates).

- **Aspirational growth will require a 'step-up'.** Though there is no detailed sectoral 'roadmap' for the 'NI economy of tomorrow' aspired to in the Economic Vision and associated policy documents and plans (including the Programme for Government), there is acceptance that improved economic performance is central: PSA targets and Executive statements support this. To achieve improved growth would require uplift in skill levels across the workforce. This is both a demand issue (creating more high productivity jobs) and a supply issue (having the skills to fill these jobs and upskill existing workers). Setting out an indicative alternate economic growth trajectory which meets the published productivity policy goals suggests a need for higher qualification (NQF 4-8) concentrations in the workforce to rise from approximately 30% to 50%: an uplift across the skills ladder would therefore be required).

- **Need for balanced supply.** Though driving faster growth would require a more skilled workforce, the labour market will still require workers across the skills spectrum and not just at the graduate end. The model suggests annual requirements of roughly 3,500 for workers with low qualifications over the decade ahead (compared to almost 10,000 for persons with higher level qualifications).

- **Up-skilling the workforce matters.** In order to meet aspirational targets (and indeed even to support the projected baseline needs), a considerable uplift within the existing workforce skills profile would be required. Some of this occurs 'organically' as better skilled young people enter sectors and lesser skilled older workers depart, but nevertheless the research shows a significant requirement for upskilling the existing workforce to support economic growth. For example under the baseline scenario, 9,000 workers with low qualifications are required to upskill to a higher qualification, and consequently workers with intermediate qualifications are required to move up the skills ladder.

- **Graduate under-representation in certain sectors.** The research suggests that relative to UK averages and regional comparisons, NI has an under-representation of graduates in a number of sectors. These are primarily agriculture, manufacturing, construction, retailing, and hotels & catering. Elsewhere in professional services and public services graduate concentrations are at a comparable level to elsewhere. Note that presence of graduates within a sector does not guarantee the full utilisation of skills. In addition much of the explanation of graduate concentrations may lie in the nature of the particular firms located in NI (in other words it could be a demand rather than a supply question).

- **Managerial and professional weakness.** The research suggests a significant managerial weakness in the occupational structure of the NI economy. Even accounting for sectoral mix, NI is some 50,000 managers and professionals short of which level would be expected if NI had the same sectoral managerial and professional concentrations as the UK average. This shortage is likely a function of the type of activities carried out in NI and the limited amount of higher end functions carried out in the region's firms.

- **Graduate subject diversity.** The research suggests that the pool of graduates within the workforce has a rather 'narrow' unspecialised subject focus. There is an over abundance of business and mass communications graduates and a notable under-representation of creative arts & design/arts and STEM graduates (7,000 and 4,000 respectively). This may reflect demand as opposed to current supply (many may migrate out for work) but is nevertheless a notable facet of the NI economy.

- **Flexibility and adaptability:** The current economic circumstances and the limitation of the data (and a forecast based approach) suggest that skills policy requires an increased level of flexibility and adaptability. Though this can be difficult in planning courses and educational infrastructure, it is a necessary requirement in a fast moving global world. For example the importance of financial service skills in the decade ahead may be less than in the decade past or envisaged pre-credit crunch, whilst the importance of subjects related to environmental technologies may be greater. Thus revisiting and reappraising skills research such as this (and that carried out by the SSCs) will be important.

- **Changing dynamics of supply.** The forecasts presented in the research rely on assumptions drawn from the recent trends in the data. Consideration of changes in patterns over the future may be required. For example retention of older staff, or even returning retired staff due to weakening personal wealth circumstances (as pension values have been eroded), may change the magnitudes of outflows and inflows from these particular categories. This would have an implication on the skill demand and needs from the educational system (and equally have an implication on the adult training environment).

- **Increasing demand for STEM subjects.** As best as can be predicted, the base forecasts suggest that the growing sectors of the economy will require an increasing number of STEM qualified graduates and skilled labour.

- **Shortfalls could occur.** The analysis suggests that if a faster growth trajectory can be achieved - the aspirational scenario - there could be skill subject shortfalls emerging within the next decade (for example in some STEM, law and creative/arts subjects). This provides an important 'early warning' of future gaps which if unfilled would result in either lost economic growth or an increased dependence on 'footloose' migrant labour.

- **Retain and attract.** The challenge to maintain and improve the skills base suggests a need to attract back into the labour market well-qualified persons. This could be from outside the labour market, such as parents looking after children or the early retired; or from outside NI, including school leavers who previously left the region to study and continued to work elsewhere. Such a flow of skilled labour could help to address managerial and diversity of graduate subject weaknesses already identified. It is also important not to overlook the greater returns to individuals from skills gained at a personal level, even if they do not reside in the region - up-skilling is rarely wasted on the individual.

These conclusions raise a number of policy questions and provide support for many of the existing skills programmes already in place. Oxford Economics believe it is important to reflect on the level of job growth in the region over the last decade, and though the 'outturns' in productivity may not have been what might have been hoped for, NI's impressive employment record nevertheless provides some commendation of the skills outputs to date.

The worries at the lower skills end remain with the proportion of the adult population, the workforce, and most worryingly the leavers from education having no formal qualifications and limited basic skills, still an acute problem for the region.

Looking forward the recession will require short term 'emergency supply-side measures', primarily to help leavers from the education system and those made redundant, especially as businesses are already adjusting quickly (some are operating a reduced number of operating days per week etc). However a strategic long-term plan must remain in order to capitalise on opportunities when the world emerges from the current economic malaise and to ensure that NI's skills offering remains internationally competitive.

The model developed in this project provides one useful evidence tool capable of re-visiting future skill needs when the economic picture becomes clearer and recovery begins to take shape (or does not). It can augment the qualitative and 'sector by sector' expertise within SSCs, DEL and elsewhere, and can help understand the quantum of skills required given the likely demand within the economy.

Perhaps the emergence of 'green jobs', the reshaping of the financial and professional services sector and a more developed tourist industry will alter the shape of the skills mix and a different aspirational path may emerge. The skills forecasting model will be a useful tool to address the alternate skills needs and Oxford Economics recommend its continued use in exploring alternate scenarios and looking ahead, alongside further consideration of the roadmap to deliver the 'better NI' to which policy aspires.

Acknowledgements

Oxford Economics would like to acknowledge the contributions provided by a number of individuals and organisations throughout the research process. We are particularly thankful to statisticians from DEL and DETI (Martin Monaghan and Joanne Henderson); Laurence Downey (SSDA Manager); Sector Skill Councils and Invest NI sector representatives who responded to a series of future skill need survey questions designed by Oxford Economics; and finally attendees from the Stakeholder Conference.

Results of the Northern Ireland Skills Monitoring Survey 2008

Jan Shury & Ben Davies, IFF Research

The NI Skills Monitoring Survey 2008 provides a comprehensive snapshot of the current skill needs of NI employers. The Survey provides an overview of current vacancies and skill needs across the economy and particularly focuses on those areas where recruitment difficulties are related to external skill shortages. Other issues such as skill gaps and training are also explored.

Background

The Department for Employment and Learning (DEL) is implementing Success through Skills, a Skills Strategy to better ensure that individuals have the skills they need to enhance their employability, and that employers will have access to the necessary skills to develop their businesses successfully[1]. One of the themes that underpins Success through Skills is understanding the demand for skills. The NI Skills Monitoring Survey (SMS) informs this theme by exploring issues related to the current skill needs of NI employers.

The 2008 Survey

The 2008 SMS is the fourth in the series of surveys and is designed to provide a comprehensive snapshot of the current skill needs of NI employers in the non-agricultural sectors. The first survey in 2000[2] focused on private sector employers, the 2002[3] survey was extended to include the public sector and the 2005[4] SMS updated the findings from the 2002 survey. The primary purpose of the 2008 SMS is to update the findings of the surveys conducted in 2002 and 2005 and therefore we now have some useful comparisons over time. In particular the key objectives of the survey were to:

- provide robust estimates of the current level of vacancies, difficult to fill vacancies and skill gaps among NI's employers;
- highlight areas where recruitment difficulties are related to external skill shortages;
- explore employers' perceptions of recent changes in skills and their expectations of future trends in the short term;
- analyse employers' training practices; and
- provide comparisons with the 2002 and 2005 surveys.

Methodology

The Survey was designed to provide robust estimates for all NI employers but also, where possible, to provide estimates for individual sectors. Responses are analysed by Standard **Industrial** (SIC2003) and **Occupational** (SOC2000) Classifications to allow for comparison of the results with other sources of data. In this article, industrial information is presented by broad industrial sector. Information will also be presented by Sector Skills Councils (SSC) in a separate publication.

The questionnaire was largely based on those used previously in the 2002 and 2005 Surveys which were structured to allow for comparison with similar surveys carried out in other regions as well as

1 Success through Skills. The Skills Strategy for NI is available online at **www.delni.gov.uk/skills_strategy_2006.pdf**
2 **www.delni.gov.uk/index/publications/r-and-s-stats/skills-reports/northern-ireland-skills-monitoring-survey-2000.htm**
3 **www.delni.gov.uk/index/publications/r-and-s-stats/skills-reports/northern-ireland-skills-monitoring-survey-2002.htm**
4 **www.delni.gov.uk/index/publications/r-and-s-stats/skills-reports/ni-skills-monitoring-survey-2005-main.htm**

earlier surveys conducted in NI. A series of questions were also added to contextualise current skills issues by further exploring challenges faced over the previous year, and also anticipated ongoing and new skills challenges over the coming year.

IFF Research was commissioned to conduct the 2008 Skills Monitoring Survey. The core sample was selected from NI businesses listed in the Experian Business Database. Three sectors had to be boosted from the Inter-Departmental Business Register (IDBR) due to a shortfall of coverage through the Experian Database. The sampling strategy adopted was a modified probability proportionate to size sampling approach. The sample was stratified to provide comprehensive coverage of businesses by sector (SIC and Sector Skills Council (SSC)), company size (number of employees) and geography (Workforce Development Forum[5] (WDF) areas). It was also necessary to apply grossing weights to the results to reflect the composition of the IDBR as a whole. A total of 4,000 businesses were interviewed by IFF between October and December 2008, with an overall response rate of 55%. This compares favourably with response rates from similar surveys in the UK. A 35% response rate was achieved in the National Employer Skills Survey in England and 45% was achieved in the Scottish Skills Survey. The interviews were conducted using Computer Assisted Telephone Interviewing (CATI).

Key Findings

This section provides a summary of some of the key findings from the 2008 SMS and where applicable, compares these findings to the earlier survey conducted in 2005. In addition, there are some comparisons with similar skills surveys conducted in England[6] (2007), Wales[7] (2005) and Scotland[8] (2006). Where relevant data are available figures are quoted by way of comparison.

Table 1 presents some of the key findings from the Survey analyses by Industrial sector. It can be seen that the majority of establishments did not have a vacancy at the time of interview. Overall, 12% of businesses reported having at least one current vacancy. For those sectors where reliable estimates can be made, the highest incidence of vacancies was reported in Public Administration (39%). The levels in Health & Social Care (23%), Education (18%) and Hotels & Restaurants (14%) were above average. The lowest incidence of vacancies was in Construction (5%).

Of particular interest are those vacancies which are proving difficult to fill[9] and those that are due to external skill shortages[10]. Recruitment difficulties may be due to 'internal' company factors such as low pay or location of the business and therefore the solution is unlikely to lie in the supply of skills available. Examining only those sectors where reliable estimates can be made, the lowest incidence of difficult to fill vacancies was in Construction with only 1% of employers reporting a difficult to fill vacancy. The highest incidence was in Public Administration (15%). Overall the main reasons given for difficulties in filling vacancies included a lack of skills demanded by the company (27% of those with difficult to fill vacancies), a low number of applications with the required attitude, motivation or personality (23%) and a low number of applications generally (21%). The reported effects of these difficulties included meeting customer service objectives (51%), increased operating/running costs (41%) and difficulties in meeting required quality standards (37%).

Overall 3% of employers reported **skill shortage** vacancies[11]. By implication, a larger proportion of employers did not consider their vacancies to be due to a shortage of skills. The most common skills that were found difficult to obtain from applicants for external skill shortage vacancies were technical and practical skills (cited by 57% of those with a skill shortage vacancy), oral communication skills (51%) and customer handling skills (46%). The sector with the highest incidence of external skill shortage vacancies was Health and Social Care (8%),

5 There are six Workforce Development Forums in NI linked to the area-based colleges. These are Belfast Metropolitan WDF, Northern Regional WDF, North West Regional WDF, Southern Regional WDF, South Eastern Regional WDF and South West WDF.
6 Comparisons with England are taken from the publication "National Employer Skills Survey 2007: Key Findings". Learning and Skills Council, May 2008. (**www.lsc.gov.uk**)
7 Comparisons with Wales are taken from "Future Skills Wales 2005 Sector Skills Survey: Main Report". March 2006. (**www.futureskillswales.com**)
8 Scottish data are quoted from the publication "Skills in Scotland 2006". The Scottish Government. February 2007. (**www.scotland.gov.uk**)
9 Difficult to fill vacancies are vacancies which an employer considers difficult to fill for any reason. Although there is no formal definition of a difficult to fill vacancy, employers are asked to define this in terms of their business needs and their current situation.
10 Skill shortage vacancies are defined as difficult to fill vacancies that are attributed by employers to one of the following causes; lack of skills, lack of qualifications or a lack of work experience.
11 The measure of skill shortage vacancies has changed since the previous survey to maintain consistency with similar surveys in other regions of the UK. It should also be noted that previously a skill shortage vacancy occurred if the **main** reason for the vacancy was a lack of skills, qualifications or work experience. In 2008, a vacancy is considered due to external skill shortages if **any** reason given by the employer is a lack of skills, lack of qualifications or a lack of work experience.

Results of the Northern Ireland Skills Monitoring Survey 2008

Jan Shury & Ben Davies, IFF Research

Table 1: Key Findings by Industrial Sector

Industrial Sector	Current Vacancies %	Difficult to Fill Vacancies %	External Skill Shortages %	Skill Gaps %
All Employers	12	4	3	22
Mining & Quarrying*	9	0	0	48
Manufacturing	11	6	4	28
Utilities*	13	12	12	13
Construction	5	1	1	19
Wholesale & Retail	11	3	2	24
Hotels & Restaurants	14	6	4	37
Transport & Communications	9	3	2	21
Financial Services	7	2	2	26
Business Services	8	4	3	19
Public Administration	39	15	6	32
Education	18	3	2	22
Health & Social Care	23	12	8	17
Other Services	12	3	1	13
Base (unweighted) = 100%	**4,000**	**4,000**	**4,000**	**4,000**

* Caution: Based on a small number of responses.

followed by Public Administration (6%). The lowest incidence of external skill shortages was in Construction and Other Services, where in both sectors 1% of employers considered their vacancies to be due to external skill shortages.

Skill gaps[12] exist where an employee is not considered to be fully proficient i.e. where an employee is not able to do their job to the required level. **Table 1** shows that 22% of employers reported that there was some sort of gap between the types of skills that their current employees had, and those that they need to fully meet the requirements of their job. Just over three-quarters of employers (78%) said that their staff possessed the skills required for their job. The highest level of skill gaps was reported by employers in Hotels & Restaurants (37%) and Public Administration (32%). Employers in Other Services (13%) reported the lowest incidence of gaps. The most common measures taken in order to overcome a lack of fully proficient staff were to provide further training/development (85% of those with skill gaps), changing working practices (54%) and increasing/expanding trainee programmes (49%).

Table 2 presents the main findings from the training section, which includes off-the-job training[13] and on-the-job training[14]. Over half of all employers (53%) organised some off-the-job training for their employees in the previous 12 months. Employers in Education (84%) provided the highest level of off-the-job training. In contrast, only a third of employers in Transport and Communications provided off-the-job training for their staff. **Table 2** shows that a higher proportion of employers provided on-the-job training for staff (61%). This was highest in Public Administration (87%) and lowest in Construction (49%).

Table 2 also shows the proportion of employers who provided any sort of training to employees, either off-the-job or on-the-job training or both. Approximately three-quarters of employers (74%) provided some sort of training for their staff. Where reliable estimates can be made, the highest level of training provided was in the

12 In 2008 skill gaps were based on proficiency of the workforce, whereas in 2005 employers self-classified as having skill gaps.
13 Off-the-job training was defined as 'training that was delivered away from the immediate work position, whether at the business premises or elsewhere'. This type of training included all types of courses e.g. full or part time; correspondence or distance learning; Health and Safety training, etc, as long as it was funded or arranged by the employer for employees working at the business.
14 On-the-job training was defined as 'training given at the desk or place where the staff usually work'. This would be recognised as training by the staff, and not the sort of learning by experience which could take place all the time.

Table 2: Training Activity by Industrial Sector

Industrial Sector	Off-the-job training %	On-the-job training %	Any Training %
All Employers	53	61	74
Mining and Quarrying*	73	94	94
Manufacturing	48	67	76
Utilities*	61	79	89
Construction	61	49	72
Wholesale & Retail	35	53	63
Hotels & Restaurants	42	61	71
Transport & Communications	33	62	67
Financial Services	59	86	93
Business Services	61	61	79
Public Administration	74	87	93
Education	84	73	90
Health & Social Care	67	77	89
Other Services	58	53	69
Base (unweighted) = 100%	**4,000**	**4,000**	**4,000**

* Caution: Based on a small number of responses.

Financial Services and Public Administration sectors (both with 93%). Employers in Wholesale & Retail were least likely to provide any form of training to their staff (63%).

Table 3 compares the findings from the 2008 Skills Monitoring Survey and the survey conducted in 2005 (see footnotes 11 and 12 for changes in the definition of skill shortages and skill gaps). The most notable changes between the two surveys are:

- the **reduction** in the percentage of employers reporting difficult to fill vacancies (6% in 2005 to 4% in 2008);
- the **increase** in the percentage of employers who said they have staff who are not fully proficient (10% in 2005 to 22% in 2008); and
- the **increase** in the percentage of employers who provided off-the-job training (34% in 2005 to 53% in 2008).

Table 3: Key Findings from NI Skills Monitoring Surveys

Survey	Current Vacancies %	DTF Vacancies %	External Skills Shortages %	Skill Gaps %	Off-the-job training %
NI Skills Monitoring Survey 2008	12	4	3	22	53
NI Skills Monitoring Survey 2005	11	6	4	10	34

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Table 4 compares the key findings from the 2008 Skills Monitoring Survey in NI with results from similar surveys[15] conducted in England, Scotland and Wales. In comparison, the proportion of NI employers reporting at least one vacancy (12%) is lower than employers in England (18%), Scotland (19%) and Wales (21%). **Table 4** shows that 4% of NI employers considered their current vacancies as being difficult to fill. This is again lower than the equivalent proportion of employers in England (6%), Scotland (12%) and Wales (10%). The proportion of employers reporting external skill shortage vacancies in NI (3%) was also slightly lower than in England (5%), Scotland (7%) and Wales (4%). In contrast, 22% of NI employers reported they had staff who were not fully proficient, the same proportion of employers as in Scotland, but higher than in England (15%) and Wales (18%).

Table 4: Comparison of Key Findings

	Current Vacancies %	Difficult to Fill Vacancies[16] %	External Skill Shortages %	Skill Gaps %
NI	12	4	3	22
England	18	6	5	15
Scotland	19	12	7	22
Wales	21	10	4	18

Summary

The 2008 Skills Monitoring Survey provides a robust analysis of the current skill needs of NI employers. This article presents an overview of issues connected with vacancies, skill shortages, skill gaps and training from an employer's perspective. Useful comparisons have been made with the Skills Monitoring Survey 2005 and in addition, the 2008 findings for NI have been compared with those from similar employer skill surveys conducted in England, Scotland and Wales.

The 2008 Survey shows that in the past three years although there has been a slight increase in the percentage of employers reporting current vacancies and a reduction in the percentage of employers reporting difficult to fill vacancies. The Survey also shows there has been an increase in the percentage of employers reporting staff who are not fully proficient. However, it is positive to note that there has been an increase in the percentage of employers providing training to their staff. The findings from the 2008 Survey will help to inform policy makers as they work on the continued implementation of the Department's Skills Strategy.

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15 Other regions conduct employer skill surveys, however there are variations across the regions.
16 Reports for England, Scotland and Wales refer to hard to fill vacancies.

Labour Market
Bulletin 22

North/South Statement of Skills Demand

Andrew Webb & Dermot Coates, FGS McClure Watters with Neil Gibson and Graeme Harrison, Oxford Economics

The Northern Ireland Skills Expert Group and the Expert Group on Future Skills Needs in the South appointed FGS McClure Watters and Oxford Economics to prepare an All-Island Skills study to inform decision making North and South and between the two jurisdictions. The results of this study were launched at the first All-Island Skills Conference on 9 October 2008 in the Millennium Forum, Derry. This is the first time a comprehensive all-island analysis of skills demand has been conducted. Here we highlight the key findings from the study[1].

The Importance of Skills

Skills are widely accepted as the key 'raw material' in the modern knowledge-based economy. Despite the current economic downturn, the continuing long-term move from traditional agriculture/manufacturing to higher value manufacturing and services across the Island economy ensures that there will be a continued change in the particular skills and balance of skills needed. These ongoing changes are likely to pose a significant challenge for employees, employers and policy-makers – a challenge centred upon the need to ensure that the growing demand for skilled labour can be met and that the labour force is sufficiently equipped to adapt to changing needs and circumstances.

The capacity to meet these skills needs plays an important role in the achievement of a range of social and economic objectives including increased competitiveness and productivity. However the importance of formal qualifications and the requirement for these is but one aspect of changing skills needs. The role of core and generic skills (such as numeracy and literacy; inter-personal understanding; and effective communication) is another increasingly important aspect. These skills facilitate flexibility and responsiveness and cover a broad range of transferable attributes ranging from numeracy and literacy to the development of soft skills such as effective communication. The importance of skills in driving economic growth and the vision for a well educated highly skilled population equipped to meet the needs of a knowledge-based economy is clearly articulated by both the Expert Group on Future Skills Needs in the South and the Skills Expert Group in NI. Indeed, in their respective skills strategies a clearly articulated vision of where the respective economies wish to go – and how they intend to get there – has been developed.

The Expert Group on Future Skills Needs vision for Ireland in 2020 is for a well-educated and highly skilled population which contributes optimally to a competitive, knowledge-based and inclusive economy. Delivering on the skills vision will, it is estimated, require approximately half a million people to progress to the next level of educational attainment above their current attainment level.

In NI, delivering upon the skills agenda is the Department for Employment and Learning's (DEL) key priority. 'Success through Skills' represents the Department's vision to improve the skills levels of the population. In a wider context the NI Executive's focus, as articulated in the Programme for Government, is on growing a dynamic and innovative economy over the next 10 years – and this has clear implications for skills. The Programme highlights key skill targets that it aims to reach

1 The full report can be accessed on the websites of Forfás (**www.forfas.ie**) and DEL (**www.delni.gov.uk**)

Andrew Webb & Dermot Coates, FGS McClure Watters with Neil Gibson and Graeme Harrison, Oxford Economics

by 2015 including 80% of the working age population qualified to level 2 or above (broadly equivalent to 5 GCSEs at grades A-C/NVQ Level 2) and 60% of the working age population qualified to Level 3 or above (broadly equivalent to 2 A-Levels/NVQ Level 3).

The All-Island Skills report provides an evidence base for future partnership and effective working between the two skills expert groups by providing a comprehensive picture of skills demand on an All-Island basis. This is done through wide ranging data analysis and consultation to 'set the scene' in terms of the All-Island economy's economic structure, performance and prospects. The report assesses the broad trends in the current and future demand for skills across industries and occupations. Most of the analysis underpinning this report predates the recent downturn, but given that most forecasters expect growth to be resumed North and South over coming years, it continues to provide a strong evidence base for future N/S partnership.

Skills Demand: Trends and Prospects

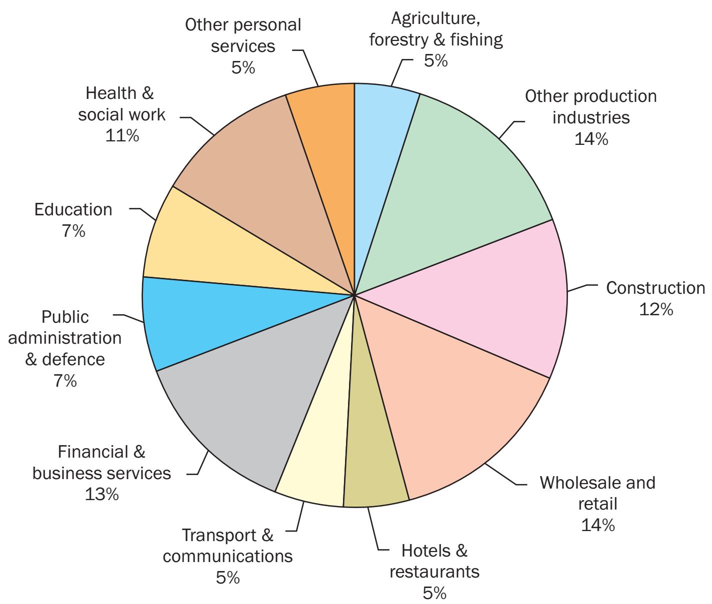
Previous economic growth and sectoral and occupational structures each have a significant influence on skills demand trends. The openness of the All-Island economy, particularly in the South which depends significantly on US FDI, also means that the demand for skills will be shaped by wider global factors - which impact on incoming FDI and exporting sectors. The crux of this report – the demand for skills – is thus assessed through a review of recent skills demand developments (economic growth, sectoral and occupational structures), current skills demand, (vacancies and skills shortages and gaps) and future skills needs (general economic prospects and employment forecasts for sectors and occupations).

Recent Trends and Factors Influencing Skills Demand

Economic Growth: The phenomenal success of the 'Celtic Tiger' years are well documented and resulted in the All-Island economy posting GDP growth of up to 9% per annum in the late 1990's before moderating post 2001 to around 5% per annum. More recently, of course, there have been difficulties.

Labour Market Trends: The employment structure of the All-Island economy (**Figure 1**) is relatively well-diversified with no one sector dominating and several large sectors of roughly equal importance. Other production industries (which is dominated by manufacturing), construction, wholesale & retail, financial business services and health & social work, all have employment shares of over 10%. A comparison of the structure of both economies North and South highlights the relative greater importance of public administration, education, health & social services in NI, while the South's economy is more dependent on financial and business services and

Figure 1: All-Island employment structure (2007)



Source: CSO QNHS, DETI LFS and Oxford Economics

North/South Statement of Skills Demand

Andrew Webb & Dermot Coates, FGS McClure Watters with Neil Gibson and Graeme Harrison, Oxford Economics

Table 1: All-Island recent change in employment by sector

	Change 1996-2007 (000s)			Change 1996-2007 (annual average%)		
	RoI	NI	All-Island	RoI	NI	All-Island
Agriculture, forestry & fishing	-27	2	-25	-2%	1%	-1%
Other production industries	25	-3	22	1%	0%	1%
Construction	180	19	**199**	10%	3%	8%
Wholesale and retail	110	12	**122**	4%	1%	3%
Hotels and restaurants	51	-2	49	5%	-1%	4%
Transport and communications	61	6	67	7%	2%	5%
Financial and business services	152	57	**209**	7%	10%	8%
Public administration & defence	29	-18	11	3%	-2%	1%
Education	47	7	54	4%	1%	3%
Health & social work	98	53	**151**	6%	6%	6%
Other personal services	41	13	54	4%	4%	4%

Source: CSO QNHS and DETI LFS

construction. In terms of occupational structure, key points to note are that almost 2 in 5 occupations are managerial and professional with less than 1 in 5 in elementary and plant & machine operator occupations.

Both economies have registered impressive rates of employment growth over the last decade. Overall total All-Island employment increased from 2.0m in 1996 to 2.9m in 2007. Even with strong expansion in the size of the Island's working age population, the working age employment rate has risen, almost reaching the Lisbon Agenda goal of 70% before the 2010 target date, although through late 2008 and into 2009 the position has become somewhat bleaker. With strong employment growth, the All-Island unemployment rate halved from 8.0% in 1996 to 4.3% in 2007. Rising education attainment has contributed to the rise in employment rates, as rates of participation are positively correlated with attainment. Hence while raising skill levels plays an important role in boosting demand via channels such as inward investment, it also has a supply effect by increasing individuals' likelihood of participating in the labour market.

Sectoral Trends: In terms of recent trends across sectors the key developments which are important factors in skills demand, have been (see **Table 1**):

- The transformation of both economies from traditional agriculture/manufacturing to services is evident from the rapid expansion of financial and business services. At All-Island level the professional services sector has created more new jobs on a net basis than any other individual sector. Recent trends north and south in professional services employment are remarkably similar with the sector in both jurisdictions roughly doubling in size in employment terms in the last decade.
- Construction also added a large number of jobs over the last decade (just under 200,000 across the Island). The sector increased by 10% per annum as both the non-residential sector expanded (due to strong economic growth) and the residential sector grew exponentially with the booming housing market fuelled by rising wealth and demand from a growing population, although this sector has seen decline more recently.
- Retail employment has grown consistently over the last decade across the Island. In the South, the sector increased by over 50%. Despite NI's retail 'catch up' with the arrival of multinational and national retailers, its rate of growth

has lagged behind the South. This is partly explained by the South's faster rate of population growth and wealth creation.

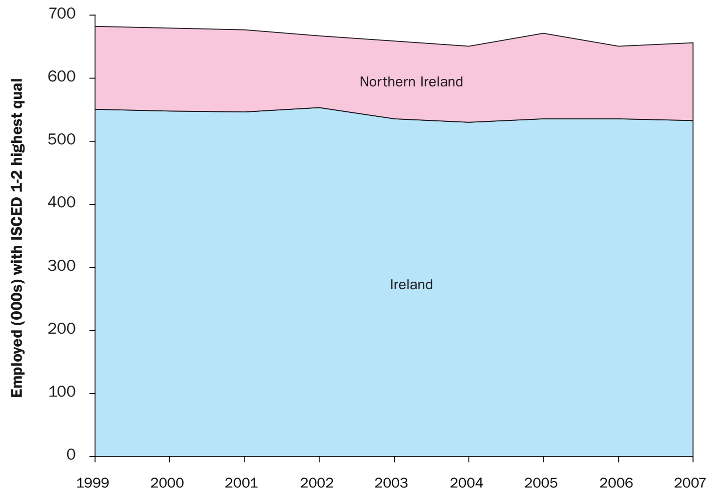
- Employment in Public Administration, Education, Health and Social Services has increased rapidly across the Island, adding 216,000 employees. In NI, growth coincided with the public sector expansion initiated by the Labour government in 1999, having held to the previous administration's spending plans for the first two years of its term. Population growth has also been a factor as many services are demand driven.

Comparisons of occupational trends over time are limited by technical classification reasons (described later in the report). The historical data for the limited number of years available show the growth in professional occupations and craft & related trade occupations and decline in plant & machine operative occupations. Service and shop & market sale occupations have also risen steadily – these include, among other occupations, personal care workers, chefs and waiters/ waitresses.

Stock of Skills: The number of employed persons with pre-primary, primary and lower secondary (ISCED[2] level 1+2) qualifications has not fallen significantly in absolute numbers but does currently account for fewer than a quarter of all jobs, down from nearly one in three at the beginning of this decade. This is despite the decline in employment in traditionally low skilled sectors such as Agriculture and Manufacturing sub-sectors such as Textiles, and the fall in the number of working age persons with low attainment levels.

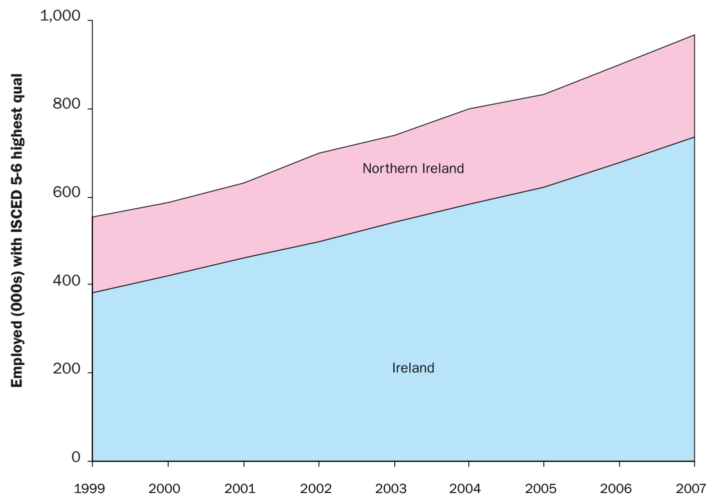
The most marked trend in employment by skill level is the rapid growth in employed persons with third-level graduate qualifications (ISCED level 5+6). Compared to 1999, there are now 340,000 more graduates in employment in the All-Island economy. Employed persons

Figure 2: All-Island employed persons skill trends – Low Skills ISCED 1+2 (absolute numbers)



Source: CSO QNHS, DETI LFS and Oxford Economics

Figure 3: All-Island employed persons skill trends – High Skills ISCED 5+6 (absolute numbers)



Source: CSO QNHS, DETI LFS and Oxford Economics

2 The International Standard Classification of Education 1977 (ISCED).The aggregated categories are named as follows:
Low qualification – ISCED 0+1+2 (pre-primary, primary and lower primary),
Medium qualification – ISCED 3+4 (upper secondary and post-secondary non-tertiary education),
High qualification – ISCED 5+6 (university educated).

with third-level qualifications now account for one third of the total.

Current Skills Demand Issues

Vacancy levels and skills gaps provide a useful (if incomplete) insight into the demand for skills. The South's data for 2006 generally show a broad spread of vacancies across occupations, although there was a noticeably higher number of vacancies in Personal & Protective Service and Sales Occupations as well as a skewing of vacancies towards higher grade occupations. In NI, half of vacancies notified to DEL in 2006 were in two occupational groups – Sales & Customer Service and Elementary Occupations. This distribution is different again to the South's pattern and may be explained in part by the timing of economic cycles with NI experiencing a later boom in Construction (Construction Labourers in Elementary Occupations) and Retail growing strongly with the opening of large scale retail outlets.

In terms of hard-to-fill vacancies, comparing North-South for the latest year data are available (2005) reveals a divergent pattern, with the South skewed more towards Professional and Managerial Occupations and NI towards Elementary and Personal Service Occupations. Notwithstanding the differences in Occupation Classification, these differences are important and could be indicative of a number of trends worthy of further consideration. For example, reasons could include higher demand, in relative terms, for Managers and Professionals in the South due to sectoral patterns in growth and the quality of jobs being created; high leaving rates in NI for lower grade occupations and difficulty attracting the local non-employed and migrants to enter employment in these occupations. Alternatively hard-to-fill vacancies in the South may be more related to skill shortages and in NI to labour shortages.

Future Skills Demand

Wider Economic Issues

In the coming decade, following challenging conditions in 2008 and 2009, growth across the Island is expected to be around 3% on average per annum. While this growth rate would be lower than the previous decade it would be above an expected Eurozone average of nearly 2%. At the time the All-Island Skills study was published, the Economic and Social Research Institute (ESRI) suggested that the South's economy should recover quite quickly from the downturn and return to growth rates above the EU average over the next decade. The prospects for NI were not dissimilar and the extent of the downturn was not expected to be as severe. The medium-term NI growth forecast is predicted to be above the EU average. Therefore, notwithstanding current shifts in skill demand, the broad long-term forecast for skills demand, towards higher end skills, is likely to remain unchanged.

Sectoral and Occupation Prospects

It is important to note that sectoral and occupation forecasts presented in this research are baseline forecasts. Baseline forecasts are essentially 'policy neutral' and do not build in the step change in skills provision and attainment that both the South and North are aspiring to (i.e. they are not the stretching North-South targets presented in each jurisdictions skills strategy).

Over the next decade, the economic transformation on the Island from traditional agriculture/industry towards services is forecast to continue apace. The main sectors of employment growth are expected to be Financial & Business Services, Public Services, Other Market Services and Wholesale and Retail. The Public Administration, Education, Health & Social Services Sector is projected to expand by 100,000 persons as population continues to grow strongly (although this is a slower expansion than the past decade). Construction is forecast to slow down significantly (even before the emergence of recent difficulties) and then recovery over the medium term.

Employment growth in NI is also forecast to remain positive, although somewhat slower than in recent times, due to factors such as an end in retail 'catch up', slowdown in public spending and shakeout in construction.

Employment growth in NI will continue to be led by Financial and Business Services.

Figure 4 provides indicative All-Island employment forecasts by sector over the next ten years.

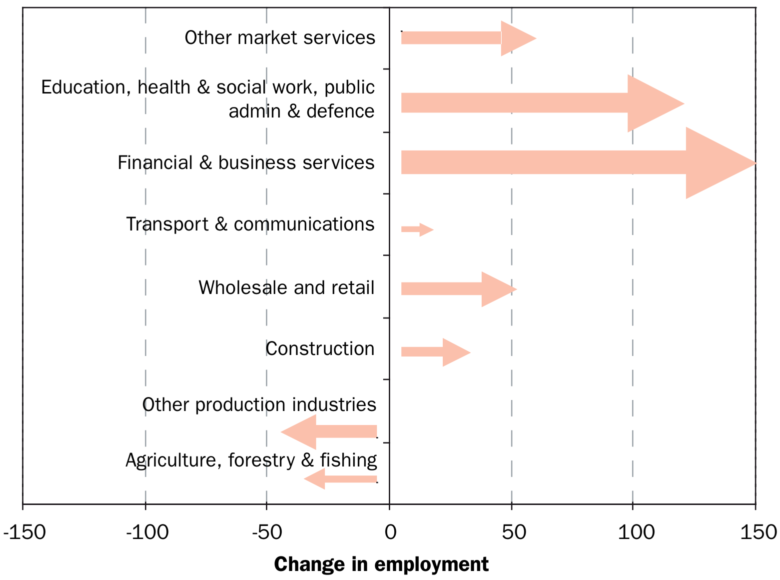
The sectoral pattern of employment growth described above will result in All-Island employment growth largely concentrated in Professional and Managerial Occupations and also in Service Workers and Retail & Market Sales Workers.

In terms of demand for occupations in the South Professional and Managerial Occupations are forecast to grow strongest with more moderate growth in demand for lower grade occupations. This means that there is a strong skills gradient in employment growth – that is, employment growth is forecast to be stronger in more highly skilled occupations such as Professional Occupations. According to the FAS/ESRI 2006 publication *'Current Trends in Occupational Employment and Forecasts for 2010 and 2020'*, this difference between growth for higher and lower skilled occupations is forecast to be greater than in the past.

In NI employment growth is forecast across most occupations, except occupations associated with the declining Agriculture and Manufacturing Sectors. Professional Occupations are expected to grow fastest. Personal Service Occupations are also expected to show large increases as recent growth in Child Care and Residential Care for the elderly continues.

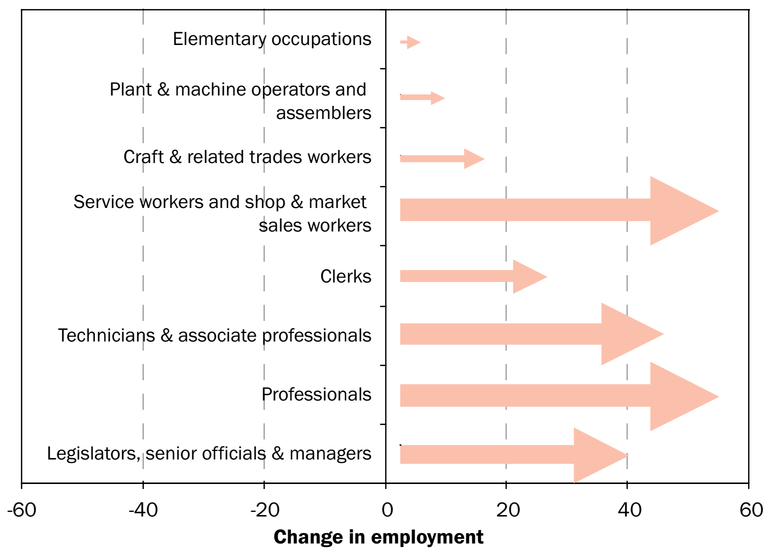
Figure 5 below provides indicative All–Island employment forecasts by occupation over the next five years.

Figure 4: All-Island indicative employment forecasts by sector (next ten years)



Source: Oxford Economics
Note: Other market services include hotel & restaurants and other personal services

Figure 5: All-Island indicative employment forecasts by occupation (next five years)



Source: Oxford Economics
Note: Based on ISCO 88 occupation classification

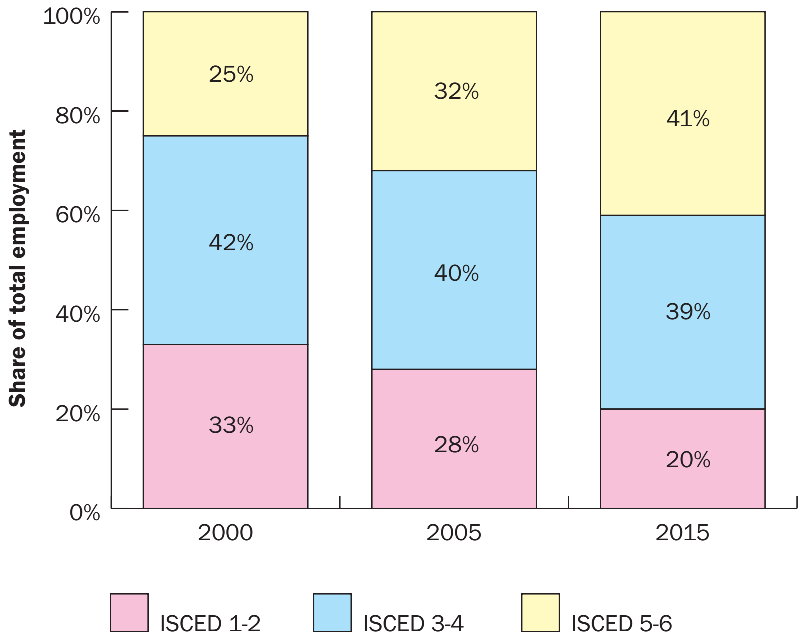
The impact these trends are likely to have on skills demand are:

- In the South, the share of employees educated to the highest skill level (ISCED 5-6) is forecast to rise from 32% currently to 41% by 2015;
- The share of employees with lower educational attainment are consequently forecast to decline – this decline being most marked for persons with lower qualifications; and
- A similar pattern is forecast for NI, though the increase in the share of employed persons with tertiary qualifications is not expected to be as large as in RoI.

The future All-Island pattern of sectoral and occupational growth as outlined above indicates a continuing increase in the proportion of jobs requiring a high skill level and a relative decrease in those jobs requiring low qualifications. This trend can be seen in the forecasts for the South and likewise the North as presented in **Figure 6** and **Figure 7**.

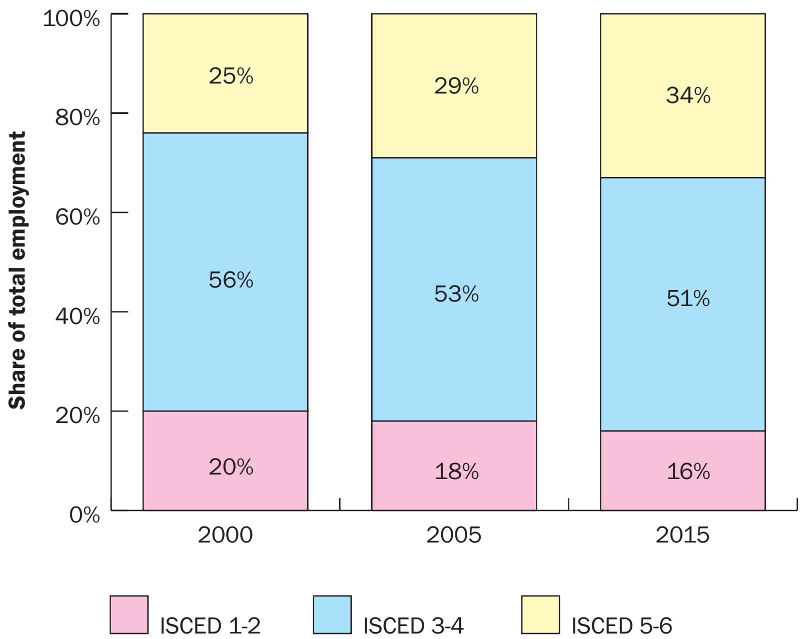
A further determinant of the demand for skills is the extent to which people leaving jobs due to retirement or other economic inactivity, or moving to a different job, need to be replaced. This 'replacement demand' estimates the number of people required in each occupation and skill category to replace leavers and fill new positions created. Replacement demand is a very significant component of overall demand for occupations and skills across the Island, and will

Figure 6: Ireland recent trends and forecasts by stock of skills



Source: CSO QHNS and ESRI

Figure 7: NI recent trends and forecasts by stock of skills



Source: LFS and Regional Forecasts/Oxford Economics

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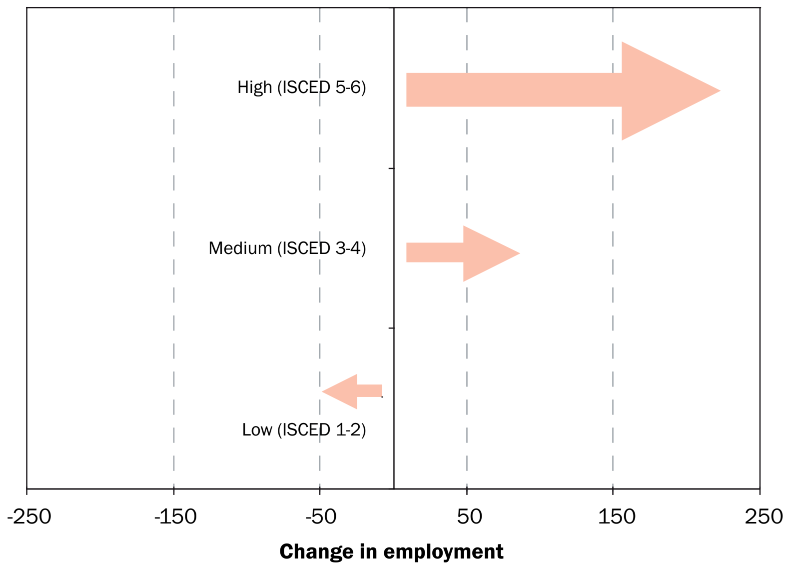
create a positive net need for lower level occupations beyond what sectoral or occupational growth analysis would suggest.

Figure 8 provides an indicative All-Island employment forecast by skill level over the next five years.

Figure 8: All-Island indicative employment forecasts by skill level (next five years)



Source: CSO QHNS and ESRI

Conclusion

The analysis undertaken in this report has shown that the links between skills and economic performance are already widely accepted and, going forward, skills development will become even more important to economic performance. The importance of skills to economic performance and the capacity to attract FDI is rooted in the positive effects of a highly skilled labour force in terms of productivity, competitiveness and innovation. The report has also highlighted the centrality of skills to economic development and the importance that both jurisdictions attached to ensuring improvements in the stock of skills.

It is clear from the data analysis that, across a range of factors that could impact on skills demand, a number of key similarities and differences North and South are evident.

Theme	Similarities	Differences
Policy Direction	Policy direction of skill targets and aspirations closely aligned	
Economic Growth and Productivity	Forecast GDP/GVA growth over the next decade is expected to be more similar in both jurisdictions at 3.0% per annum in the south and 2.7% in the north compared to the last decade	Annual GDP growth in the South over the past decade was more than twice the rate of growth in NI
		Productivity (GDP per head) has recorded notably stronger growth in the south and having been at a similar level in the mid-1990s, productivity in the south is now 60% higher than in NI (this however does not adjust for expatriated profits or differences in purchasing power which otherwise would be important adjustments)

Andrew Webb & Dermot Coates, FGS McClure Watters with Neil Gibson and Graeme Harrison, Oxford Economics

Theme	Similarities	Differences
Economic Activity	Both economies have experienced impressive rates of employment growth	The South's inactivity rate has fallen sharply but little or no improvement in NI's economic inactivity rate despite impressive employment growth (the South's inactivity rate however is still slightly higher)
	North-South employment rates converging towards 70% (Lisbon Agenda 2010 target)	The South has a particularly high share of working age population with lower secondary attainment (ISCED 1+2) or below.
	Unemployment rates converging around 4%, close to full employment though unemployment rising in 2008	
Employment	Both economies have undergone the transformation typical of most developed economies with remarkably similar growth in business and financial services	In terms of economic structure, the Public Administration, Education, Health and Social Services Sector is relatively more important in NI, while the economy in the South is more dependent on business and Financial Services and Construction
	Broadly similar occupational with faster growth in Managerial and Professional Occupations	In the South growth in Construction and Retail Employment has significantly outpaced growth in NI, which has had key implications for migrant labour
Current Skills	Broadly similar trends in skill levels of persons employed with a declining share of those with lower qualifications and a rising share with third level qualifications	The share of higher skilled employed persons in the south has risen faster than in NI
	Similar shares of hard-to-fill vacancies at selected periods	Some differences in the nature of skill shortages
	Similar trends in skill levels of the working age population – falling proportion with low level qualifications ISCED 1+2 and rising proportion with high level qualifications ISCED 5+6 attainment	
Future Skills	Future employment growth North and South expected to continue to be led by Business and Financial Services with continued demand therefore for Professional Occupations and a similar future skills stock trend	
	Replacement demand an important component of skills demand across both jurisdictions, with important implications for lower level qualifications	

Andrew Webb & Dermot Coates, FGS McClure Watters with Neil Gibson and Graeme Harrison, Oxford Economics

These can be summarised as: In thinking about skills demand issues, it is important to take a long-term view. It is clear that 2008 and 2009 are difficult years economically for the global and All-Island economy and the openness of the Irish economies, North and South, means that the demand for skills will be influenced by both internal economic factors such as the respective downturns in construction and wider global concerns which impact on incoming FDI and exporters.

Looking beyond immediate economic difficulties, which those responsible for long-term planning must, the economic outlook for 2010 and beyond suggests that both the economies North and South, should rebound and return to growth rates still above the EU average though not the 'Celtic Tiger' growth rates of recent years. This long-term view is underpinned by favourable trends in labour supply, productivity and flexible labour markets and strong global growth on the assumption that oil prices will fall and the credit crunch will end.

While the importance of 'softer' or more generic skills such as literacy, numeracy, people skills and conceptual skills should not be overlooked, the broad outlook for the structure of skills demand on the Island points towards a continuing movement towards a higher skill profile of the workforce to serve the All-Island economy's continued shift towards higher value service sector and hi-tech manufacturing activities. This is against the background that other economies competing on the world market also rapidly upskilling their workforce. Meeting this challenge will help sustain the future competitiveness of the All-Island enterprise base and maximise the employment opportunities available for individuals.

This is a challenge that both Skills Expert Groups, North and South, can contribute towards meeting, by working together in a co-ordinated way to help ensure that sufficient and appropriate skills are in place across the Island.

FURTHER INFORMATION:

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Knowledge and Understanding of 15 Year Olds in Northern Ireland: Results from PISA 2006

Patricia Wyers, Statistics and Research Branch, Department of Education

In late 2006 approximately 3,000 15-year olds in NI took part in a major international study of performance in reading, maths, and science: the latest PISA study in a triennial series. PISA enables us to see how young people in NI are performing compared to their counterparts in 56 other countries. This article highlights some of the main findings from the 2006 study. The study showed that young people in NI performed better than the OECD average in science; their scores on mathematics and reading were not significantly different from the OECD average.

Introduction

The Programme for International Student Assessment (PISA) is a triennial survey that aims to assess the knowledge and skills of 15 year olds in various countries across the world by using real life challenges involving reading, mathematical and scientific literacy. It uses a series of tests that have undergone rigorous scrutiny to ensure robustness of methodology and enables international comparisons to be made. The first round of PISA took place in 2000 and NI has taken part in each study since its inception.

PISA tests student performance over three **domains of literacy:** science; mathematics; and reading. In each domain, a student's score is expressed as a number of points on a scale. The scales were constructed so that the average score for all students from OECD countries participating in the original survey in 2000 was 500 with a standard deviation of 100 – that is, about two-thirds of students internationally score between 400 and 600[1].

This article reports the main findings from PISA 2006. It will draw out the results from the three subject areas and highlights the main points to note. It draws heavily from the report on PISA 2006 produced by the National Foundation for Educational Research[2].

Who takes part in PISA?

The progression of PISA has seen the number of participating countries grow. 32 countries participated in PISA 2000 (although a further 11 countries participated in a supplementary exercise in 2002), 41 countries in 2003 and 57 in 2006. This included all 30 OECD members. In England, Wales and NI the survey is carried out on behalf of the respective governments by the National Foundation for Educational Research (NFER). Results for NI are reported internationally as part of the UK but NFER produce a separate country report that contains detail on the results of NI students and enables comparisons to be made both internationally and with England, Scotland and Wales.

The 2006 Survey

Age, rather than year group, is used as the defining factor for participating in the survey. This means that the majority of the students in NI will be in the final year of their compulsory education (year 12).

Strict international quality standards are applied at all stages of the PISA survey. There are also strict sampling requirements both in terms of the number of participating schools and the number of participating students. The consequence of these strictures gives PISA results a high degree of validity and reliability enabling robust comparisons to be made.

1 In subsequent surveys, the scores were "anchored" to the 2000 score. Because more countries participated, the average in subsequent years can differ slightly from 500: for example in 2006, the average score on the reading domain for the OECD was 492

2 Bradshaw, J *et al* (2007) Student achievement in NI: Results in science, mathematics and reading among 15-year-olds from the OECD PISA 2006 study. NFER. Available at **www.nfer.ac.uk**

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Table 1: Significant differences in mean scores from NI on the science scale

	Mean score		
	Mean	S.E.	significance
Finland*	563	2.0	▲
Hong Kong-China	542	2.5	▲
Canada	534	2.0	▲
Chinese Taipei	532	3.6	▲
*Estonia**	531	2.5	▲
Japan	531	3.4	▲
New Zealand	530	2.7	▲
Australia	527	2.3	▲
Netherlands*	525	2.7	▲
Liechtenstein	522	4.1	NS
Korea	522	3.4	NS
*Slovenia**	519	1.1	NS
Germany*	516	3.8	NS
UK*	515	2.3	
Czech Republic*	513	3.5	NS
Switzerland	512	3.2	NS
Macao-China	511	1.1	NS
Austria*	511	3.9	NS
Belgium*	510	2.5	NS
RoI*	508	3.2	NS
NI	**508**	**3.3**	
Hungary*	504	2.7	NS
Sweden*	503	2.4	NS
OECD average[1]	**500**	**0.5**	▼
Poland*	498	2.3	NS
Denmark*	496	3.1	NS
France*	495	3.4	NS
Croatia	493	2.4	▼
Iceland	491	1.6	▼
*Latvia**	490	3.0	▼
US	489	4.2	▼
Slovak Republic*	488	2.6	▼
Spain*	488	2.6	▼
Lithuania	488	2.8	▼
Norway	487	3.1	▼
Luxembourg	486	1.1	▼
Russian Federation	479	3.7	▼
Italy*	475	2.0	▼
Portugal*	474	3.0	▼
Greece*	473	3.2	▼
Israel	454	3.7	▼
Chile	438	4.3	▼
Serbia	436	3.0	▼
*Bulgaria**	434	6.1	▼
Turkey	424	3.8	▼
*Romania**	418	4.2	▼
Mexico	410	2.7	▼

12 countries with scores below 430 omitted
Multiple comparison P-value = 0.045%
[1] Simple comparison P-value = 5%

In NI cooperation was obtained from 109 schools representing a response rate of 74%; and 2,728 students born in 1990 took part in the survey (response rate 86%).

The focus of each round of PISA rotates between reading, mathematics and science. In practical terms this means that all students that take part in PISA are tested in the main subject and a random sub-sample of students are assessed in the minor subjects. In 2000, the main focus was on reading, in 2003, it was mathematics and in 2006 it was science[3]. In the 2009 survey the focus will once again be on reading.

Science

PISA defines scientific literacy as being able to identify questions, acquire new knowledge, explain scientific phenomena, and draw evidence-based conclusions about science-related issues. PISA assessments measure not only scientific knowledge or concepts, but also understanding of scientific processes and contexts[4].

Students in NI achieved an average (mean) score of 508. This was significantly above the OECD mean score of 500. Of the other 56 participating

Key
▲ significantly higher
NS no significant difference
▼ significantly lower

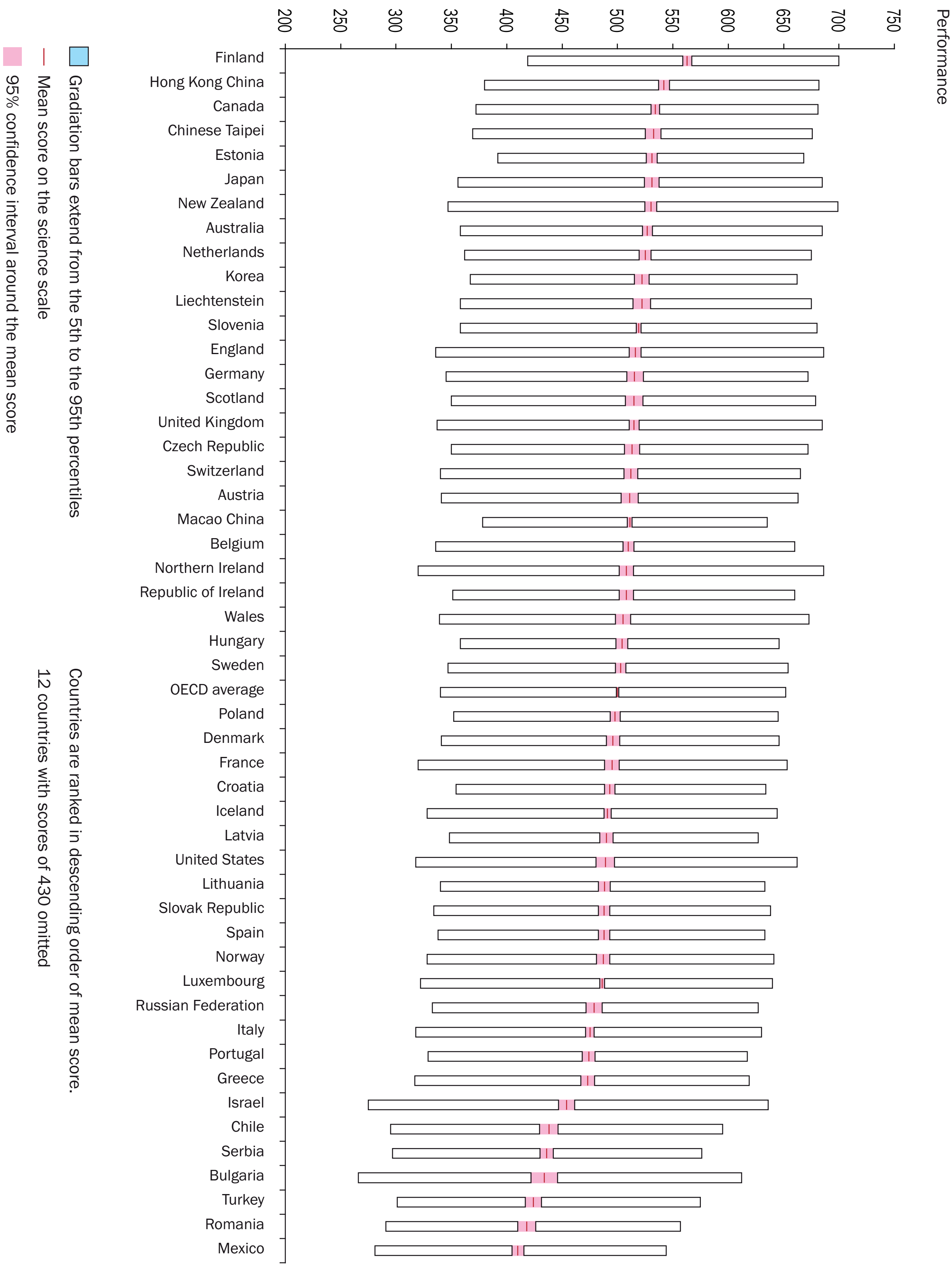
OECD countries (not italicised)
Countries not in OECD *(Italicised)*
*EU countries

3 Caution should be used when attempting to make comparisons between PISA data for 2000, 2003 and 2006 as student's scores in that years minor subjects are inputed from other data.
4 Definitions of the competences can be found on the OECD website **www.oecd.org/pisa**

Knowledge and Understanding of 15 Year Olds in Northern Ireland: Results from PISA 2006

Patricia Wyers, Statistics and Research Branch, Department of Education

Figure 1: Distribution of student performance on the science scale



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countries, 9 outperformed NI to the extent that the differences were statistically significant. The performance of 15 countries was not significantly different to that of NI, and the remaining 32 countries' performance was significantly lower (see **Table 1**). It should be noted that countries with very low scores (less than 430) have been omitted from this table – and all subsequent tables – unless they are either OECD or EU countries, as low- scoring countries are not particularly relevant for comparison purposes. In 2000 and 2003 NI was also significantly above the OECD average (500 in both 2000 and 2003) in science with mean scores of 523 and 524 respectively[3]. While the overall mean is an important factor, it is also important to examine the distribution or spread of the data in terms of the difference between high and low-scoring students. To do this, the range of the data between the 5th and 95th percentile is compared[5]. For NI this ranged from 320 at the 5th percentile and 686 for the 95th percentile, 367 points. This was much larger than the OECD difference of 311 points and the largest of all of the 57 participating countries demonstrating that there is a large gap between the highest and lowest performing students in NI (see **Figure 1**).

In terms of gender, there was no significant difference between boys and girls. This differed from the findings in the OECD as a whole where a slight, but significant difference between boys and girls was found, with boys scoring higher. In terms of both England and Wales, significant differences were also found between boys and girls but this was not so for Scotland (see **Table 2**).

Mathematics

PISA defines mathematical literacy as an individual's capacity to identify and understand the role that mathematics plays in the world, to make well-founded judgements and to use and engage with mathematics in ways that meet the needs of that individual's life as a constructive, concerned and reflective citizen.

Students in NI achieved a mean score of 494 for mathematics. This was not significantly different from the OECD score of 498. Of the participating countries, 18 had a mean score that was significantly higher than that for NI. A further 12 had mean scores that were not significantly different and the remaining countries performed at a level that was significantly below NI (see **Table 3**). In 2000 and 2003 NI had mean scores (524 and 515 respectively) in mathematics that were significantly higher than the OECD mean scores of 500 (2000 and 2003)[3].

When looking at the spread of the data in terms of the range between the 5th and 95th percentile, this was 341 at the 5th percentile and 647 for the 95th percentile, 306 points. This was similar to the OECD difference of 300 points and was

Table 2: Mean scores and gender difference in student performance on the science scale

	All students	Males	Females	Difference
	Mean score	Mean score	Mean score	Male female
England	516	521	510	11*
NI	508	509	507	2
Scotland	515	517	512	4
Wales	505	510	500	10*
OECD	500	501	499	2*

* statistically significant difference

5 Scores are ranked from the lowest up. The 5th percentile marks the score attained by the participant in NI for whom 1 in 20 (or 5%) of the sample had a lower score. Conversely the 95th percentile marks the score attained by the participant for whom 19 out of 20 (95%) of participants had a lower score

Table 3: Significant differences in mean scores from NI on the mathematics scale

	Mean score		
	Mean	S.E.	significance
Chinese Taipei	549	4.1	▲
Finland*	548	2.3	▲
Hong Kong-China	547	2.7	▲
Korea	547	3.8	▲
Netherlands*	531	2.6	▲
Switzerland	530	3.2	▲
Canada	527	2.0	▲
Macao-China	525	1.3	▲
Liechtenstein	525	4.2	▲
Japan	523	3.3	▲
New Zealand	522	2.4	▲
Belgium*	520	3.0	▲
Australia	520	2.2	▲
Estonia*	515	2.7	▲
Denmark*	513	2.6	▲
Czech Republic*	510	3.6	▲
Iceland	506	1.8	▲
Austria*	505	3.7	_NS_
Slovenia*	504	1.0	▲
Germany*	504	3.9	_NS_
Sweden*	502	2.4	_NS_
RoI*	501	2.8	_NS_
OECD average[1]	**498**	**0.5**	**_NS_**
France*	496	3.2	_NS_
UK*	495	2.1	
Poland*	495	2.4	_NS_
NI	**494**	**2.8**	
Slovak Republic*	492	2.8	_NS_
Hungary*	491	2.9	_NS_
Luxembourg*	490	1.1	_NS_
Norway	490	2.6	_NS_
Lituania*	486	2.9	_NS_
Latvia*	486	3.0	_NS_
Spain*	480	2.3	▼
Azerbaijan	476	2.3	▼
Russian Federation	476	3.9	▼
US	474	4.0	▼
Croatia	467	2.4	▼
Portugal*	466	3.1	▼
Italy*	462	2.3	▼
Greece*	459	3.0	▼
Israel	442	4.3	▼
Serbia	435	3.5	▼
Turkey	424	4.9	▼
Romania*	415	4.2	▼
Bulgaria*	413	6.1	▼
Mexico	406	2.9	▼

Key

▲ significantly higher
_NS_ no significant difference
▼ significantly lower

OECD countries (not italicised)
Countries not in OECD (_Italicised_)
*EU countries

12 countries with scores below 430 omitted

Multiple comparison P-value = 0.045%

[1] Simple comparison P-value = 5%

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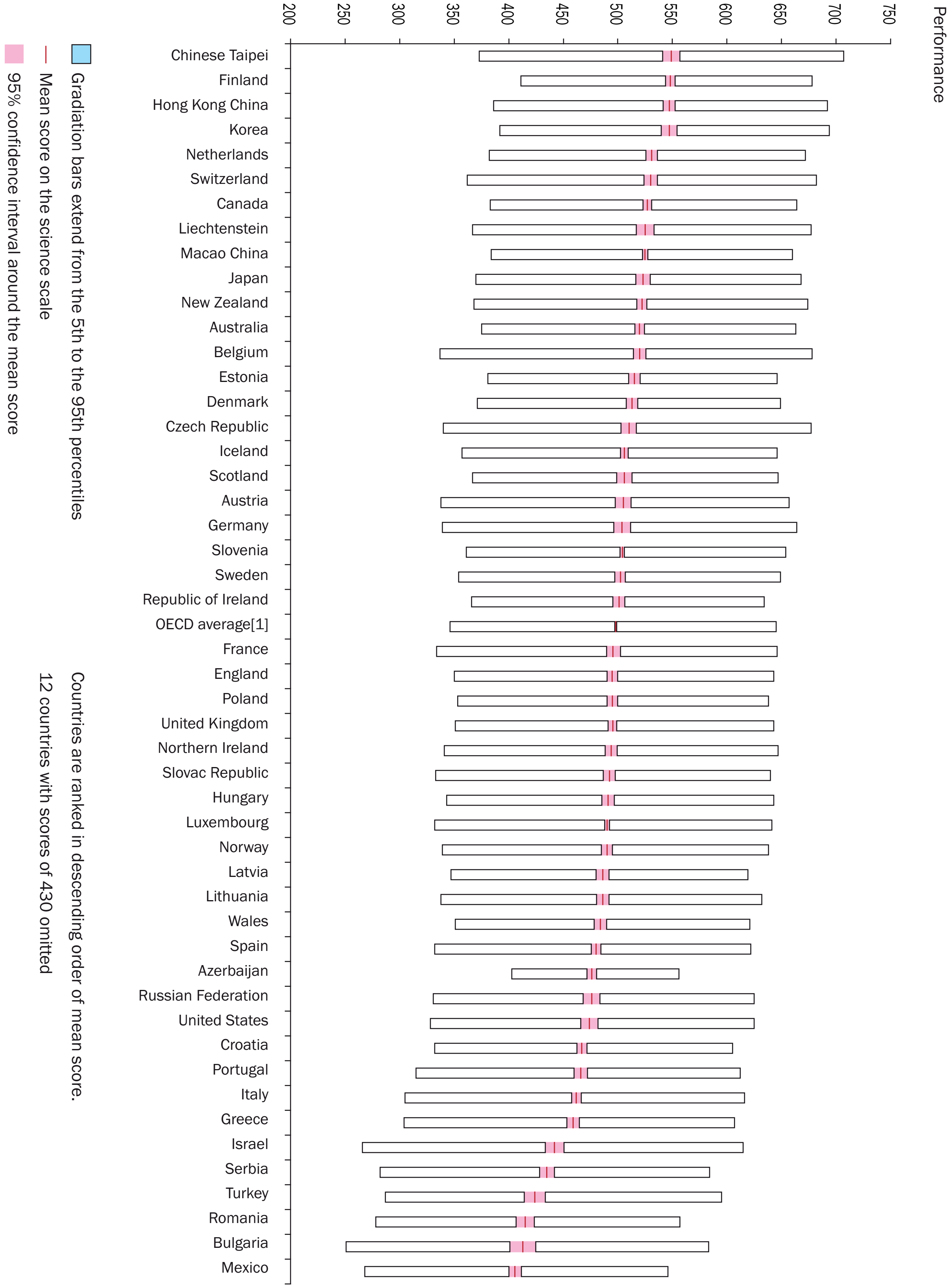
Figure 2: Distribution of student performance on the mathematics scale



much less pronounced than for science (see page 88). Only 16 other countries had the same or larger differences than NI students again demonstrating a large attainment gap between the highest and lowest achievers (see **Figure 2**).

In terms of gender there was no significant difference between boys and girls in NI. As with science, this differed from the findings in the OECD as a whole where a significant difference between boys and girls was found. England, Wales and Scotland also found significant differences between boys and girls (see **Table 4**).

Reading

PISA defines reading as understanding, using and reflecting on written texts, in order to achieve one's goals, to develop one's knowledge and potential and to participate in society.

Students in NI achieved a mean score of 495 for reading. This was not significantly different from the OECD score of 492. Of the participating countries, seven had a mean score that was significantly higher than that for NI. A further 20 had mean scores that were not significantly different and the remaining countries performed at a level that was significantly below NI (see **Table 5**). In 2000 and 2003 NI had mean scores (519 and 517 respectively) in reading that were significantly higher than the OECD mean scores of 500 in 2000 and 494 in 2003[3].

When looking at the spread of the data in terms of the range between the 5th and 95th percentile, this was 311 at the 5th percentile and 659 for the 95th percentile, 348 points. Again, this was larger than the OECD difference of 324 points and one of the largest gaps in participating countries. Only seven other countries had a wider distribution than NI students (see **Figure 3**).

Table 4: Mean scores and gender difference in student performance on the mathematics scale

	All students	Males	Females	Difference
	Mean score	Mean score	Mean score	Male female
England	495	504	487	17*
NI	494	497	491	7
Scotland	506	514	498	16*
Wales	484	492	476	16*
OECD	498	503	492	11*

* statistically significant difference

Table 5: Significant differences in mean scores from NI on the reading scale

	Mean score		
	Mean	S.E.	significance
Korea	556	3.8	▲
Finland*	547	2.1	▲
Hong Kong-China	536	2.4	▲
Canada	527	2.4	▲
New Zealand	521	3.0	▲
RoI*	517	3.5	▲
Australia	513	2.1	▲
Liechtenstein	510	3.9	NS
Poland*	508	2.8	NS
Sweden*	507	3.4	NS
Netherlands*	507	2.9	NS
Belgium*	501	3.0	NS
*Estonia**	501	2.9	NS
Switzerland	499	3.1	NS
Japan	498	3.6	NS
Chinese Taipei	496	3.4	NS
NI	**495**	**2.7**	
UK*	495	2.3	
Germany*	495	4.4	NS
Denmark*	494	3.2	NS
*Slovenia**	494	1.0	NS
Macao-China	492	1.1	NS
OECD average*	**492**	**0.6**	**NS**
Austria*	490	4.1	NS
France*	488	4.1	NS
Iceland	484	1.9	NS
Norway	484	3.2	NS
Czech Republic*	483	4.2	NS
Hungary*	482	3.3	NS
*Latvia**	479	3.7	NS
Luxembourg*	479	1.3	▼
Croatia	477	2.8	▼
Portugal*	472	3.6	▼
*Lithuania**	470	3.0	▼
Italy*	469	2.4	▼
Slovak Republic*	466	3.1	▼
Spain*	461	2.2	▼
Greece*	460	4.0	▼
Turkey	447	4.2	▼
Chile	442	5.0	▼
Russian Federation	440	4.3	▼
Israel	439	4.6	▼
Mexico	410	3.1	▼
*Bulgaria**	402	6.9	▼
Romania	396	4.7	▼

13 countries with scores below 430 omitted
Multiple comparison P-value = 0.045%
[1] Simple comparison P-value = 5%

Key
▲ significantly higher
NS no significant difference
▼ significantly lower

OECD countries (not italicised)
Countries not in OECD *(Italicised)*
*EU countries

Knowledge and Understanding of 15 Year Olds in Northern Ireland: Results from PISA 2006

Patricia Wyers, Statistics and Research Branch, Department of Education

Figure 3: Distribution of student performance on the reading scale

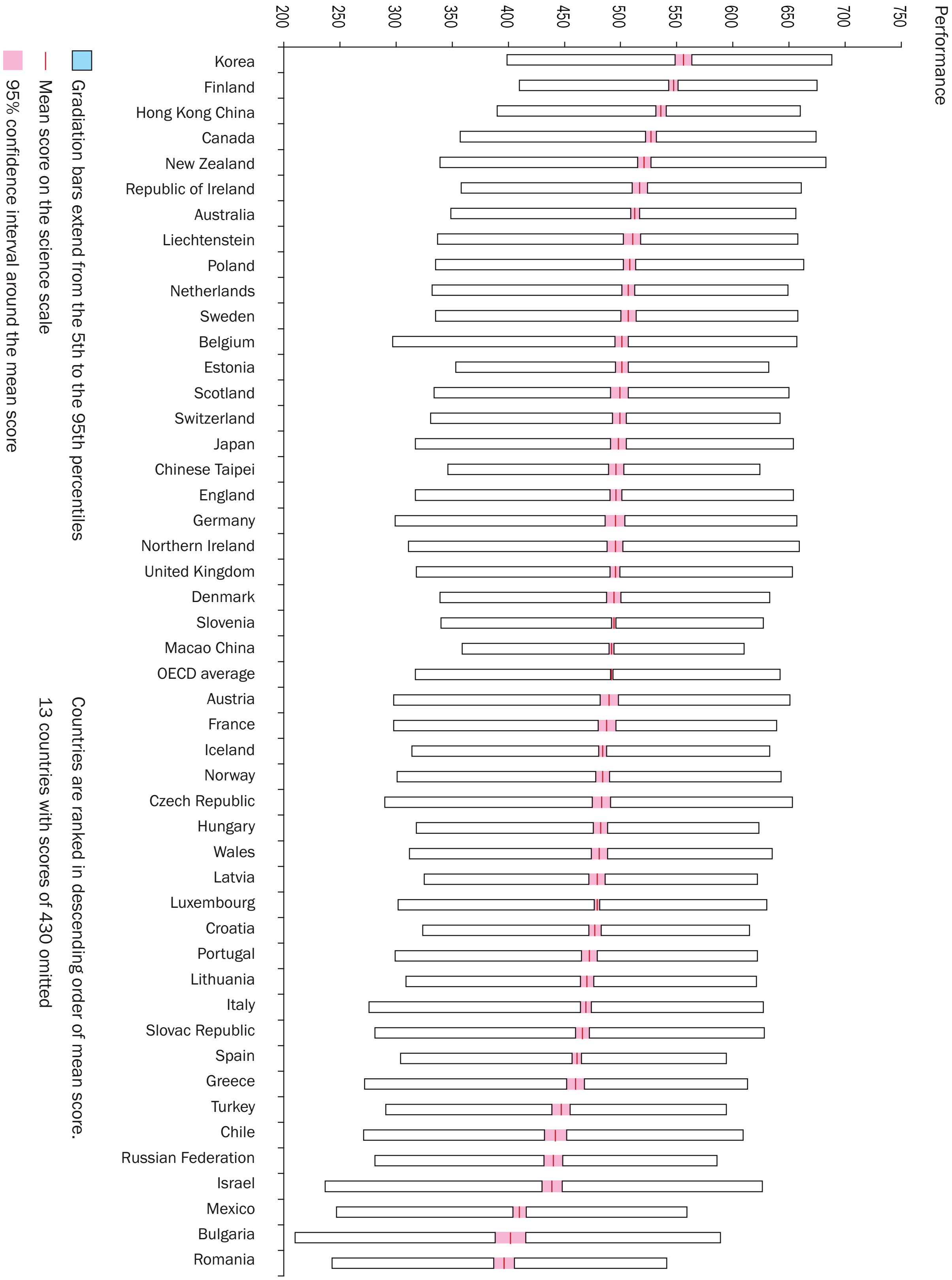


Table 6: Mean scores and gender difference in student performance on the reading scale

	All students	Males	Females	Difference
	Mean score	Mean score	Mean score	Male female
England	496	481	510	29*
NI	495	479	512	33*
Scotland	499	486	512	26*
Wales	481	465	496	31*
OECD	492	473	511	38*

* statistically significant difference

In terms of gender, all participating countries found a gender difference in favour of females for reading. NI, with 33 points, was among the group of countries that had the narrowest gender difference. The OECD average was 38 points. The differences in England, Scotland, Wales and NI were of a similar size (see **Table 6**).

Summary

In summary, the results of PISA 2006 show that

- NI students scored significantly better than the OECD average in Science, and were in line with the average in Mathematics and Reading.

- There were no significant differences in the performance of boys and girls in science and mathematics (unlike the position in the OECD as a whole, where boys tended to outscore girls); in reading, NI girls performed better than NI boys – in line with the position across the OECD.

- On the whole, the spread of results for NI students across all three domains – that is the differential between the best-performing cohort and the worst-performing cohort – was wider in NI than for the OECD as a whole.

- There was no significant difference in student performance in science between NI and England, Scotland and Wales, although in reading NI students performance was significantly higher than Wales and in mathematics NI was significantly lower than Scotland.

PISA 2009

The next round of PISA takes place in 2009 when the focus will be on reading. Results are likely to be available in late 2010 and should provide a useful insight into this area by providing an international comparison of where NI students sit in relation to their counterparts throughout the world. It will also provide relevant evidence in support of the recently launched Literacy strategy and help to contextualise other information.

Essential Skills – An Update on the Strategy and Developments in Research

Stephen McGonagle, Analytical Services, DEL

The Department for Employment and Learning (DEL) launched the Essential Skills for Living Strategy and action plan in April 2002. The Essential Skills for Living Strategy aims to improve adult literacy and numeracy (& now Information & Communication Technology (ICT)) in NI. This article describes how the Department's Essential Skills Strategy has developed across NI in terms of number of enrolments, their characteristics and numbers qualifying in Essential Skills courses. It also describes some of the recent and future research DEL has commissioned in the area of essential skills.

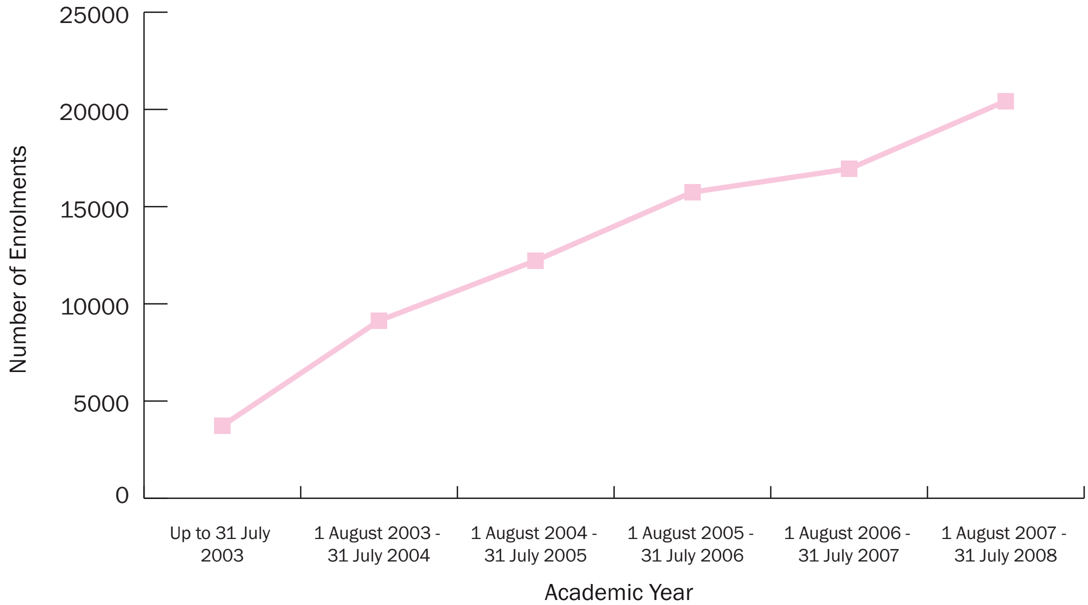
Introduction

The International Adult Literacy Survey (IALS, 1996) showed that around 24% of the working age population of NI were operating at the lowest levels of literacy[1]. This equates to just over 250,000 people based on current estimates of working age population. Given the contribution that poor literacy and numeracy make to social exclusion in general, and exclusion from the labour market in particular, DEL launched the Essential Skills for Living Strategy and action plan in April 2002. This article provides a brief overview of recent analysis examining participation and success in Essential Skills courses. It also details the essential skills related research DEL has recently participated in or agreed to take forward.

Who is currently participating?

There have been just over 78,000 enrolment records in Essential Skills courses since the Strategy began six years ago. As set out in **Figure 1**, the numbers have increased progressively within each academic year as the Strategy has been rolled out. Over these six academic years the retention rate within Essential Skills courses is very high at 81%. This is based on the number of enrolments which have been classed as non-withdrawals (excluding transfers) divided by the total number of enrolments.

Figure 1: Number of Essential Skills Enrolments by Academic Year



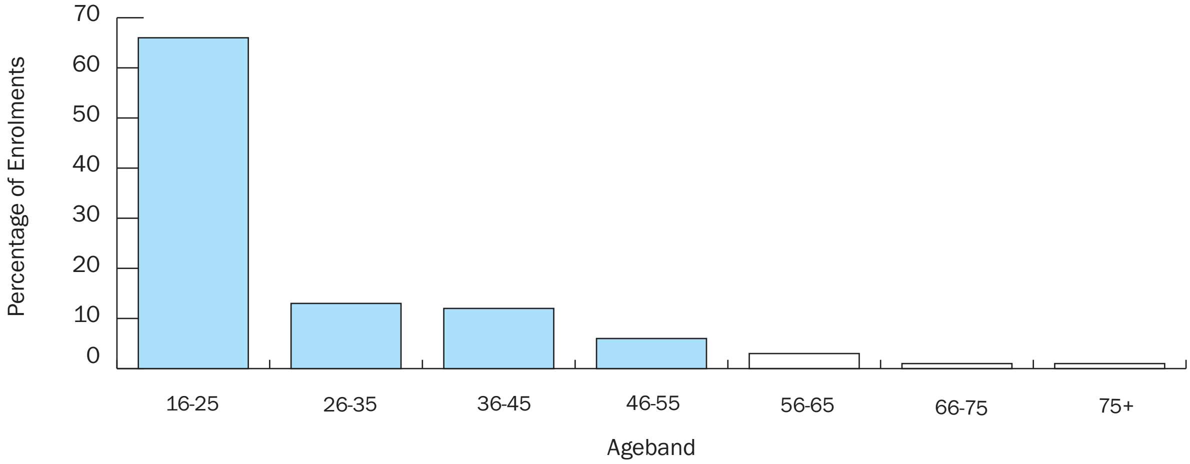
Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change.

1 The term 'literacy' refers to both literacy and numeracy skills

Essential Skills – An Update on the Strategy and Developments in Research

Stephen McGonagle, Analytical Services, DEL

Figure 2: Essential Skills Enrolments by Ageband



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change.

What are the characteristics of those participating?

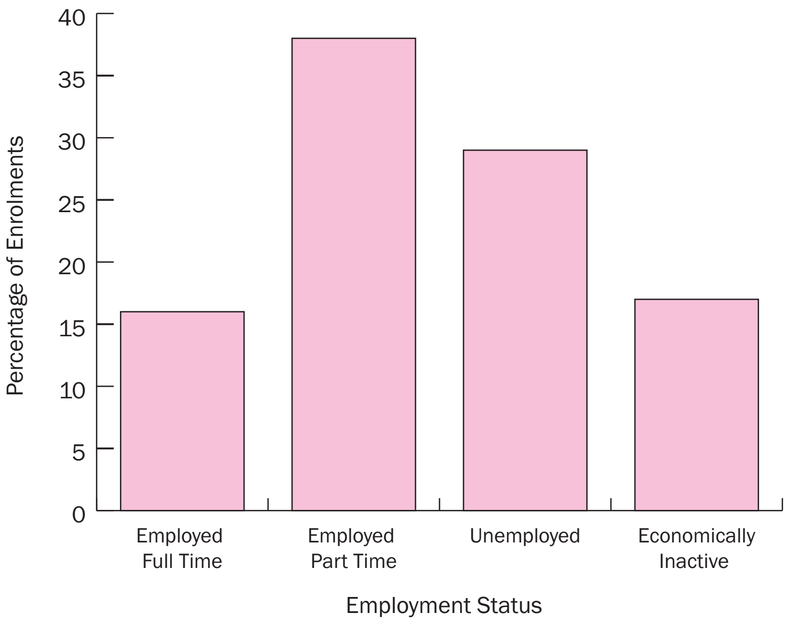
AGE:

Figure 2 shows the percentage breakdown of the participants' age at the start of the course since 2002. Nearly two thirds (66%) of the participants in Essential Skills courses are aged between 16 – 25 years.

EMPLOYMENT STATUS

The largest group of participants are in part-time employment, with 38% of all enrolments in this category. This 'part-time employment' group includes most of the 16-19 cohort, with 83% of all those in part-time employment within this age band. There are also a high proportion of enrolments who have registered as being unemployed (29%) or economically inactive (17%). This is positive, in that the Strategy appears to be targeting those on the lowest rung of the skills ladder (**Figure 3**).

Figure 3: Essential Skills Enrolment by Employment Status



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change.
Percentages are calculated where 'Employment Status' is known.

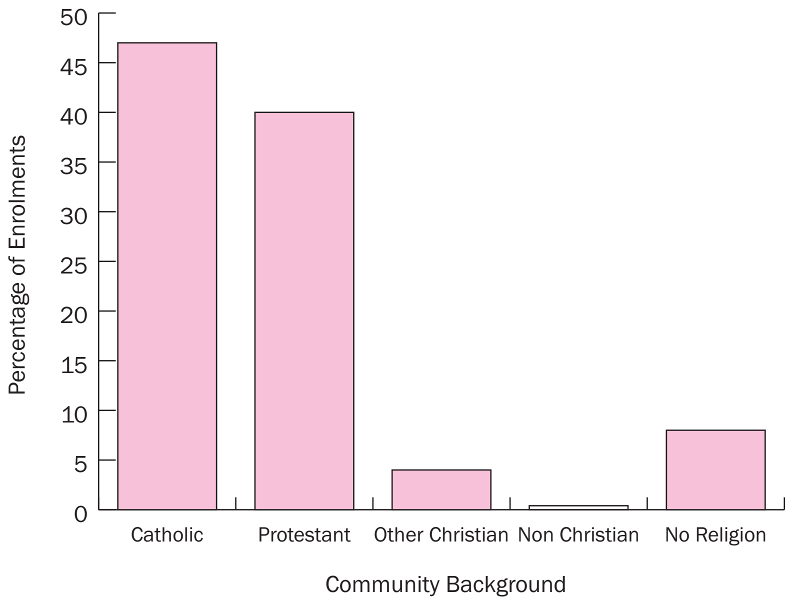
COMMUNITY BACKGROUND

There is an approximate even split across the two main religious denominations in NI, with a slight Catholic majority. It should be noted that there is a high non-response rate (33%) for this question on the enrolment forms (**Figure 4**).

GENDER

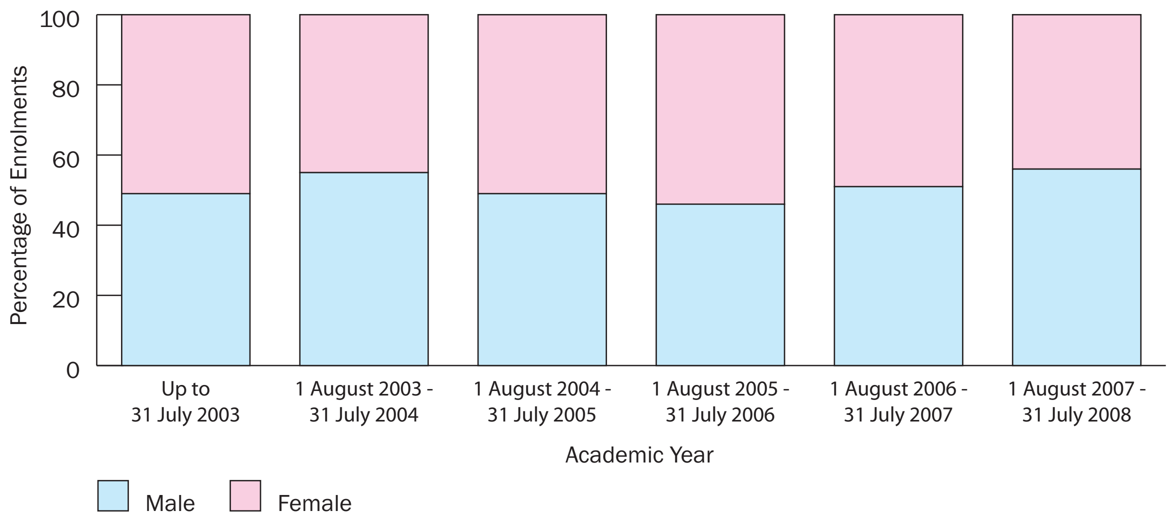
Gender breakdown remained evenly split over the first 5 years. Interestingly in 2007/08, male enrolments are now the majority with 56%. This is actually the inverse for those enrolled in Professional & Technical subjects within Further Education Colleges (55% female, FESR, 2006/07) (**Figure 5**).

Figure 4: Essential Skills Enrolments by Community Background



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change.
Percentages are calculated where 'Community Background' is known.

Figure 5: Essential Skills Enrolments by Gender and Academic Year



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change.

Essential Skills – An Update on the Strategy and Developments in Research

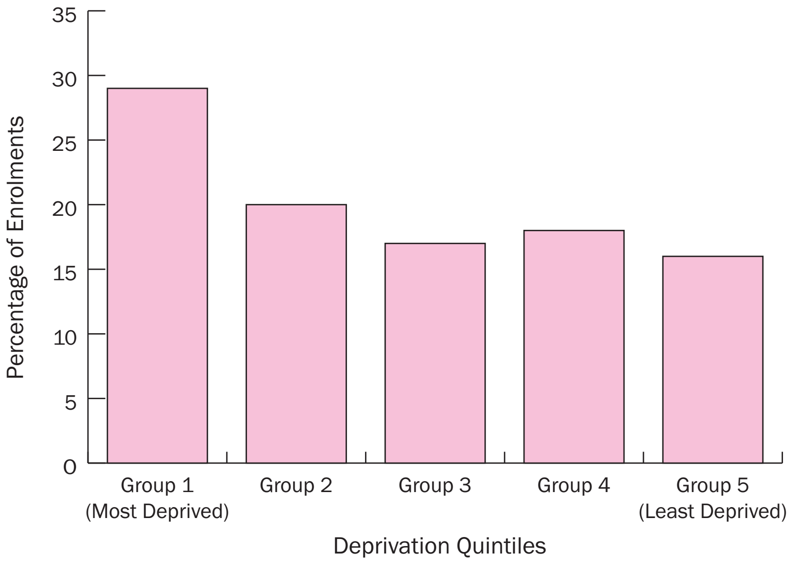
Stephen McGonagle, Analytical Services, DEL

DEPRIVATION ANALYSIS

Figure 6 shows the percentage of Essential Skill enrolments within each quintile of wards, in terms of deprivation levels. The analysis has correlated the NI Multiple Deprivation Measure[2] against the ward area the participant has indicated where they are from (based on their postcode) upon enrolment. It is encouraging that people from the most deprived ward areas are engaging and enrolling in Essential Skills courses. The graph illustrates that 29% of all ES enrolments are within the most deprived quintile of wards.

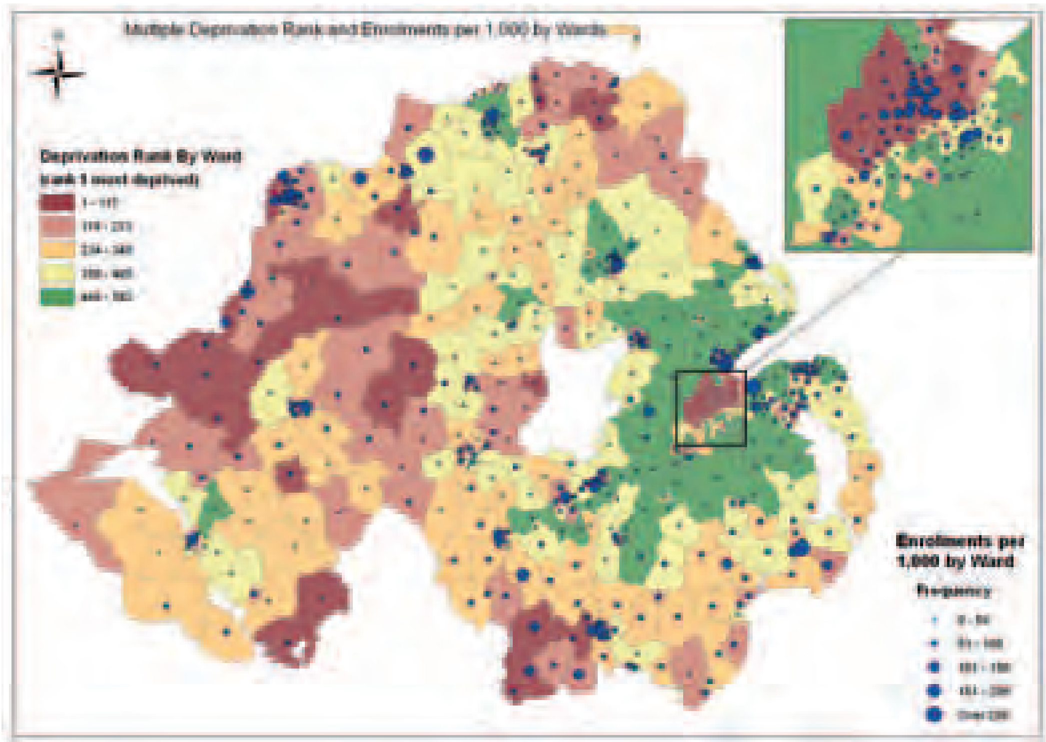
The map **Figure 7**, illustrates where the individuals are from,

Figure 6: Essential Skills Enrolments by NI Multiple Deprivation Rank September 2002 to August 2008



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change. Percentages are calculated where 'Postcode' is known.

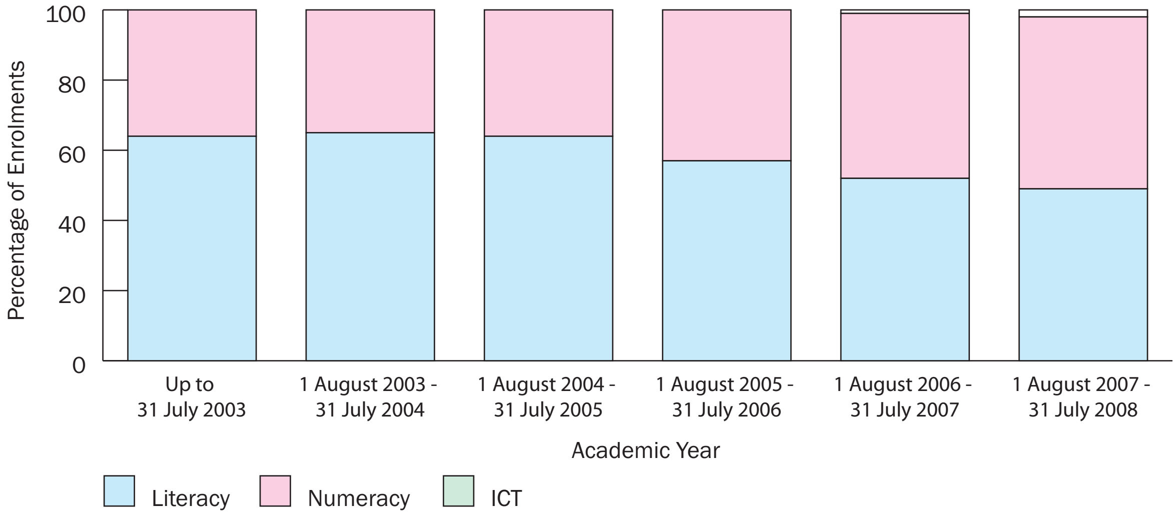
Figure 7: Quintiles of NI Multiple Deprivation Measure and Essential Skills enrolments per 1,000 of the population for each ward



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change. Only known postcodes are included in this analysis.

2 Information about the NI Multiple Deprivation Measure can be found at **www.nisra.gov.uk**

Figure 8: Essential Skills Enrolments by Subject and Academic Year



Source: Essential Skills Enrolment Return
Notes: Figures are correct as at 6th November 2008. The information is currently provisional and therefore subject to change.

based on their postcode, and enrolling in Essential Skills courses in relation to the varying deprivation level of the wards within NI. The number of enrolments per 1,000 of the population for each ward in NI was mapped on top of the quintiles of wards in terms of their NI Multiple Deprivation Measure.

What courses are being studied?

There has been a shift in the most recent years from Literacy to Numeracy, resulting in an approximate balance in the courses that are being enrolled on. As can be seen in **Figure 8**, the most recent academic year indicates both Literacy and Numeracy accounts for 49% each of Essential Skills enrolments. ICT enrolments are also accounted for as the pilot began rolling out in September 2006, accounting for 2% of enrolments in the last academic year.

Over these six academic years the retention rates within Literacy and Numeracy Essential Skills courses are quite similar, with 81% and 82% respectively. This is based on the number of enrolments which have been classed as non-withdrawals (excluding transfers) divided by the total number of enrolments.

NUMBER OF QUALIFICATIONS

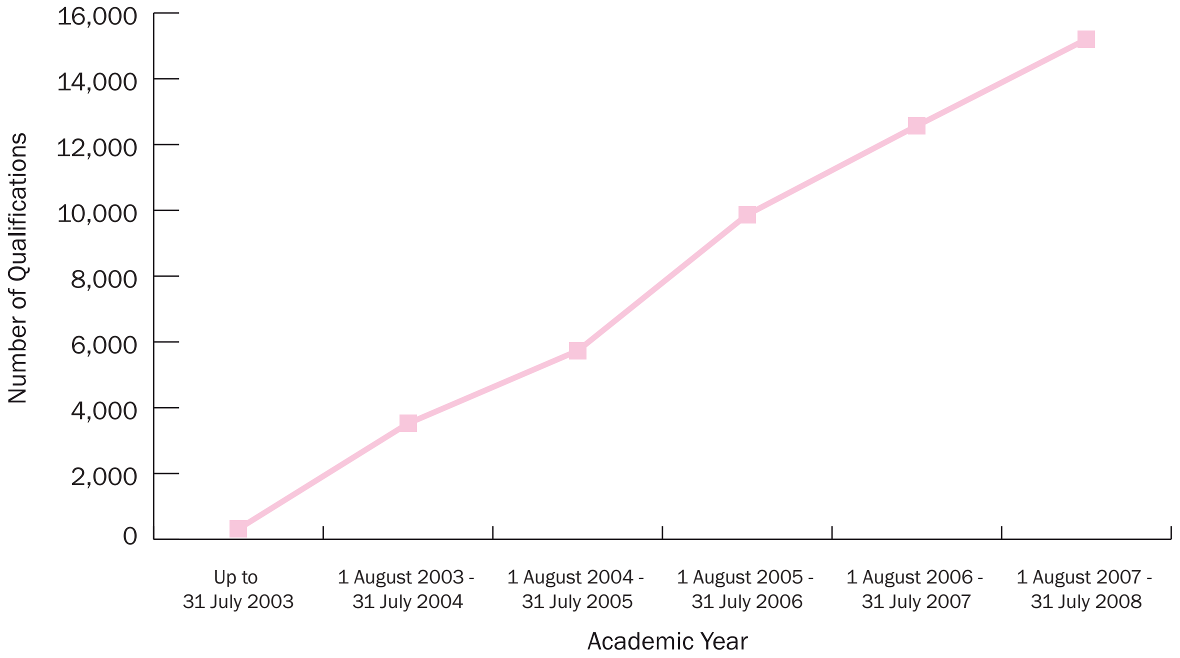
Overall

Information from the Awarding Bodies indicates that there have been just over 52,000 qualifications issued in Essential Skills since the Strategy began six years ago. As can be seen from **Figure 9**, the number of qualifications issued has increased progressively within each academic year.

Essential Skills – An Update on the Strategy and Developments in Research

Stephen McGonagle, Analytical Services, DEL

Figure 9: Essential Skills Qualifications Issued by Academic Year



Source: Awarding Bodies
Notes: Figures are correct as at 31st December 2008.

On comparison of the number of qualifications issued over this six year period with the number of enrolments, the achievement rate within Essential Skills courses is approximately 73%. This is based on the number of qualifications issued by awarding bodies divided by the total number of enrolments, which have been classed as non-withdrawals (excluding transfers). This rate is approximate as the information being used for this calculation is derived from two different datasets.

Achievements by subject

The trend of enrolments shifting in the most recent years from Literacy to Numeracy, is also reflected in the achievements within Essential Skills by subject. **Figure 10** illustrates

Figure 10: Essential Skills Qualifications by Subject and Academic Year

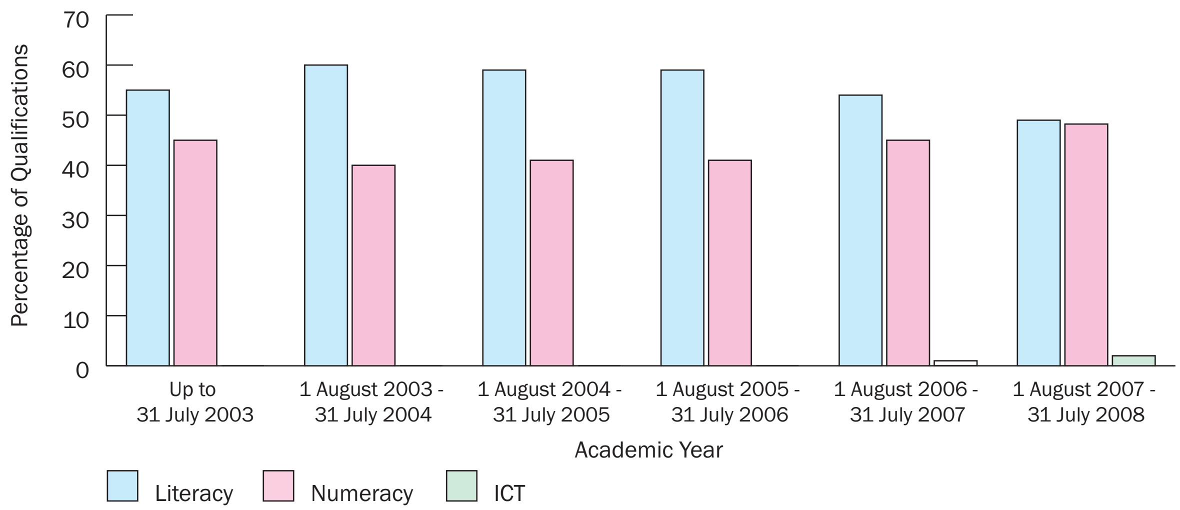


Figure 11: Outcome/Position against Public Service Agreement Targets within Essential Skills

PSA Target for learners[3] achieving an Essential Skills Qualification	Outcome/Position on learners[3] who achieved an Essential Skills Qualification
For 18,500 learners[3] by 31st March 2007	As at 31st March 2007 22,162 learners[3]
For a further 10,500 learners[3] by 31st March 2008	As at 31st March 2008 a further 10,266 learners[3]
For a further 38,000 learners[3] and 4,000 learners[3] to achieve a recognised Essential Skills Qualification in ICT by 31st March 2011	As at 31st December 2008 a further 11,229 learners[3], while 374 learners have achieved a recognised qualification in ICT

Source: Awarding Bodies
Notes: Figures are correct as at 31st December 2008.

this trend: in the most recent academic year: both Literacy and Numeracy account for 49% each of Essential Skills qualifications issued. ICT qualifications accounted for 2% of qualifications issued in the last academic year.

The achievement rates for those studying either Literacy or Numeracy are similar, with 71% and 75% respectively. This is based on the number of qualifications issued by awarding bodies divided by the total number of enrolments, which have been classed as non-withdrawals (excluding transfers). This rate is approximate as the information being used for this calculation is derived from two different datasets.

Assessment against PSA Targets

Figure 11 details the previous Public Service Agreement (PSA) Targets for Essential Skills set by the Department and the outcome against that target.

The current and third PSA Target, covering the next three years, has set a further 38,000 learners[3] to achieve an Essential Skills qualification (Literacy and Numeracy) and also 4,000 learners[3] achieving an Essential Skills qualification in ICT by 31st March 2011. As demonstrated above the current position (as at 31st December 2008), is 11,229 learners[3] within ES Literacy and Numeracy and 374 learners[3] achieving within ES ICT.

RESEARCH

Omnibus Survey

Since April 2004 DEL has commissioned a module within the NI Omnibus Survey, which is run by the Central Survey Unit of NI Statistics and Research Agency[4]. The Omnibus Survey is carried out on a regular basis and is designed to provide a snapshot of the lifestyle and views of the people of NI. The survey is administered every quarter and on a bi-annual basis an Essential Skills module is included. The rationale behind developing the module was to provide a cost effective method of monitoring individuals' perceptions of their literacy and numeracy abilities in every day life.

This module comprises a number of questions, including:

a) How comfortable are you reading information on your own? (For example, instructions on packaged goods or medicine bottles or information from a bank, employer, school, doctor, hospital, Government department or Agency)
b) How comfortable are you in filling out forms on your own? (For example, a driving licence, a passport or an application form)
c) How comfortable are you when you have to use basic maths for everyday calculations or sums? (For example, working out how much something will cost or what change you expect to receive or how much of something you can afford)
d) Have you ever wanted to improve your reading skills?
e) Have you ever wanted to improve your writing skills?
f) Have you ever wanted to improve your maths skills?

3 In calculating the number of 'learners', the number of individuals within each subject area (Literacy, Numeracy or ICT) is determined. If someone has achieved multiple levels within a specific subject area (Literacy, Numeracy or ICT) then the earliest level achieved is kept for the analysis. Once the number of individuals within each subject area (Literacy, Numeracy or ICT) is obtained, then these figures are added together to reach the total number of 'learners'.
4 **www.csu.nisra.gov.uk/survey.asp10.htm**

g) For what reason(s) did (do) you want to improve these skills?
h) Have you ever tried to do anything to improve your reading, writing and maths skills? If yes, what did you do? If no, why have you not tried to do something to improve your reading, writing and maths skills?

The results set out below in **Table 1** are for those respondents either reporting that they were 'not very comfortable' or 'not at all comfortable' in carrying out a number of 'everyday' tasks:

It is encouraging to note that the percentages of those self reporting to be 'not very comfortable' or 'not at all comfortable' in carrying out a number of 'everyday' tasks has decreased since the survey began. The change in the percentages between June 2004 and April 2008 for both the '…reading information…' and '….filling out forms…' questions are statistically significant at the 5% level. However, the change in percentages from June 2004 to April 2008 for the '….use basic maths…' question is not significant at the 5% level.

Although these levels are low in comparison to the results of the IALS survey, it was identified in IALS that among those who performed at prose level 1 (the lowest level) almost 1 in 10 self-assessed their reading skills as excellent and almost one quarter said they were good. Therefore the results above need to be considered in this context. Given this evidence, the above percentages are likely to be at the lower bounds of need. Nevertheless, in population terms they would equate to over 100,000 individuals.

The Programme for the International Assessment of Adult Competencies (PIAAC)

The Department's intention is to participate in a derivative of IALS called the Programme for the International Assessment of Adult Competencies (PIAAC), in 2010, which will give certain results that are comparable to those from IALS. The programme will assess the level and distribution of adult skills in a coherent and consistent way across countries. It will focus on the key cognitive and workplace skills that are required for successful participation in the economy and society of the 21st century. It was officially established in March 2008, field test data collection will begin in 2010, with the main study being administered in 2011 and reporting of results will be available in 2013. The Department is part of the UK consortium for PIAAC.

Interim Indicator

The downside with PIAAC, however, is that the results will not be available until 2013. Therefore, it is proposed in order to partially address this time gap, that as an interim measure, the Department undertakes a piece of research to inform policy makers of how literacy skill levels have developed since 1996.

Table 1: Percentages in the Omnibus Survey

Question	Percentages in the Omnibus Survey								
	Jun-04	Oct-04	Apr-05	Oct-05	Mar-06	Sep-06	Apr-07	Oct-07	Apr-08
How comfortable are you reading information on your own?	7	6	5	6	7	4	6	5	5
How comfortable are you filling out forms on your own?	16	14	13	13	14	12	15	11	13
How comfortable are you when you have to use basic maths?	8	8	6	7	9	6	8	7	7

Although the interim measure would not be directly comparable with the figures of IALS or with any other countries, it could potentially give an indication of how literacy skill levels have developed since 1996.

FOR FURTHER INFORMATION CONTACT:

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After School: Attitudes & Perceptions of NI School Leavers

Wendy Lecky, Analytical Services, DEL

There has been a considerable amount of research conducted into participation in Higher Education (HE) in Northern Ireland over the past two decades. The changing policy environment in terms of the provision of HE places in NI and evolving policy context in relation to student finance and widening access policies have been at the forefront of that body of research. This article sets out the contemporary research position on these issues.

Background to the Research

As part of the Department for Employment & Learning's Research Agenda, Professor Bob Osborne, University of Ulster and Professor Tony Gallagher, Queen's University of Belfast were commissioned to undertake research to assess school pupils' attitudes and intentions towards further and higher education, training and employment. A particular focus of the research included an examination of the factors which are important to pupils when they make up their minds about applying to HE. The research report[1] also examines how the availability of financial support influences pupils' decisions about entering HE and also examines the key factors that influence pupils' choices about HE including the role of peers, parents and careers guidance. The research drew on three surveys:

- *Year 14 schools survey:* the sample of Year 14 respondents was drawn from grammar and secondary schools and was undertaken in the early part of 2006 at the same time when pupils were deciding on their choices through the University and College Admissions Service (UCAS) for entry in 2006/07;

- *Further Education College Survey:* the sample included students in further education colleges undertaking 'A' level or other qualifications at a similar level to enable comparison with those pupils in the school; and

- *Year 12 schools survey:* a sample of Year 12 pupils across schools in NI was interviewed to assess their aspirations and choices for their careers after the end of compulsory education at age 16 years and after age 18 years.

The report itself had an increased emphasis on the Year 14 survey. Therefore this article presents some of the main findings based on the 911 students who responded to this survey. Details on the other two surveys can be found within the main report.

Seeking Entry to HE - Subject Choices

The researchers examined the subjects applied for by respondents for those seeking entry to HE. Pupils were asked about all their choices to UCAS as well as their firm and insurance choices, or their likely firm or insurance choice if that decision had not yet been made at the time of the survey. These were classified into five subject groupings: Medicine and related; Science and Engineering; Arts and Humanities; Social Sciences, Business and Law; and Combined Studies.

In respect of firm and likely firm choices Science and Engineering subjects accounted for the largest group with just over a

1 Report available at **www.delni.gov.uk/afterschool**

quarter (27%), followed by Social Sciences, Business and Law (23%) and Arts and Humanities (19%). Medicine and related subjects accounted for 18% and Combined Studies for the remaining 12%. Sub-analysis of subject choices showed that:

- Females were markedly more likely to be opting for Medicine and related subjects (20.9% compared with 13.8% for males) and significantly less likely to be choosing Science and Engineering (18.3% compared with 38.7%);
- In terms of social class the main differences were between the proportions of those from the higher socio-economic groups who opt for Medicine and related subjects (20.7%) compared with those from the lower socio-economic groups (12.5%) and the higher proportion of those from the lower socio-economic groups choosing Science and Engineering subjects (35.8%) compared with 23.9% of those from the higher socio-economic group;
- Differences by school type showed those respondents in grammar schools were more likely to prefer Medicine and related subjects and Science and Engineering than those in secondary schools and for the latter to be more likely to opt for Social Sciences, Business and Law; and
- Respondents in Catholic grammar schools[2] were more likely to opt for Social Sciences, Business and Law (29.1%) compared with respondents in Protestant grammar schools (18.2%) and were less likely to opt for Arts and Humanities (12.6% compared with 20.7%).

Choosing where to Study

In total, applications to NI institutions predominated over applications to institutions elsewhere in the UK. In this sample, 41% recorded all their UCAS choices for NI institutions and this compares to only 9% whose choices were all for institutions in Britain. Half of the sample (50%) recorded a mixed pattern amongst choices of both institutions in Britain and in NI.

As the UCAS process unfolds, applicants are asked to refine their choices down to two in the light of offers made by universities: their firm and insurance choices. 61% recorded both preferences for NI institutions (this group can be characterised as “determined stayers”) and just under a fifth recorded both preferences for institutions in Britain (“determined leavers”).

Almost three-quarters of students from Catholic Maintained schools had both their firm and insurance choices at NI institutions compared with just over half of those in predominately Protestant schools. On the other hand, a quarter of those in predominately Protestant schools had both their firm and insurance choices at institutions in Britain compared with only 10% of those in Catholic Maintained schools. The researchers noted that it has been established from previous research that Protestants are more likely to be *determined leavers* and Catholics more likely to be *determined stayers.* However, they also noted that there is overlap between the two groups and it would be wrong to say that all Protestant students are determined leavers and all Catholic students are determined stayers.

Those from the lower social groupings were more likely to be determined stayers, ie to have both firm and insurance choices at institutions in NI; whilst determined leavers had both higher mean ‘AS’ grades and higher mean predicted ‘A’ level grades than determined stayers.

The overwhelming majority of respondents believed that they will be able to match their preferred location with where they believed they were likely to end up. The researchers therefore concluded that there was little evidence that respondents believed they would be forced to go to an institution or location they would have preferred not to go to.

Reasons for Higher Education Choices

Respondents were asked to identify the most important factor in deciding where to go to study (see **Table 1**).

2 The study incorporated two measures of religion. The first asked individuals to indicate whether they were being brought up in the Protestant or Catholic community (or neither). The second measure classified schools by management type.

Table 1: Most important factor in Preferred Choice

	N	%
Best place for course	278	37.1
I like the particular institution	88	11.7
It has a good reputation	70	9.3
I won't have to leave home	63	8.4
I like the location	47	6.3
People have recommended it to me	33	4.4
It offers a good social life	32	4.3
I don't want to stay in Northern Ireland	30	4.0
I have friends going there	22	2.9
It will cost less to go there	22	2.9
It is the nearest to home	15	2.0
I have relatives living nearby	10	1.3
It is easy to travel to	9	1.2
I don't know much about other institutions	7	0.9
It's easier to get to than others	7	0.9
I will fit in there because of my social background	3	0.4
Going there will allow me to keep my job	2	0.3
My parents would like me to go there	1	0.1
I will fit in there because of my religion	1	0.1
Other	10	1.3
Total	750	100.00

Missing = 161
Source: Year 14 survey

Top of the list as the most important factor in making the preferred choice was that it is 'the best place for the course' students want to take. However, even though three times as many respondents cited 'I like the particular institution' as the second most significant factor, only just over a third of respondents cited this factor as the most important.

Table 2 shows that the range of factors involved in taking a decision is many and varied and of contrasting significance to respondents. For example, a little over a fifth of respondents (22%) regarded leaving NI as important whereas a full third of respondents thought it important that they will not have to leave home (36%) or that the institution they would prefer to go to is nearest their home (35%). However, the most significant factors captured in this question, were that the preferred institution is 'the best place for my course' (81% consider this to be important) that the respondents 'like the institution' (85%), 'like the location' (85%) and that it has 'a good reputation' (87%).

The largest difference between Catholic and Protestant grammar respondents lies in the proportions who indicate that the factor of 'having friends going to the same institution' with 52% of those from Catholic grammar school respondents who considered this factor to be important compared to 35% from Protestant grammar schools. This difference extended to secondary schools with 38% of respondents from Catholic secondary schools indicating this to be important compared with 21% from Protestant secondary schools.

Both Catholic and Protestant secondary school respondents were more likely to indicate that 'cost' is important in their institutional choices than respondents from Catholic and Protestant grammar schools.

The researchers pointed out that the most striking part of this analysis relating to the factors associated with the preferred choice of institution lies in the similarity of the importance of the factors across the range of respondents – with the institution being regarded as the best place for the course, the reputation of the institution and the benefits of the locational choice.

Financial Issues

The researchers also took into account the role of financial issues in the decisions to enter higher education; and whether to stay or leave NI to study. This

Table 2: Importance of reasons for Preferred Choice

	Not important/ not important at all (%)	Don't Know (%)	Important/ very important (%)	Total (N)
Best place for my course	5.3	13.9	80.7	803
Like the institution	5.2	9.3	85.5	805
Like the location	5.7	9.5	84.8	802
Don't want to stay in NI	64.8	13.3	22.1	800
Don't know much about other institutions	54.4	32.0	13.6	796
Good reputation	4.3	8.6	87.2	805
Good social life	8.8	15.7	75.4	802
Relatives nearby	58.6	7.9	33.6	801
Recommended to me	16.8	12.8	70.4	803
Parents would like me to go there	54.6	18.1	27.3	803
Easier to get into	53.8	26.1	20.1	801
Friends going there	40.3	19.9	39.8	803
Won't have to leave home	55.2	9.1	35.8	801
Institution is nearest to home	55.8	10.0	34.2	803
Institution is easy to travel to	27.0	13.0	60.1	803
Going there will allow me to keep my job	63.8	12.3	23.9	803
I will be able to fit in with my religious background	77.8	13.9	58.3	803
I will be able to fit in with my social background	63.2	20.6	16.2	805
It will cost less to go there	51.3	22.4	26.3	805

Note: 102 students did not respond to any of these questions: a small number of additional respondents did not reply to specific questions.
Source: Year 14 survey

cohort of respondents were making their decisions in the context of the introduction of the new student funding system consisting of variable fees repaid after graduation contingent upon their earnings together with means tested grants and also bursaries from individual universities.

Almost two-thirds of respondents indicated that they had received some information about the new funding arrangements.

Catholics (70%) were far more likely to have received information about the new funding arrangements than Protestants (55%). This difference also exists when school type is taken into account with nearly three-quarters (74%) of those in Catholic grammar schools indicating they had received information compared with only 59% in Protestant grammar schools. While considerably more than half (57%) of those in Catholic secondary schools said they had received information on funding, the corresponding proportion in Protestant secondary schools was just under a quarter (24%).

For this cohort, the researchers note that there was some evidence of the new funding system being a disincentive to higher education participation. Approximately one in five respondents indicated that the new fees policy had acted as deterrent to applying for higher education although a quarter had no view. Around a third of respondents suggested that they would have been unable to enter higher education without the availability of grants and bursaries (35%). Notably, a higher proportion of Catholics (43%) said this than Protestants (31%).

Table 3: Cost meant choosing to stay or leave NI by religious background and socio-economic group

	RELIGION			SOCIO-ECONOMIC BACKGROUND	
	Protestant Community (%)	Catholic Community (%)		Higher Social groups (%) (Professional, Managerial and Intermediate)	Lower Social Groups (%) (Small employers, Routine and Manual)
Stayed NI because too expensive to go away	20.8	20.1		16.6	26.1
I wanted to stay, not because of cost	47.3	63.1		52.6	51.7
Chosen to study outside NI, cost not important	20.8	9.3		20.2	13.3
Chosen to study outside NI even if financially difficult	11.1	7.5		10.7	9.0
Total (=100%)	395	279		392	211

Religion - Missing = 237
Social Class - Missing = 308
Source: Year 14 survey

A majority (53%) of respondents indicated that they were opting for a choice in NI irrespective of cost issues. Significant differences emerged in these questions in terms of religion. One in five (21%) of those from a Protestant background indicated that they had chosen to study outside NI irrespective of cost compared with one in ten Catholics (9%); and further 11% of Protestants indicated a non-NI choice despite likely financial difficulties compared with 8% of Catholics (see **Table 3**).

Almost two-thirds of Catholics (63%) indicated that their choice to remain in NI was without reference to cost issues compared to just under half of Protestants (47%). These broad differences by religion were maintained when examined for grammar schools.

However, responses from those in secondary schools are more similar – for example, 34% from Catholic secondary schools indicated that their choice for a course in NI resulted from the cost of studying elsewhere compared with 31% from Protestant secondary schools. Some social class differences were also apparent with one in four (26%) from lower socio-economic groups indicating that cost had helped determine their choice to stay in NI compared with 17% from higher socio-economic groups.

Comparing those from better-off backgrounds with those from less-well off backgrounds shows that those from less well-off backgrounds were more likely to anticipate relying on a grant or bursary than those from better-off backgrounds (26% compared with 13%). On the other hand, respondents from better-off backgrounds envisage being able to draw upon the financial support of their parents compared with those from less well-off backgrounds (34% compared with 21%). In terms of religion, Protestants were notably more likely to envisage calling on parents (35%) than Catholics (19%). On the other hand Catholics were more likely to rely on student loans (47% compared with 38%).

Wendy Lecky, Analytical Services, DEL

Table 4: Importance of sources of information on what to do when leaving school

	Not Important at all (%)	Not Important (%)	Don't Know (%)	Important (%)	Very Important (%)	Total (N)
Careers teachers	18.4	17.2	11.1	30.6	22.7	827
Other teachers	9.8	15.9	21.0	37.6	15.7	828
Internet	6.5	7.9	14.2	45.4	26.0	826
Television	32.3	26.3	26.4	12.7	2.3	826
Newspapers	34.4	24.2	23.4	15.3	2.7	825
Visits from Universities	8.2	7.7	15.2	41.9	26.9	828
Open Days at Universities	5.3	5.7	11.8	39.5	37.7	828
Visits from FECs	32.2	18.5	25.3	16.5	7.5	813
Open Days at FECs	35.6	18.2	22.1	15.8	8.3	811
Friends	7.5	13.7	24.2	44.3	10.3	824
Parents	7.4	11.4	18.5	41.3	21.5	828
Other	27.4	4.4	14.1	15.6	38.5	135

Source: Year 14 survey

Influences on decisions

One important issue which was examined in some detail concerned the role particular individuals and sources of information had played in shaping the decisions individuals had made concerning what they wanted to do after leaving school. Not surprisingly, most respondents utilised a large range of sources of information about their futures after school (see **Table 4**).

The most significant source of information in terms of what to do when leaving school was open days at University. Over three-quarters (77%) regard this source as important/very important. This is followed by the internet (71%), visits from Universities (69%) and parents (63%). Careers and other teachers were viewed by just over half (53%) as important or very important, with sources such as television and newspapers relatively unimportant as sources of information.

Research policy conclusions

The researchers make some comments at the end of the report on the key policy issues and how the findings from the research surveys can input to future policy thinking. These included:

- **Provision of higher education places and migration.** The accumulation of evidence of the research report is that the contemporary situation suggests that the *determined* leavers are a more significant group than the *reluctant* leavers. The suggestion of the report is that the evidence points towards the bulk of those who leave NI are those who want to leave – they are, for a range of reasons *determined* leavers and that the provision of additional undergraduate level places in NI has facilitated the reduction of the reluctant leaver. In addition, the evidence of the research is that the differential migration of Protestants for higher education than Catholics continues. It is the case, however, that the proportion of all entrants who migrate has *decreased.* Hence, while the Protestant/Catholic differential in migration remains, overall levels of migration are at a lower level than a decade or more ago. Moreover, the evidence accumulated here suggests that a high proportion of those who now leave, whether Protestant or Catholic, do so because they wish to leave.

- **Student Finance.** There was *some* evidence of the fear of debt having a detrimental effect on higher education participation especially for those from less well-off backgrounds and those attending further education colleges. Some students, but only a relatively small proportion in this research, indicated that they had reconsidered where they would like to study because of financial concerns. It is also the case that there is evidence from the results of this research that the proportions of those *not* considering entering higher education are higher in Protestant secondary schools than in Catholic secondary schools.

Additionally, the researchers pointed out that there are a couple of issues for the higher education institutions in NI to consider. This included the issue around when potential students are considering whether to go into higher education and where to study whereby having visits to schools and holding open days remains a vital part of the processes of making decisions. They highlight that other information sources are significant including parents, teachers, and the internet but it appears that decisions still need the personal dimension.

Widening Social Access in Further Education, Higher Education and Training

Thomas Coyle, David Patton, Stephen McGonagle and Allan Nesbitt, Analytical Services, DEL

Widening Social Access to education and training – that is, opening up provision to a wider section of the NI community than hitherto – is a key policy underpinning Government's New Targeting Social Need Strategy. This article describes how DEL has approached the measurement of widening access in key areas such as higher and further education and training to ensure that a robust evidence base is in place to assess impacts and monitor progress over time. This article provides a statistical update on the Widening Social Access Data first detailed in Labour Market Bulletin 20.

Introduction

Widening Social Access issues have for some time been at the core of Government policy in NI as evidenced by recent initiatives such as Neighbourhood Renewal[1] and the Taskforce addressing the needs of working class Protestant communities[2]. The Department for Employment and Learning (DEL) views widening access as a key strategic priority, and the topic is a major recurring theme in the Department's Skills Strategy 'Success Through Skills'[3]. The measurement of widening access is obviously critical in evaluating the strengths and weaknesses of relevant policies. This article provides a brief overview of recent analysis examining widening social access to Higher Education, Further Education, Jobskills and Essential Skills.

The indicator used in this article to measure widening social access builds on recent advances in statistical and mapping technology which have made it possible to analyse, in detail, spatial trends of deprivation. Research concerning geographical deprivation (the Northern Ireland Multiple Deprivation Measures (NIMDM)) was published by the Northern Ireland Statistics and Research Agency (NISRA) in May 2005. It uses sophisticated statistical techniques to merge a total of 43 indicators of deprivation and rank 890 small regions (super-output areas) of NI in terms of deprivation[4].

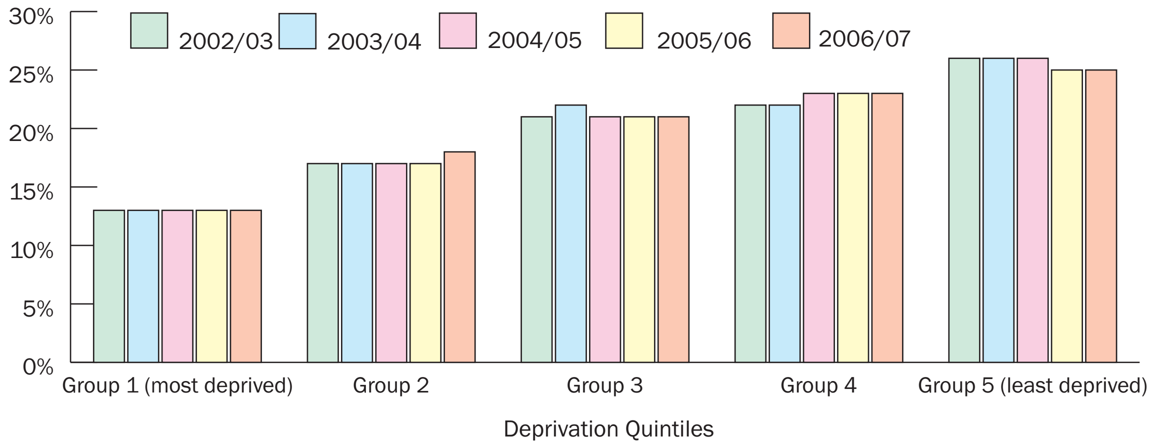
This article analyses areas within NI in terms of deprivation quintiles: that is, it divides the areas of NI into five groups, from the lowest 20% (most deprived) of super-output areas up to the highest 20% (least deprived) of super-output areas. Participation from these areas is then assessed using student home postcode data from a number of sources: the Higher Education Statistics Agency (HESA); DEL's Further Education Statistical Record (FESR) and Client Management System (CMS); and the Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA). This new approach builds on other measures that are used by the Department for Employment and Learning to assess social access such as student Socio-Economic Classification and social security benefit entitlement. It benefits greatly from the very high coverage of home postcode data and allows comparisons to be made across levels and mode of study.

1 Department for Social Development **www.dsdni.gov.uk/neighbourhood_renewal**
2 Department for Social Development **www.dsdni.gov.uk/sandy_row_final_report.doc**
3 Department for Employment and Learning **www.delni.gov.uk/skills_strategy_2006.pdf**
4 Northern Ireland Statistics and Research Agency **www.nisranew.nisra.gov.uk/whatsnew/dep/measures/nisra_dep_report_2005.pdf**

Widening Social Access in Further Education, Higher Education and Training

Thomas Coyle, David Patton, Stephen McGonagle and Allan Nesbitt, Analytical Services, DEL

Figure 1: NI domiciled students enrolled at Higher Education Institutions in the UK by NIMDM Deprivation Group 2002/03 - 2006/07



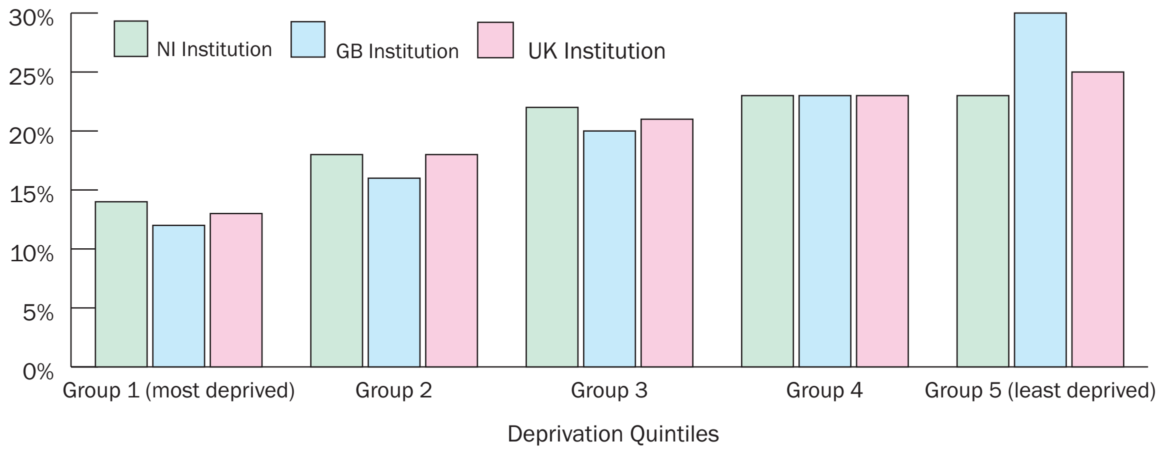
Source: HESA

Higher Education

Figure 1 shows that the proportion of NI domiciled students enrolled at Higher Education institutions in the UK from the **most** deprived quintile remained constant at 13% between 2002/03 and 2006/07. The proportion of students from the **least** deprived quintile decreased from 26% in 2002/03 to 25% in 2006/07. The figures include full-time, part-time, undergraduate and postgraduate students.

Figure 2 shows that of those NI domiciled students enrolled at HE institutions in NI in 2006/07, 14% were from the most deprived quintile, compared to 12% of those enrolled at GB HE institutions. In contrast 23% of NI domiciled students enrolled at NI institutions in the same year were from the least deprived quintile compared to 30% of NI domiciled students enrolled at GB institutions.

Figure 2: NI domiciled students enrolled at Higher Education Institutions in the UK by country of institution and NIMDM Group 2006/07



Source: HESA

Widening Social Access in Further Education, Higher Education and Training

Thomas Coyle, David Patton, Stephen McGonagle and Allan Nesbitt, Analytical Services, DEL

Further Education

In 2006/07, the distribution of students attending the NI Further Education (FE) Sector was skewed in favour of those from more deprived backgrounds. **Figure 3** shows that more than a fifth (22%) of enrolments were drawn from the most deprived quintile compared to 17% from the most affluent quintile.

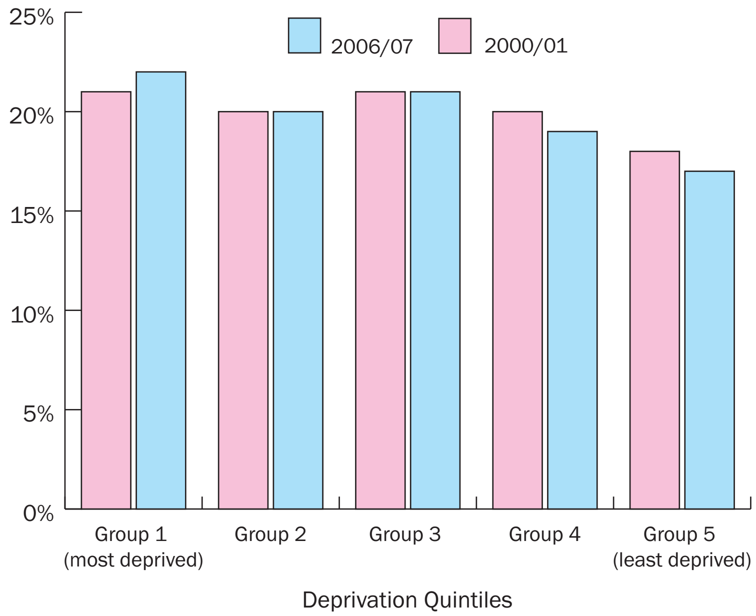
As shown in **figure 4**, enrolments in the NI FE Sector increased by 19% between 2000/01 and 2006/07. During the same period there was an increase of 24% in enrolments from the most deprived areas in NI compared to a 15% increase from the least deprived areas.

Jobskills and Essential Skills

Both these programmes attract significant numbers of individuals with low prior qualification levels (with progression routes available to Level 2 & 3), although Jobskills also has a strand – Modern Apprenticeships – targeted at higher skill applicants. The analysis shows that the participants on these programmes are largely drawn from more deprived areas of NI.

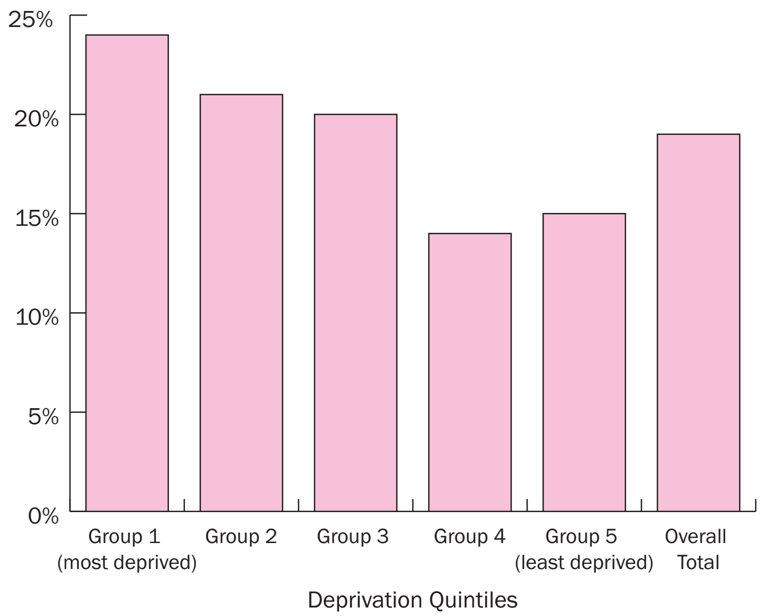
Jobskills (since replaced by Training for Success) was a Government training programme which aims to equip young people with the professional and technical skills needed in the modern workplace. The "Access" strand of Jobskills is

Figure 3: Enrolments at NI Further Education Institutions by NI Multiple Deprivation Rank (excluding jobskills), 2000/01 to 2006/07



Source: FESR

Figure 4: Percentage Growth in Enrolments (excluding Jobskills) at NI Further Education Institutions by NI Multiple Deprivation Rank, between 2000/01 and 2006/07



Source: FESR

Widening Social Access in Further Education, Higher Education and Training

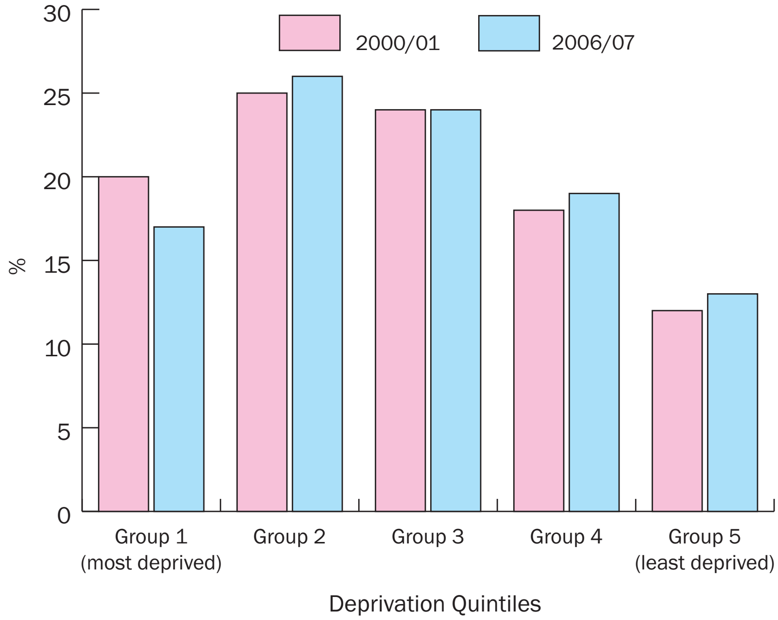
Thomas Coyle, David Patton, Stephen McGonagle and Allan Nesbitt, Analytical Services, DEL

designed to prepare people with no or low qualifications and/or with essential skills needs up to a level where they could enter higher level training, whilst the "Traineeship" strand is aimed at enabling participants to complete a Level 2 or Level 3 qualification. Jobskills is delivered by FE Colleges and by Training Organisations. As shown in **figure 5**, in 2006/07 17% of Jobskills beneficiaries were from the most deprived areas in NI while 13% were from the least deprived areas.

The Essential Skills for Living Strategy commenced in September 2002 with the mission of addressing the literacy and numeracy needs of those in the NI adult population who experience difficulties in these areas. It has since been extended to embrace information and communication technology (ICT) needs. **Figure 6** shows that nearly 29% of participants come from the most deprived areas with less than 16% coming from the least deprived areas.

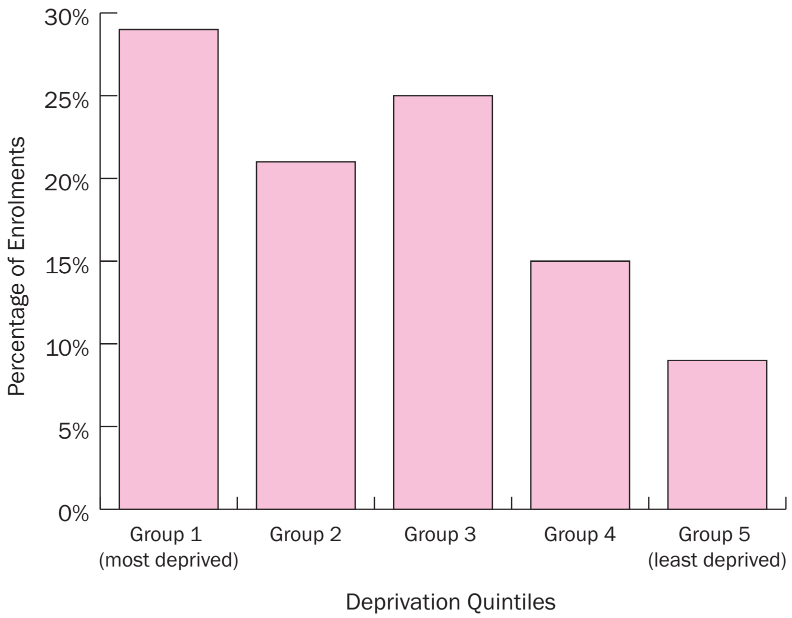
More detailed statistics regarding 'widening social access' in the context of DEL programmes is available upon request from Analytical Services, Department for Employment and Learning
Telephone: 028 9025 7753
Email: reb@delni.gov.uk

Figure 5: Jobskills enrolments at Northern Ireland Further Education Institutions by NI Multiple Deprivation Rank 2000/01 & 2006/07



Source: CMS

Figure 6: Essential Skills enrolments by NI Multiple Deprivation Rank September 2002 - August 2008



Notes:
Source of Enrolment data is the Essential Skills enrolment return. Figures are correct as at 6th November 2008. These are currently provisional therefore are subject to change. Percentages are calculated where 'Postcode' is known.

11

Northern Ireland's Students: Key Findings from the Futuretrack Stage 1 Survey

Gaby Atfield and Kate Purcell, Institute for Employment Research, University of Warwick

Abstract

These key findings from the Futuretrack survey of UK 2006 full-time higher education (HE) applicants focuses on NI students, particularly on a comparison of those who had applied to NI institutions (HEIs) and to other UK HEIs. We discuss reasons given for choices of course and HEI, the information that influenced these decisions, perceptions of the relationship between HE and future employment plans and options, and attitudes about various HE-related issues, including funding and debt.

Introduction

The Futuretrack survey is a Higher Education Careers Service Unit (HECSU) sponsored longitudinal study following 2006 University and Colleges Admissions Service (UCAS) applicants from the time they applied to enter HE until two years after they have completed their courses. Students who only applied for entry to higher education courses outside the UK or who only applied directly to colleges are not included in the study.

The survey examines when, how and why students make decisions about their education and careers[1]. The Stage 1 questionnaire was completed in summer and early autumn 2006, when most had not yet started their courses and some did not know whether they would achieve the course of their choice. It also incorporates subsequent information about their applications and outcomes provided by UCAS in Spring 2007.

The first stage of the survey took place in the summer and early autumn of 2006 and the findings presented in this summary focus mainly on students who proceeded into HE in 2006. The data have been weighted to take account of response bias[2].

The first section gives a brief overview of the characteristics of the NI-domiciled applicants. Subsequent sections look at the decision-making processes of applicants as they made their HE choices, their views about issues related to HE, and their aspirations for the future. The final section details the profile of applicants from outside NI who achieved places at NI HEIs.

Who are the NI-domiciled students in the Futuretrack sample?

2,983 NI domiciled UCAS applicants participated in the Futuretrack Stage 1 survey. 2,468 gained a place to study at a UK HEI.

Compared to the sample as a whole:

- they were less likely to have entered HE after applying. 17% either did not get a place or chose not to take up a place that they had been offered through UCAS, compared to a UK average of 12%. Some students who did not take up a place through UCAS may have entered HE at an institution outside the UCAS scheme, for example, at an institution in the RoI, or through direct application to a particular institution, as in the case of some applicants at St Mary's University College;
- of those who did not accept or were not offered a UK HEI place, 3% had simultaneously applied to RoI universities and 22% had applied for non-UCAS UK courses in subjects like nursing or art, mainly in NI;
- they were slightly older than the UK average when they enter HE;

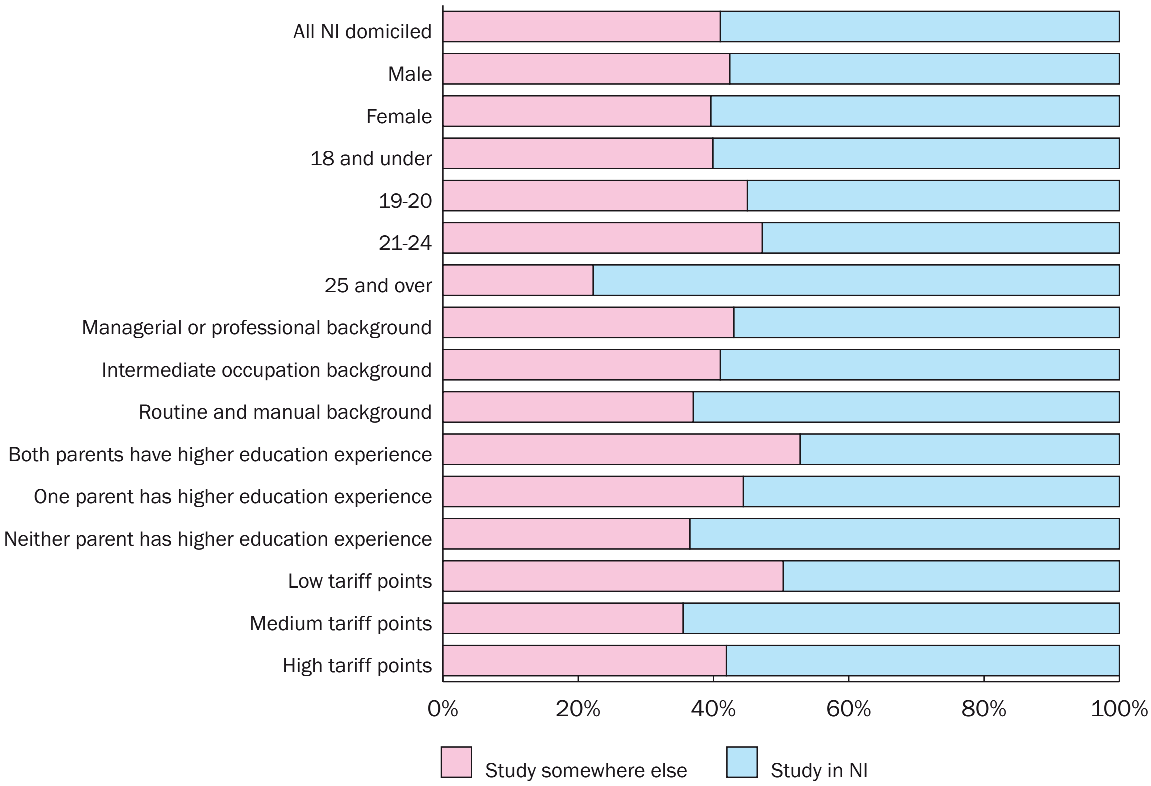
1 As well as students who entered HE in 2006, the Futuretrack cohort also includes applicants who took a gap year after applying and those applicants who have not chosen, at this point, to continue into HE.

2 Because the main demographic and educational profiles of the 2006 UCAS applicants are known, tests to assess the representativeness of the survey respondents were undertaken. The only significant biases were according to gender and UCAS tariff points, with women and those with high secondary education qualifications more likely to have responded than men and those with lower scores or with non-standard entry qualifications.

Northern Ireland's Students: Key Findings from the Futuretrack Stage 1 Survey

Gaby Atfield and Kate Purcell, Institute for Employment Research, University of Warwick

Figure 1: Accepted NI applicants studying in NI and elsewhere by selected characteristics



(Source, Futuretrack Stage 1, All accepted NI domiciled respondents, weighted)

- they were likely to come from less advantaged backgrounds than UK students as a whole; less likely to have parents in the highest Socio-Economic Status (SES) classes and less likely to have parents with experience of HE. 34% of NI applicants came from a professional or managerial background, compared to a UK average of 41%, and 62% of NI applicants said that neither of their parents had completed HE or were currently in it, compared to 56% of UK applicants as a whole;
- they were slightly less likely to be attending a pre-1992 university (44% compared to 47%).

Who remained in NI for higher education, and who left?

As **Figure 1** shows well over half (59%) of NI domiciled applicants who gained and accepted UK HEI places had places at a HEI in NI. Those who left NI were most likely to have accepted a place to study in Scotland. Merseyside, the North West and North East of England were also significant receiving regions.

Younger students, those aged 18 and under, and older applicants, those aged 25 and over, were most likely to remain in NI.

Applicants from higher socio-economic backgrounds appeared only slightly more likely to leave NI for HE than others, with students from the highest socio-economic groups a little more likely to study in other UK HEIs (43% compared to an average of 41%), but the significance of parental experience of HE was considerably greater (53% compared to 37% of applicants whose parents had no experience of HE went to other UK countries).

According to their entry qualifications, the students studying outside NI were somewhat polarised in their motivations for entering HE and their subject choices, as will be discussed. Students with low entry tariff points were disproportionately likely to study outside NI. Possibly in many cases, as the following quote illustrates, because they could not gain a place to study at an NI institution. Students with high tariff points were also more likely to have accepted a place to study in other parts of the UK.

> *"I could not get accepted in to a University in NI which was very disappointing. I would have preferred to have studied at home but the criteria here is so rigid."* [Female, 31 and over, did not enter HE]

81% of accepted students remaining in NI were accepted at their first choice HEI, compared with only 74% of those who had accepted a place to study outside NI. The high proportion of students with low tariff points studying outside NI may account for this difference, along with the likelihood that the students with high tariff points were more likely to have applied to study subjects such as medicine and dentistry, for which there are higher competition for places and more opportunities for those prepared to go further afield.

Students with places to study outside NI were somewhat more self-confident than those remaining in NI, which probably also reflects likelihood of their relative familiarity with higher education as a result of their family and social networks' experience of it. Leaving familiar surroundings requires a certain level of self-confidence. Exactly half of those with places to study outside NI rated their self-confidence as excellent or very good, compared to 46% of those remaining (an average of 48% for UK students as a whole). Despite this, several students who had accepted a place to study outside NI were both excited and worried by the prospect of leaving NI.

> *"I am excited about my future in higher education, but nervous and worried about moving to Scotland, although I know it will benefit me greatly in the future."* [Female, 18 and under, Business and Administration, UK Pre 92 University]

> *"The overwhelming independence of moving country to study is certainly a little intimidating but I'm hoping the enjoyment of my time will by far outweigh the burden of having to adapt to a new life. I'm very confident that my university years will be some of the best in my life and can't wait to start."* [Male, 18 and under, Mathematics and Computing Science, UK Russell Group University]

What were the reasons behind NI-domiciled students choices about higher education?

When making choices about HE, NI applicants were slightly more likely than UK students as a whole to be motivated by employment related reasons. In some cases, these reasons were connected to the desire to enter a particular profession, while in others, decision making was influenced by more general concerns about getting a good job in the future. The likelihood of being able to get a good job was an important concern for NI students, particularly whether the cost incurred by HE participation would be recouped in additional earnings after graduation.

NI-domiciled students reasons for entering HE were similar to those of the UK sample as a whole. The most frequently mentioned reasons were 'I think it will lead to a good job' (82%), 'it is part of my long-term career plans' (77%) and 'I want to study the particular subject or course' (69%).

However NI students were slightly more likely than the UK average to give employment-related reasons for entering HE, and slightly less likely to say they chose to enter HE because they wanted to study a particular subject or course. When asked their main reason for entering HE, the proportion saying that they did so to enable themselves to get a good job was 5 percentage points higher for the accepted NI students than UK students, with 27% giving this as their main reason. However, several NI students expressed concerns about whether HE would turn out to be the route into a good job that they had once imagined.

> *"Higher Education is falsely advertised to be the key to any career future for students. Lecturers and teachers emphasise its*

importance to students, when it is not essential. Fees are very high for upcoming students and most do not realise what they are left with after the higher education process. With growing monetary inflation and growth in population jobs are NOT as readily available as it is made out and the fees students are left with can be overwhelming. There are too many highly qualified people doing mediocre jobs because they were misinformed."
[Male, 19-20, Mass Communications and Documentation, UK Post 92 University]

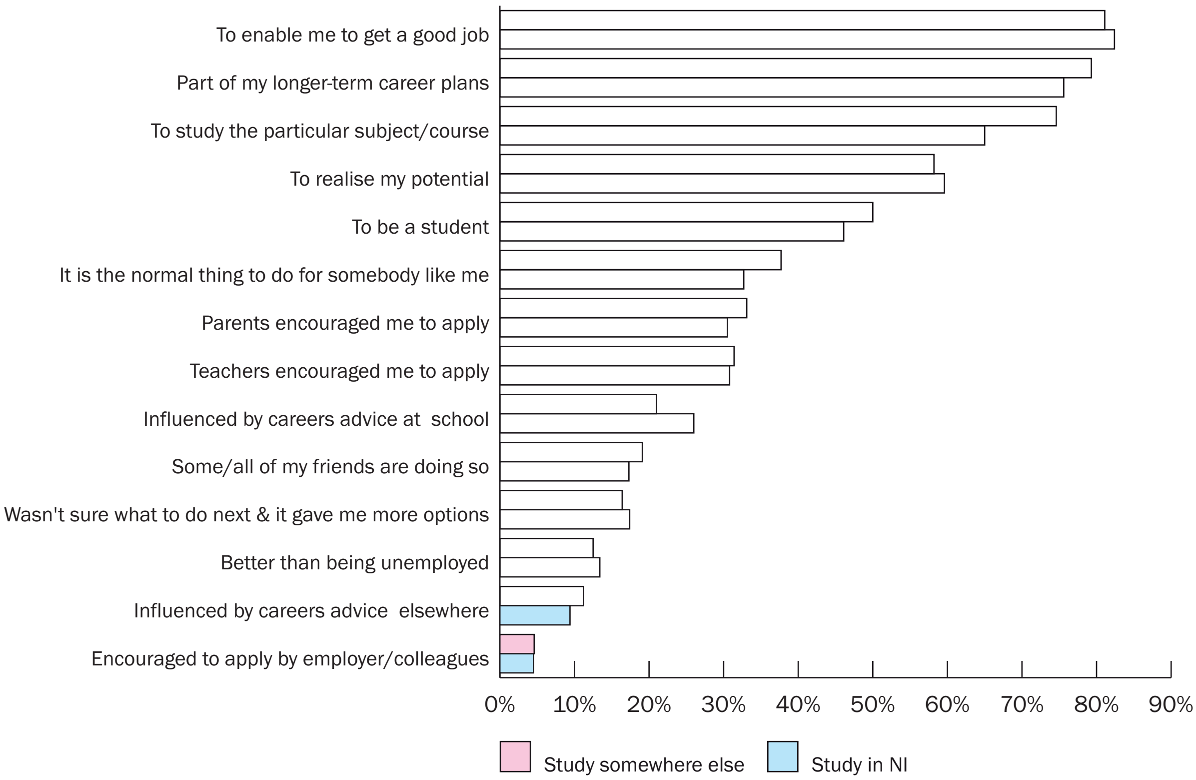
"It scares me that nothing is really guaranteed even if you do have impressive qualifications. Whether it is a vocational or non-vocational degree there is still a level of uncertainty that you may not get a job in the end, despite investing so much time and effort into your education. I think in many ways higher education is becoming more and more unattractive. Trades perhaps have a far brighter future."
[Female, 19-20, Subjects allied with Medicine, NI Russell Group University]

NI students were also slightly more likely than UK students as a whole to say one of the motivations for them applying to enter HE was the support or information provided by other people, such as teachers and careers advisors.

"We were encouraged to apply for university as it's 'the right thing to do'. While I largely agree with this, I believe more time should have been spent by advisers explaining WHY it's the right thing to do."
[Male, 19-20, Business and Administration, NI Russell Group University]

As **Figure 2** shows, accepted applicants for HEI places

Figure 2: All reasons of NI-domiciled accepted applicants for choosing to enter higher education by region of study



(Source, Futuretrack Stage 1, All accepted NI domiciled respondents, weighted)

elsewhere in the UK were more likely to say they were motivated to enter HE because they wanted to study a particular subject or course. Three quarters of applicants with places to study outside NI chose this as one of their reasons for entering HE, compared to 65% of those who had accepted places to study in NI; 19% of students who had accepted places to study outside NI said that their main reason for entering HE was to study a particular subject, compared to 13% of NI students who had accepted places to study in NI.

Students who had accepted places to study outside NI were also more likely to mention being encouraged to apply by parents or teachers and to say that some or all of their friends were going on to HE and that it was a normal thing for someone like them to do. This is in keeping with the findings outlined above. The students who were leaving NI to study tended to come from backgrounds with a tradition of HE and these students would be more likely to be expected to enter HE by the people around them simply because of this tradition. Students remaining in NI to study were much more likely to say they had been motivated by careers information or advice provided by their school, which highlights the potential importance of this kind of advice for those who come from backgrounds with less tradition of HE participation.

NI students who had accepted a place to study in NI were more likely than those who had accepted a place to study outside NI to say their main reason for entering HE was to get a good job. 29% of NI domiciled applicants with NI HE places gave this as their main reason, compared to 23% of those who had accepted places to study outside NI. There was a much smaller difference between the two groups when looking at the proportions who selected the other employment-related category, 'it is part of my long-term career plans', although students who had accepted a place to study outside NI were slightly more likely to select this option, with 79% giving it as one of their reasons for entering HE and 35% giving it as their main reason, compared to figures of 77% and 33% respectively for students who had accepted places to study in NI. This emphasis on getting an unspecified 'good job', rather than wanting to enter a specific named career may reflect the general anxiety expressed by many NI students about the NI economy and the impact this will have on their employment prospects.

> *"It's so expensive and there isn't a guarantee of the better job that you thought that you should get after HE."*
> [Female, 21-24, Social Studies, NI Post 92 University]

NI students' reasons for choosing their course were also mainly focused on related job prospects and enjoyment of the subject. The most commonly given reasons for choosing their course were interest in the content of the course (78%), enjoying studying the subject (70%) and two employment related reasons; thinking the course will lead to good job prospects (58%) and needing to complete the course to enter a particular profession or occupation (49%). Enjoyment of the course (31%) and needing to complete the course to enter a particular occupation or profession (25%) were the most commonly given main reasons for choosing a particular course.

NI applicants were again more likely than the UK applicants as a whole to mention employment prospects as the main reason for choosing their course. UK students were more likely than NI students to give enjoyment of the subject as one of their reasons for choosing their course, with 78% doing so compared to 71% of NI students giving this as one of their reasons for choosing their course, and 39% giving it as their main reason, compared to 33% of NI students. The two employment-related categories accounted for 37% of NI students' main reasons for choosing a course, compared to 33% of all UK students; not enormous differences, but statistically significant.

> *"I wanted to choose a course which would result in a job directly related to the course i.e. accounting degree [to] become an accountant; there is no thought or choice involved. It is considered to result in good, well-paying employment - I really didn't*

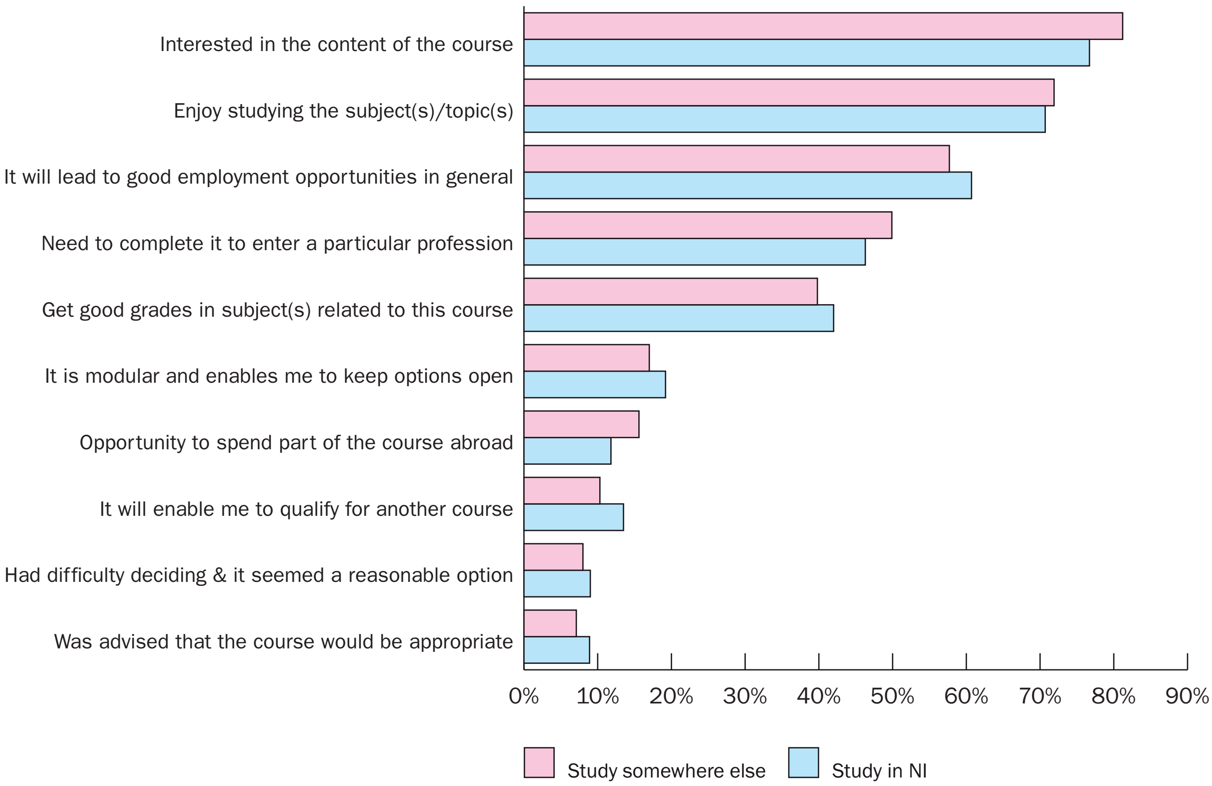
> *know what I wanted to do so I decided to go for a career that would easily pay off student loans etc."*
> [Female, 18 and under, Business and Administration, NI Russell Group University]

However, some respondents were critical of this emphasis on job prospects when choosing courses.

> *"The pressure of university fees on students affects their choices on subjects to those that will assure them a good career on graduating. This has a great affect on the types and backgrounds of students studying certain arts subjects and shall have a profound affect on our cultural wealth!"*
> [Female, 25 and over, did not enter HE]

As **Figure 3** shows, NI applicants who had accepted places to study outside NI were again more likely to mention their need to complete the course they had chosen as part of their long-term career plans. The proportion saying that they had chosen a particular course because they needed it to enter a particular profession was 4 percentage points higher for applicants who had accepted places to study outside NI (50% compared to 46%), and 3 percentage points more applicants who had accepted places to study outside NI said this was their main reason for choosing their course (25% compared to 22%). As will be seen later, students who were leaving NI were slightly more likely to be studying subjects like medicine, dentistry and veterinary science which are necessary for entry into specific professions, which are not taught at all HEIs and for which entry is competitive. It is possible that applicants are going to other UK locations due to a lack of supply of these courses in NI, particularly in the case of veterinary science which is not available in NI.

Figure 3: All reasons of NI-domiciled accepted applicants for choosing course



(Source, Futuretrack Stage 1, All accepted NI domiciled respondents, weighted)

> *"I feel that I will almost certainly get a job once I have completed the course in Civil Engineering. Other University subjects (e.g. Psychology, History) do not offer almost guaranteed employment in any profession; I feel that Civil Engineering does."* [Male, 21-24, Engineering and Technologies, UK Russell Group University]

Students who had accepted places to study outside NI were also more likely to say that they had chosen the course because they were interested in its content. Applicants who had accepted places to study in NI were more likely to select reasons that had a broader scope. They were more likely to say they chose their course because it would lead to good employment prospects in general, rather than those related to a specific career; and to have chosen their course because they enjoyed the subject, rather than because of the specific content of the course.

When choosing their HEI, NI applicants were more likely than UK applicants as a whole to be motivated by the opinion of other people that they knew and less likely to be motivated by academic reputation and league tables. 8 percentage points more NI applicants said they were influenced by their friends in choosing their HEI, 6 percentage points more said they were influenced by applicants already at the institution, 3 percentage points more were influenced by their school or college careers advisor, and 8 percentage points more said they had personal reasons for choosing their HEI. They were 8 percentage points less likely to say they were motivated by league tables like the Good Universities Guide, 7 percentage points less likely to have been influenced by the teaching reputation and 7 percentage points less likely to have been influenced by the research reputation of the HEI. They were also less likely to have been influenced by the institution's prospectus, visits to the institution and whether the location of the institution was attractive.

Students who were leaving NI gave reasons for choosing their HEI that were more similar to the UK respondents as a whole. They were 14 percentage points more likely to say that they were influenced by league tables and 4 percentage points more likely to have been influenced by the research reputation of the HEI. Students who had accepted places to study outside NI were also 16 percentage points more likely to have been influenced by the HEI's prospectus and 11 percentage points more likely to have been influenced by visits to the institution. This may simply reflect the larger number and variety of institutions they were choosing between, compared to students who wanted to remain in NI.

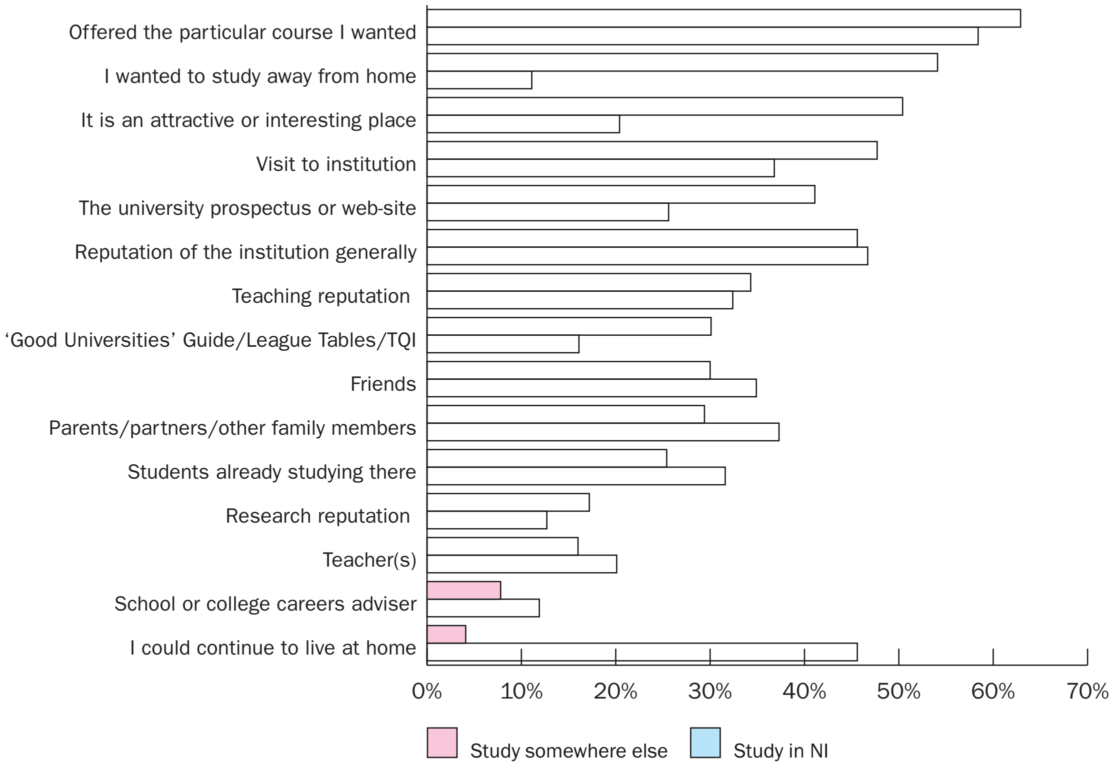
As **Figure 4** shows, students who were remaining in NI were more likely than those leaving to mention that their choice of HEI was influenced by people that they knew. They were 8 percentage points more likely to have been influenced by their parents, 7 percentage points more likely to have been influenced by students already studying at the institution, 5 percentage points more likely to have been influenced by friends and 4 percentage points more likely to have been influenced by teachers and school or college careers advisors. One possible reason for this is that people in NI are likely to have more knowledge of NI HEIs and consequently be able to give advice about them that influences potential applicants in a way they may not be able to about HEIs outside NI. As would be expected, students leaving were much more likely to say they chose their HEI so they could live away from home, and students who were staying in NI were much more likely to say they chose their HEI so they could live at home or near to home.

> *"As the university was still situated in NI, it gave me the opportunity to study away from home and gain some independence, but not too far away as I can still travel home at weekends."* [Female, 18 and under, Subjects allied with Medicine, NI Russell Group University]

The desire to remain near to home limited certain applicants' choices, for some, as in the case of the following respondent, to the extent that they were ultimately not able to enter HE.

Gaby Atfield and Kate Purcell, Institute for Employment Research, University of Warwick

Figure 4: All reasons of NI-domiciled accepted applicants for choosing higher education institution



(Source, Futuretrack Stage 1, All accepted NI domiciled respondents, weighted)

"It is the only place in Belfast that offers the course I want to do and I do not want to go any further from home than Belfast."
[Female, 18 and under, did not enter HE]

Students leaving NI were also much more likely to say that they chose their HEI because it was located in an attractive or interesting place, which again is likely to be related to the relative proportions of students who were moving away from the area where they were living when they applied. They were therefore being more discriminating consumers of HE than those who preferred to remain, and giving themselves a wide range of options from which to make choices.

What were NI students planning to study?

The profile of NI domiciled students in terms of the type of course they were planning to study for is similar to the profile of the UK as a whole, with the majority planning to study for a degree-level course. They were less likely than the UK average to be planning to study for a three year degree (46% compared to 55%) but more likely than the UK average to be planning to study for a 4 year degree (30% compared to 22%) or a degree lasting for more than 4 years (8% compared to 5%). Students studying outside NI were more likely than those remaining to be planning to study for a degree lasting more than 4 years, and less likely to be planning to study for a degree lasting 3 years. This can be attributed to two things, firstly, the high proportion of NI students studying in Scotland where 4 year degrees are the norm, and the subjects that those who were leaving NI were planning to study.

As **Table 1** shows, there were some subjects that NI students were more likely to be planning to study outside

NI. These subjects tend to be those that are not available at all institutions, where entry is competitive, and which are more vocational. For example, while a higher proportion of NI students planned to study medicine and dentistry, more than half had accepted a place to study it at a HEI outside NI.

NI students were slightly more likely than UK students to be planning to study subjects that were vocational and/or scientific. Subjects which a higher proportion of NI students than the UK average were planning to study include: Architecture; Building and Planning; Medicine and Dentistry; Subjects allied to Medicine; Mathematical and Computer Science; and Engineering and Technologies.

NI students' career plans and access to information and guidance

As **Figure 5** shows, compared to the UK as a whole, NI students had a clearer idea of the type of occupation they want to go into when they graduate and the qualifications they require to do so. This is consistent with the data on subjects NI students were planning to study, which is outlined above. NI has a larger than average proportion of students planning to study for degrees in subjects with a vocational focus, and NI students placed a slightly greater emphasis on future employment as a criterion for making decisions about their courses and HEIs.

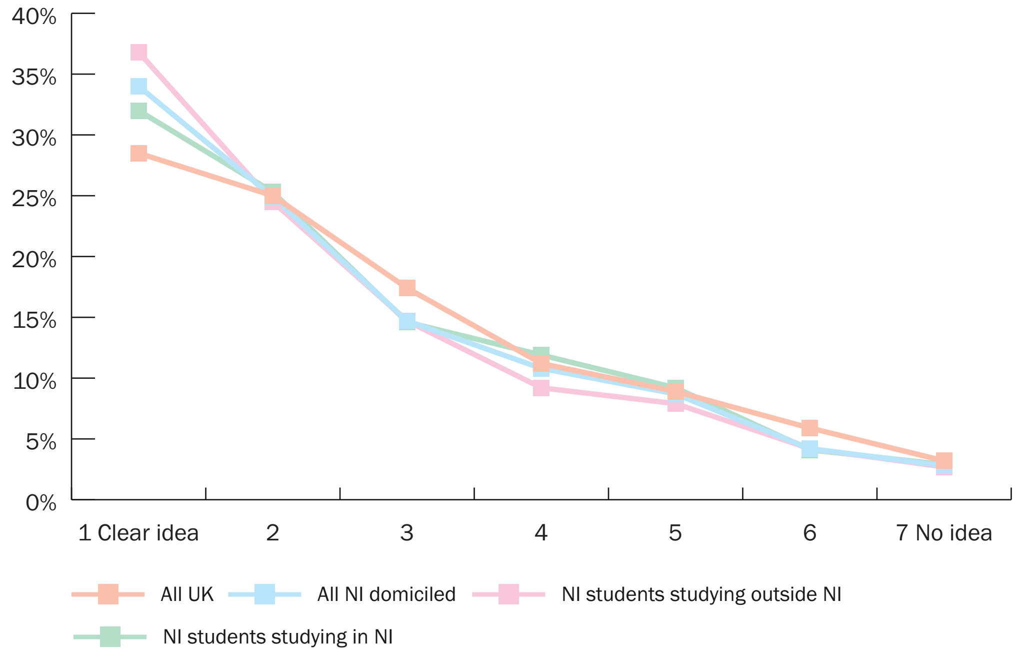
Findings from the Futuretrack survey have shown that many of the characteristics that were more common in the cohort of students who had accepted places to study outside NI correlate with ideas about career planning. For example, younger students and those whose parents had experience

Table 1: Subjects studied by NI and all UK accepted applicants, and the proportion of NI accepted applicants studying outside NI

	% of NI students	% of all UK students	% NI studying outside NI
Education	2.2	3.9	74.0
Interdisciplinary, other combined subjects	1.8	2.3	56.4
Medicine & Dentistry	5.0	2.9	55.3
Subjects allied to Medicine	9.1	8.0	52.5
Creative Arts & Design	6.6	11.1	49.2
Biology, Vet Sci, Agriculture & related	9.4	10.7	48.8
Social Science combined with arts	2.1	2.6	47.2
Science combined with social science	4.4	4.5	46.4
Languages	2.7	4.1	45.4
Law	4.8	4.3	42.5
Architecture, Building & Planning	4.8	1.9	39.0
Engineering, Technologies	6.5	5.6	38.6
Physical Sciences	4.7	4.8	36.3
Business & Admin studies	9.9	9.4	33.5
Mass communication & Documentation	2.3	2.4	32.9
Social Studies	8.9	8.2	29.8
Historical & Philosophical studies	3.5	3.6	26.6
Mathematical & Comp Science	9.0	6.4	25.1
Linguistics and Classics	2.1	3.1	20.5

(Source, Futuretrack Stage 1, All accepted UK domiciled respondents, weighted)

Figure 5: Clarity of NI-domiciled and all UK-domiciled accepted applicants' ideas about the occupation they eventually want to enter and the qualifications needed to do so



(Source, Futuretrack Stage 1, All accepted UK domiciled respondents, weighted)

of HE tended to have less clear ideas about the occupation they eventually want to enter. However, students studying outside NI were more likely to be planning to study subjects with a clear vocational focus, such as medicine, which results in them being the group most likely to say that they have a clear idea about the occupation they wish to enter.

Despite this clarity about their future occupation, NI students were more likely to indicate that they lacked information about HE and careers than UK students as a whole. 70% of NI students said they agreed or strongly agreed that they had all the information they required about HE courses, compared to 75% of UK students as a whole.

More than half of the NI students indicated that they had not enough or no information about: presentations about careers opportunities by employers (74%); alternatives to going on to HE (55%); individual careers guidance (52%); the relationship between courses and employment (51%); classroom-based teaching on career or life planning (51%); visits to careers fairs (51%); and access to careers information or guidance outside school (51%).

> *"I think higher education can be very valuable in terms of gaining life experience, independence and a degree that can open career opportunities that would otherwise be denied you. Having said that higher education is not the best option for all school leavers and I think that too little information is provided on the alternatives – specifically vocational courses and apprenticeships and full time employment. There are far too many graduates currently under-employed (especially in NI), filling roles they could have secured without a degree. At the same time we have a shortage of nurses, care workers, plumbers, electricians, bricklayers to name but a few."*
> [Male, 25 and over, Biology, Veterinary Science, Agriculture and Related, NI Russell Group University]

> *"Not everyone should be pressured into higher*

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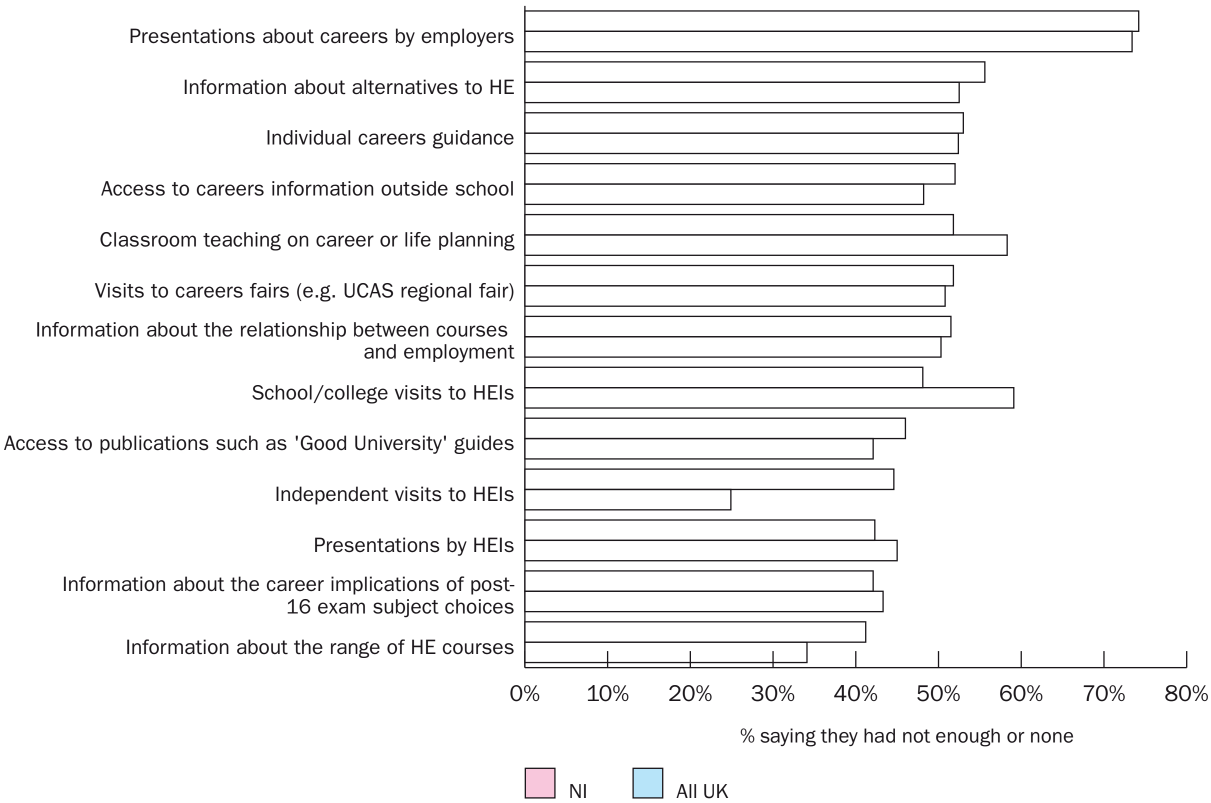
> *education, which is something I think is happening a lot more at the moment. Plenty of good careers can be obtained through other means."*
> [Male, 18 and under, Law, NI Russell Group University]

As **Figure 6** shows, NI students were significantly more likely then UK students as a whole to indicate that they had received 'not enough' or no information at all about the range of courses available and were more likely to say that they had not made enough independent visits to universities or colleges. NI students were also significantly more likely than members of the UK sample as a whole to say they received enough or too much classroom-based teaching on career or life planning and had made enough school or college visits to HEIs. Generally, NI students were more positive than UK students as a whole about the careers information and guidance they had received, with significantly higher proportions agreeing or strongly agreeing that they had excellent careers guidance and that careers guidance provided at their school or college was helpful to them. Despite this, NI students were more likely to agree or strongly agree that they needed more help and advice in choosing their course and that they found it difficult to choose their course.

> *"I and my fellow school pupils were given an extremely poor and at times non existent careers guidance. I have therefore chosen a course which I am unsure will lead me anywhere. This must be addressed!"*
> [Female, 18 and under, did not enter HE]

There was little difference in the perceptions of the amount of information received by students leaving NI and those

Figure 6: NI-domiciled and all UK-domiciled accepted applicants saying they had not enough or no careers information and guidance



(Source, Futuretrack Stage 1, All accepted UK domiciled respondents, weighted) staying, except in the area of visits to universities or colleges, which can largely be attributed to location, since students choosing to leave NI were more likely to think they had not made enough school or college visits to HEIs, but were less likely to say that they had not made enough independent visits.

Students remaining in NI to study were more likely to feel that their teachers and careers guidance in schools had been helpful to them, which may reflect a greater knowledge of NI institutions than those in the rest of the UK. Perhaps as a consequence, 6% more of the students remaining in NI to study agreed or strongly agreed that they had received excellent careers guidance. However, as **Figure 7** shows, they were also more likely to say agree or strongly agree that they found it difficult to choose courses and that they needed more help in choosing their course.

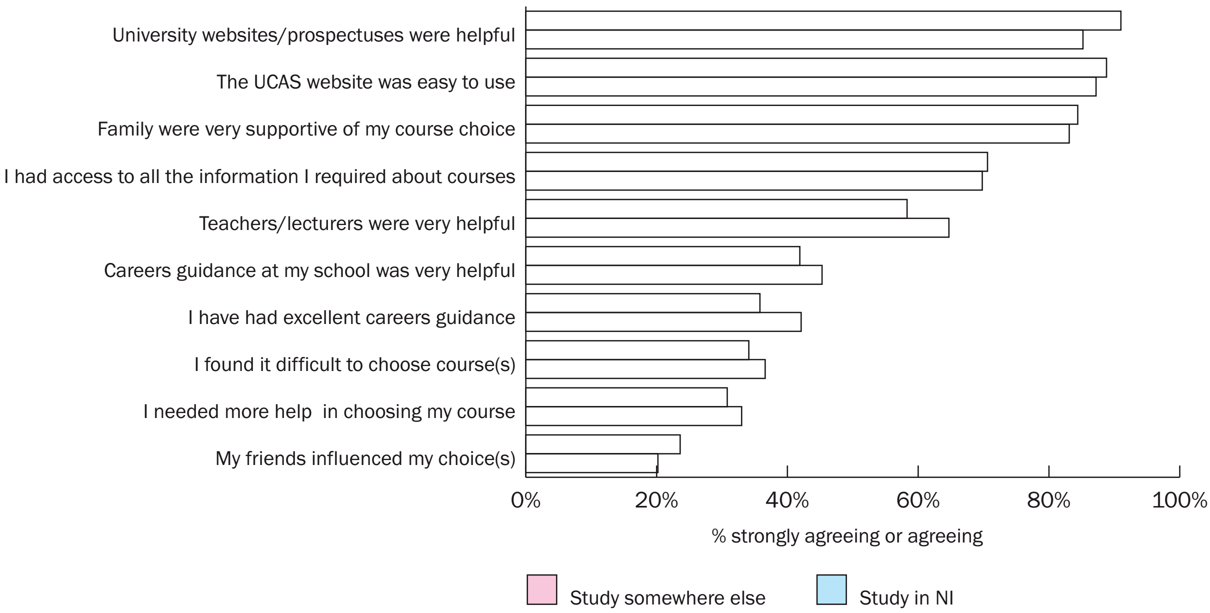
> *"My school was not at all helpful in helping to find a course that I wanted to do - unless I would have wanted to do medicine or law."* [Female, 18 and under, Biology, Veterinary Sciences, Agriculture and Related, UK Post 92 University]

Attitudes towards higher education

As **Figure 8** shows, the attitudes of NI students towards HE were not significantly different to the attitudes of the UK students as a whole. The most noticeable difference was in the proportions agreeing or strongly agreeing that for most good jobs, a degree is essential. 76% of NI students agreed or strongly agreed that this was the case, compared to only 71% of the UK respondents as a whole.

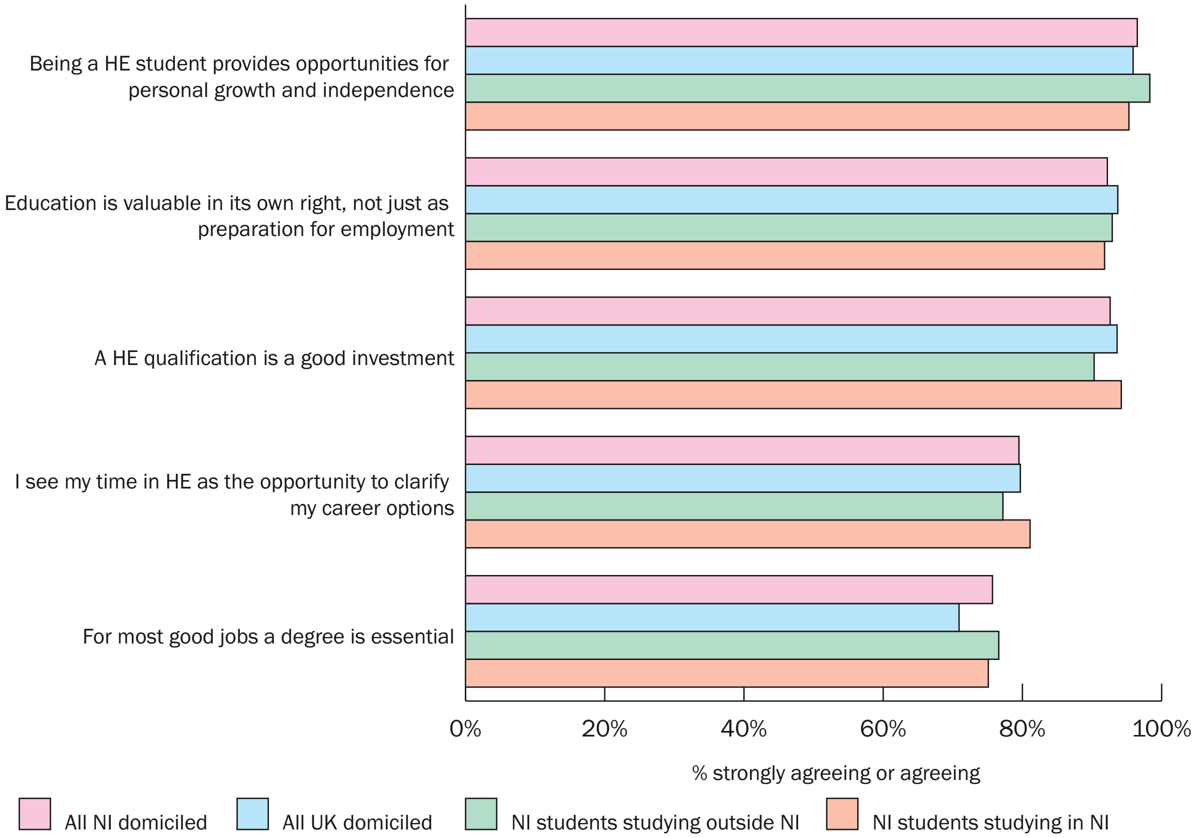
Students who were studying outside NI were more concerned with the non-academic aspects of being a student. 70% of NI students studying at HEIs outside NI agreed or strongly agreed that 'one of the main benefits of HE is the opportunity for extracurricular activities', compared to only 62% of NI students studying at NI institutions. They were also more likely to agree or strongly agree that 'being a HE student provides opportunities for personal growth and independence'. Subsequent Futuretrack surveys have shown that NI students were more likely than average to be living at home

Figure 7: Percentage of NI domiciled accepted applicants strongly agreeing or agreeing with statements about careers information and advice



(Source, Futuretrack Stage 1, All accepted NI domiciled respondents, weighted)

Figure 8: NI-domiciled and all UK-domiciled accepted applicants' attitudes towards higher education



(Source, Futuretrack Stage 1, All accepted UK domiciled respondents, weighted)

with their parents or other family members while in HE, which may explain this difference. Students remaining in NI were more likely to see HE as an opportunity to clarify their career options.

> *"I expect to work hard to the best of my ability to gain the qualification necessary to change my future path in life. I expect University to be difficult but I will do what is necessary to succeed. I expect to meet new people, learn new things and I intend to enjoy the good and the bad and the ugly bits of University what ever they may be - it will be an experience."*
> [Female, 25 and over, Biology, Veterinary Science, Agriculture and Related, NI Russell Group University]

Debt and Student Finance

Students from NI were the most likely amongst the UK countries to think that they will have significant debt when they have completed their course. 67% of NI domiciled students expect significant debt, compared to an average of 64%. 72% of students who had accepted a place to study outside NI expected to have significant debts, compared to 64% of those who had accepted a place at a HEI in NI. In each case, almost a quarter said that they did not know whether or not they would have significant debts upon completing their course.

> *"Unfortunately at this time I have not really thought about how I am going to pay for my University studies."*
> [Male, 18 and under, Historical and Philosophical Studies, UK Pre 92 University]

Consequently, NI were more concerned than UK students as a whole with debt. The increase in tuition fees in 2006 was mentioned by many respondents as being unfair and making them reconsider whether entering HE was the correct route for them.

> *"I am really just worried about being able to afford to live on my own for 3/4 years while having to go to university, being able to pay for food/clothes/rent/etc."*
> [Male, 19-20, Mathematics and Computer Science, UK Post 92 University]

> *"I am worried that even if I do get a good job as a result of the higher education I have received I will not be able to afford the loan repayments I will be required to pay and even if I can they will leave me in debt for many years to come."*
> [Female, 18 and under, Business and Administration, NI Russell Group University]

As **Figure 9** shows, NI students were more likely to agree or strongly agree that universities should charge the same fees regardless of location or course, and that student debts place an unreasonable burden on graduates. They were less likely to agree or strongly agree that student loans are a good idea.

As would be expected, students staying in NI to study, who tended to come from less advantaged backgrounds, were less likely than those leaving to be expecting to pay for their HE through personal savings or inheritance or non-repayable contributions from their family.

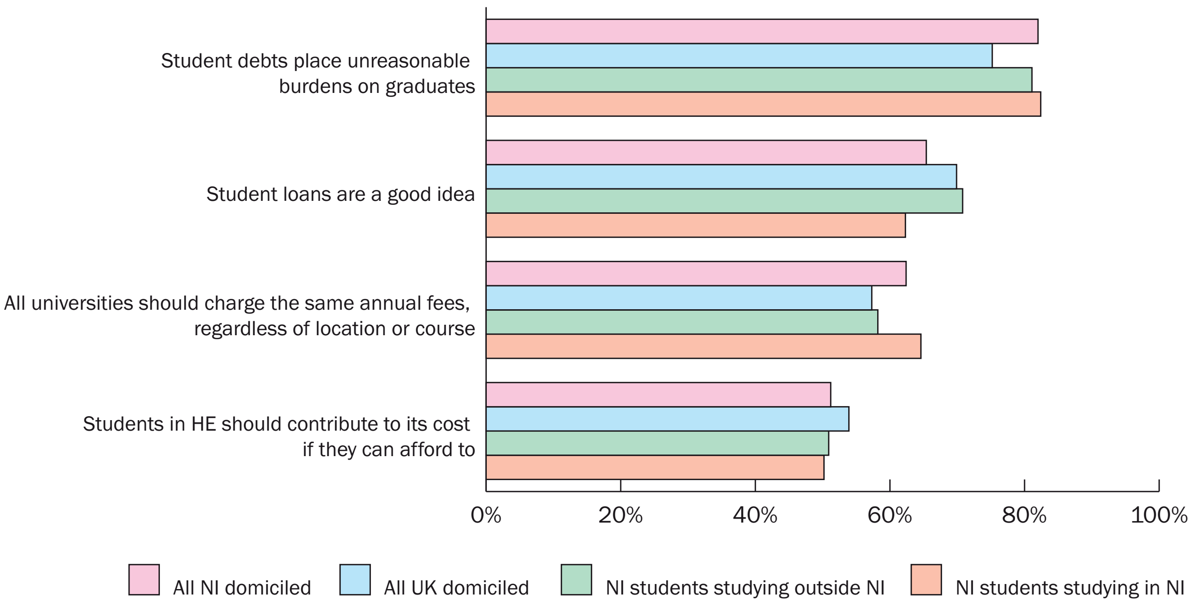
Conclusions

The overall picture of NI domiciled students is one of a cohort that was more likely than average to be influenced by employment-related issues in the choices they made about higher education. This is reflected in the subjects they were accepted to study, where they were going to study them and their views about higher education in general.

Well over half of NI students had selected a HEI in NI as their first choice. NI students tend to come from less advantaged backgrounds than UK students as a whole, and while SES group appeared to have some impact on whether an applicant was going to study outside NI, whether or not parents' had experience of HEI was a clearer predictor of HEI and study location choices than socio-economic background in itself.

The students poised to study outside NI were a polarised group in terms of qualifications.

Figure 9: NI-domiciled and all UK-domiciled accepted applicants' attitudes towards debt



(Source, Futuretrack Stage 1, All accepted UK domiciled respondents; All accepted NI domiciled respondents; All accepted NI-domiciled respondents studying outside NI; All accepted NI domiciled respondents studying in NI. Weighted)

Northern Ireland's Students: Key Findings from the Futuretrack Stage 1 Survey

Gaby Atfield and Kate Purcell, Institute for Employment Research, University of Warwick

Students with high tariff points were more likely than average to be migrating to another part of the UK, but students with low tariff points were the group most likely to be studying outside NI. This polarisation is likely to be accounted for by the differences in acceptance rates at first choice HEIs between those choosing to study in NI and those choosing to study elsewhere in the UK. Students with higher tariff points were more likely to have applied to competitive courses, and students with low tariff points were less likely to be accepted in general. A lower proportion of those with places to study away from NI were destined for their preferred course.

NI students were somewhat more likely than UK students as a whole to have been motivated by concerns about future employment when making decisions about their higher education. They were more likely than the UK average to have a clear idea about the occupation they wanted to enter in the future and the qualifications they needed to enter it. The likelihood of getting a good job was particularly influential in the decision-making of students choosing to remain in NI, although they also appeared to have a more general view of their future employment, being more likely to give reasons related to getting some kind of 'good job', rather than reasons related to entering a specific career, and this is reflected in their slightly lower propensity to say that they had a clear idea about the occupation they wanted to enter when they graduated. They were also slightly more likely than the UK cohort as a whole to be influenced by the opinions of people they knew, including family members, friends, teachers and careers advisors, although some students were concerned that they, and other applicants, were being advised to enter higher education when this was not necessarily the best option or necessarily a route into a good job.

NI students were slightly more likely to be planning to study vocational subjects such as Medicine and Dentistry and Architecture, Building and Planning. Mathematics, Computer Science and Engineering, which are also generally regarded as being subjects with good job prospects. Amongst these subjects, a relatively high proportion of NI-domiciled students were planning to study Medicine and Dentistry outside NI, but this was not the case for the other subjects.

NI-domiciled students' attitudes towards higher education, particularly the attitudes of students accepting places to study at NI HEIs, also reflect the increased importance of future employment to them. NI students were more likely than the UK average to agree or strongly agree that a degree was essential for most good jobs, and they were less likely to see extracurricular activities as one of the main benefits of higher education. Despite this, they were no less likely to agree or strongly agree that higher education is valuable in its own rights, not just as preparation for employment.

Despite the clarity of their career ideas, NI domiciled students were slightly more likely than the UK average to feel they lacked information about higher education and careers.

Debt was an important concern for HE students domiciled in NI. Students accepting places to study outside NI in particular were much more likely to expect to have significant debts when they graduated. NI domiciled students were more likely than the UK students as a whole to feel that debt placed an unreasonable burden on graduates, and many respondents expressed concerns about whether there would be enough 'good jobs' for graduates to make the debt they expected to incur worthwhile.

FURTHER INFORMATION

Gaby Atfield is a Research Associate and Kate Purcell a Professor at the Institute for Employment research at the University of Warwick: see **www.warwick.ac.uk/ier** for contact details and more information about the Futuretrack survey, which Professor Purcell directs on behalf of the Higher Education Careers Services Unit (HECSU): **www.hecsu.ac.uk**

Northern Ireland's Students: Key Findings from the Futuretrack Stage 1 Survey

Gaby Atfield and Kate Purcell, Institute for Employment Research, University of Warwick

KEYWORDS:

Graduate; Employment; Careers; Future track; Northern Ireland (NI); Higher Education.

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Destination of Leavers from Higher Education: Results from the Longitudinal Survey

Peter Martin, Analytical Services, DEL

In December 2008 DEL published a report[1] on the first longitudinal survey of graduates from Higher Education (HE). The survey was carried out among the cohort of students who completed a HE course at a UK Higher Education Institution (HEI) in 2002/03. The students were surveyed at both six months and three and a half years after graduation. The report and this article present NI specific analysis from the survey.

Background

The Destination of Leavers from Higher Education (DLHE) survey is carried out by the Higher Education Statistics Agency (HESA), the central source for the collection and dissemination of statistics about publicly funded HE in the UK.

The first stage of the survey, known as the 'Early DLHE', has been running annually in some form since 1995/96. The 'Early DLHE' captures the position of students six months after graduation and provides very valuable information on the early career paths of graduates. Annual NI reports on the Early DLHE can be downloaded from the DEL website[2]. A survey conducted only six months after graduation however does have its limitations, for example many graduates may not have settled into their chosen career at that early stage. In light of this, it was decided that a follow-up survey would be conducted three and a half years after graduation, known as the 'Longitudinal DLHE'.

HESA commissioned IFF Research to carry out the first Longitudinal DLHE in Winter 2006/07 among the cohort of students who completed a HE course at a UK HEI in 2002/03. The aim of the 'Longitudinal DLHE' was to collect comparable information to the 'Early DLHE' in order to compare and contrast outcomes at two stages after graduation. In addition the 'Longitudinal DLHE' was also used to collect further information, for example, on satisfaction levels with course studied and on career to date.

The 'Longitudinal DLHE' is due to be carried out biennially. The field work for the second 'Longitudinal DLHE' was carried out in the winter of 2008/09, on the 2004/05 cohort of graduates.

A UK wide report[3] on the first 'Longitudinal DLHE' was published in November 2007.

Methodology for the Longitudinal DLHE

The 2002/03 'Early DLHE' was a census of all EU domiciled[4] students who graduated from a UK HEI in 2002/03. The survey achieved a relatively high response rate of 75%.

The 2002/03 'Longitudinal DLHE' survey was based on a disproportionate stratified random sample of 62,039 graduates, selected from the 307,652 graduates who responded to the 2002/03 'Early DLHE'. The sample was selected across virtually all UK HEIs with certain sub-groups oversampled, to provide adequate numbers for analysis. A response rate of 40% was obtained, leading to an achieved sample of 24,823.

NI was one of the oversampled sub-groups, with 60% of NI domiciled students and 60% of non NI domiciled students who studied at a NI HEI included in the sample. The response rate of over 40% resulted in an achieved

1 The NI Longitudinal DLHE Report is available to download at **www.delni.gov.uk/destinationofheleavers.htm**
2 Annual reports on the 'Early DLHE' can be downloaded at **www.delni.gov.uk/he_destination_of_leavers.htm**
3 The UK report is available to download at **www.hesa.ac.uk/index.php/content/view/112/154/**
4 Domicile – a student's place of residence prior to enrolment on a HE course.

Destination of Leavers from Higher Education: Results from the Longitudinal Survey

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sample of 2,558 graduates from NI HEIs and 2,968 NI domiciled graduates. Both groups include an overlap of 2,371 NI domiciled qualifiers from NI HEIs.

Questionnaire Coverage - Longitudinal DLHE

The questionnaire covered the following topics:

- Main activity three and a half years after graduation
- Details of current employment
- Details of further study and qualifications
- Details of all activities since graduating
- Satisfaction with course taken and career to date.

The data were collected using a mixture of postal, telephone, and online questionnaires. The majority of respondents were contacted by post.

Results

The results in this article focus on NI domiciled qualifiers who graduated from a UK HEI (including NI) in 2002/03. The NI Longitudinal DLHE report contains a separate section on qualifiers from NI HEIs.

Activity three and a half years after graduation

Three and a half years after graduation four-fifths of NI domiciled qualifiers from UK HEIs were in 'full-time work only' or 'part-time work only', an increase from the 66% who were in these categories six months after graduation (**Figure 1**). A further 10% of qualifiers were 'combining work and further study' (9% at six months) and 5% were in 'further study only' (16% at six months). Only 2% of qualifiers were 'assumed to be unemployed' (4% at six months). Taking all these figures together, some nine out of ten graduates (90%) were in employment three and a half years after graduation.

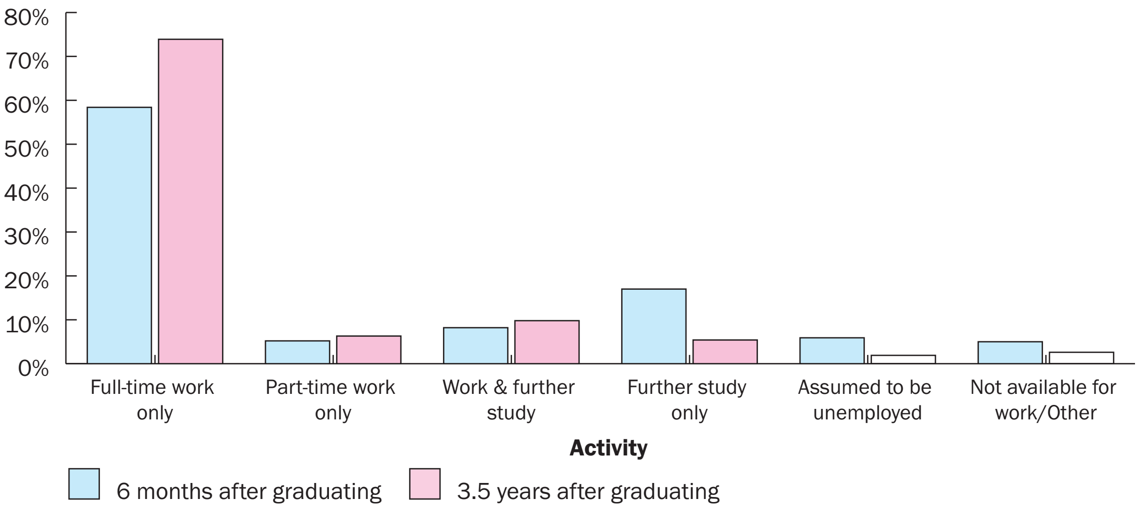
Location of employment

Of those NI domiciled qualifiers in employment, approximately 79% were employed in NI three and a half years after graduation (**Figure 2**). NI domiciled qualifiers from NI HEIs in employment were more likely to be employed in NI (87%) than NI domiciled qualifiers from GB HEIs (50%) three and a half years after graduation. At six months after graduation 92% of NI domiciled qualifiers from NI HEIs and 43% of NI domiciled qualifiers from GB HEIs were employed in NI.

Type of Job (graduate or non-graduate)[5]

Approximately 80% of NI domiciled qualifiers, in employment were in a graduate job three and a half years after graduation, compared to 73% at

Figure 1: Activity of NI Domiciled qualifiers from UK HEIs 6 months and 3.5 years after graduation – 2002/03 graduates



5 Type of Job – each occupation was classified as being a 'Graduate' or 'Non-graduate' occupation according to the classification scheme devised by Elias and Purcell in their 2004 report – 'SOC (HE) A Classification of occupants for studying the graduated labour market' (Institute of Employment Research, Warwick).

Destination of Leavers from Higher Education: Results from the Longitudinal Survey

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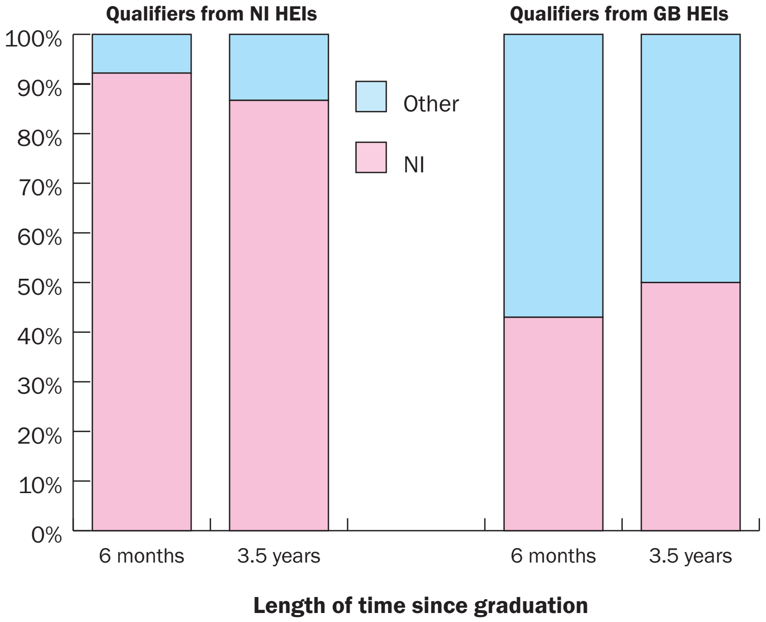
Figure 2: Location of employment of NI domiciled qualifiers from UK HEIs 3.5 years and 6 months after graduation – 2002/03 graduates



six months after graduation. Postgraduate qualifiers in employment, were more likely to be in a graduate job (91%) three and a half years after graduation than First Degree (77%) or Other Undergraduate (69%) qualifiers. Around 86% of part-time qualifiers in employment were in a 'graduate' job. This is higher than the proportion of employed full-time qualifiers, of whom 79% were in a 'graduate' job, three and a half years after graduation.

Salary

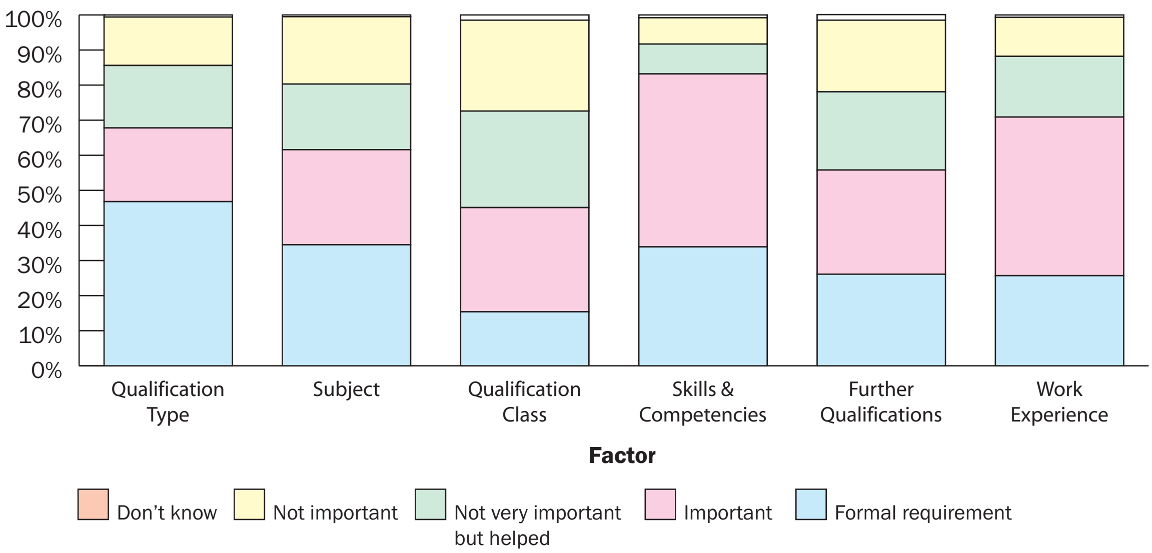
The median salary three and a half years after graduation of NI domiciled full-time First Degree qualifiers from UK HEIs, in 'full-time work only', was £20,000. This is less than full-time Postgraduate qualifiers in 'full-time work only', whose median salary was £24,000.

There was no clear evidence to suggest that a significant difference exists between the average salary of males and females of both full-time First Degree and full-time Postgraduate qualifiers who were in full-time work.

Factors in gaining employment

Graduates who were in employment were asked to rate the importance of various factors in gaining that employment, on a scale ranging from 'a formal requirement' to 'not important' (**Figure 3**). Qualification type

Figure 3: Importance of factors for NI domiciled qualifiers from UK HEIs gaining employment - 3.5 years after graduation - 2002/03 graduates



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was more likely than other factors to have been rated as a 'formal requirement', with 47% of graduates reporting this to be the case, while a further 21% said it was 'important'. Around a third of graduates (35%) said that subject studied and evidence of skills and competencies were 'formal requirements', with a further 27% and 49% respectively, rating them as 'important'. Approximately a quarter of graduates (26%) rated relevant work experience and further qualifications obtained as 'formal requirements', with 45% and 30% respectively, rating them as 'important'. Only 15% of graduates rated class of qualification as a 'formal requirement', with a further 30% rating it as 'important'.

Reasons for taking current job

Qualifiers in employment were also asked to identify all the reasons that helped them in the decision to choose their current job.

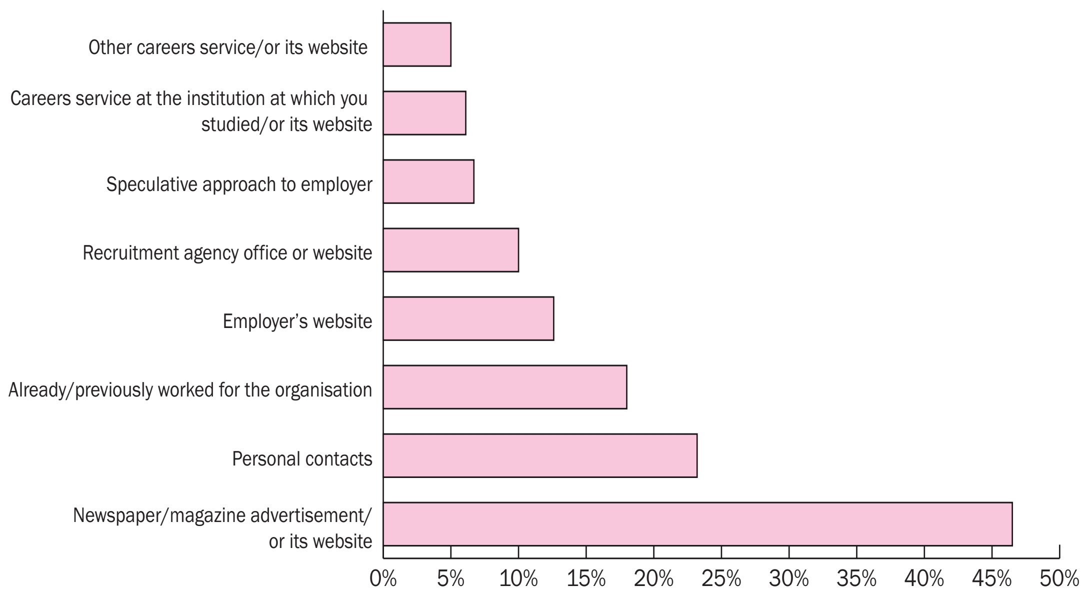
The most common reasons given for taking their current job were 'In order to earn a living', 'It fitted in to my career plans', 'To broaden my experience/to develop general skills' and 'It was exactly the type of work I wanted' with between 60% and 70% of NI domiciled qualifiers citing these as motivations.

Other popular reasons, reported by between 40% and 50% of qualifiers were, 'It was the best job offer I received', 'It was an opportunity to progress in the organisation' and 'To gain experience in order to get the type of job I really wanted'.

How did you find out about your current job?

Employed qualifiers were then asked to identify all the sources that helped them find out about their current job. The main source used by NI domiciled qualifiers in finding their current job was a 'Newspaper/ magazine advertisement/or its website' with almost half (47%) quoting this category. 'Personal Contacts' were important for 23% of qualifiers, while almost 1 in 5 qualifiers (18%) 'Already or previously worked for the organisation'. One in ten (10%) qualifiers cited a 'Recruitment agency office or website' and

Figure 4: How did you find out about your current Job – NI domiciled Qualifiers from UK HEIs 3.5 years after graduation – 2002/03 graduates



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13% reported that they used the 'Employer's website' to find their current job.

Satisfaction

Qualifiers were asked to think about their HE experience and how likely they would be to make different choices if they could do it all again. They were then asked to rate their overall satisfaction level with their career to date.

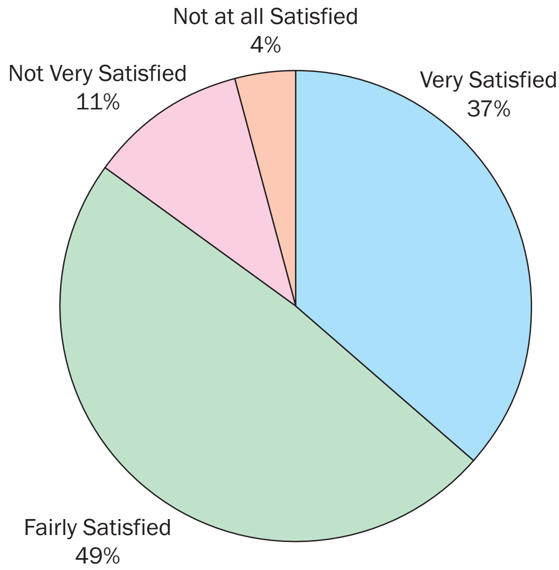
Likelihood of making different choices

If NI domiciled qualifiers had the opportunity to make their choices again around a third (32%) said they would be 'likely' or 'very likely' to choose a different subject; a quarter (25%) would work towards a different type of qualification; around 1 in 6 (16%) said they would be 'likely' or 'very likely' to do something other than training, study or research and a similar proportion (18%) said they would study at a different institution.

Satisfaction with career to date

Around 86% of NI domiciled qualifiers from UK HEIs said that they were 'very satisfied' or 'fairly satisfied' with their career to date, three and a half years after graduation. One in ten (11%) qualifiers reported that they were 'not very satisfied' and 4% said they were 'not at all satisfied' with their career to date.

Figure 5: Satisfaction with career 3.5 years after graduation - 2002/03 graduates



FURTHER INFORMATION

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Higher Education Business and Community Interaction Survey 2008: Northern Ireland Summary

John Kerr, Analytical Services, DEL

The annual Higher Education - Business and Community Interaction (HE-BCI) survey is managed and published by The Higher Education Funding Council for England (HEFCE). The survey is carried out in order to provide reliable and relevant information to support the continued public funding of the third stream activities of UK Higher Education Institutions (HEIs). The most recent survey was published in July 2008 and provides data on the continuing development of interaction between UK HEIs.

Background

This article presents some of the key findings of the seventh annual HEBCI survey, from a Northern Ireland (NI) perspective[1]. The seventh survey builds on its predecessors and contains survey responses to two questionnaires which were completed by HEIs. The first considers the strategic aims and levels of development within HEIs whilst the other, the focus of this article, examines the financial and numeric outputs of HEIs. Where possible this analysis reflects change over time by comparing the findings of the 2008 Survey against those of previous surveys, thereby giving a span of some 5 academic years from 2002/03 – 2006/07.

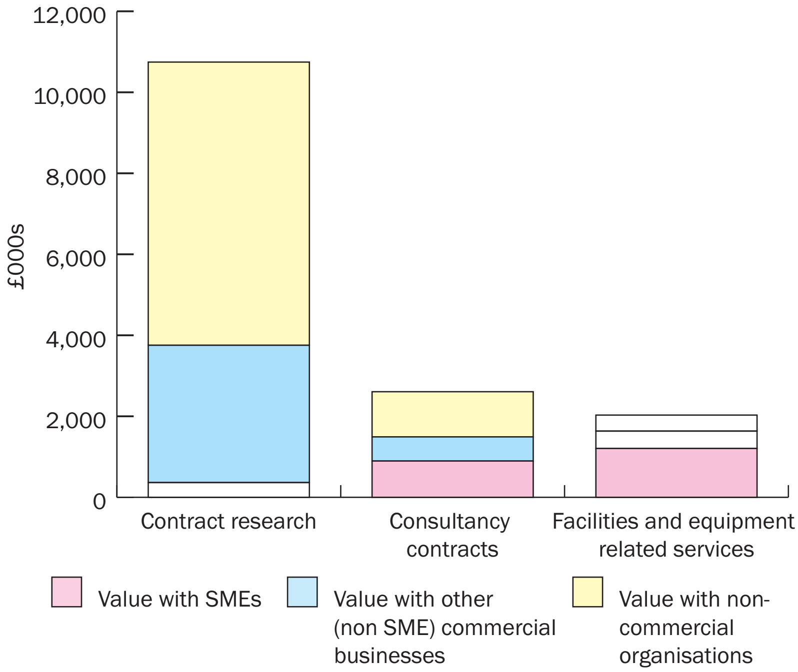
This article also provides a combined regional and institutional level analysis of a selection of the HEBCI data for the period 2005/06 to 2006/07. This is intended to support the main regional analysis and also to reflect the fact that in some instances the relatively low NI totals (when compared to the totals for the UK) can be offset by indicating that on a per institution basis we are outperforming other UK countries across most sections of the HEBCI.

The results of the survey show that the level of NI University collaboration with other sectors has increased on last year's report. Queen's now works with 15 of the 19 Standard Industrial Classification (SIC) sectors in NI, whilst UU works with all but one of the SIC sectors. This is a considerable improvement on last year's figures when both institutions worked with 13 out of the 19 SIC sectors.

The proceeding analysis covers a selection of results from the survey and focuses on the performance of NI HEIs over the period **2002-03 to 2006-07 unless otherwise stated[2].**

As evidenced in **figure 1** the majority of income received by HEIs in this instance comes from contract research. Across all three sources of income (SME, commercial, non-commercial) non-commercial organisations are the largest source of income for NI HEIs.

Figure 1: Income received by NI HEIs[3] by partner type - 2006/07



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1 All absolute figures for NI can be viewed in the latest HEBCI survey which contains the full breakdown of survey results. This can be accessed at **www.hefce.ac.uk/pubs/hefce/2008/08_22/**
2 Please note that data for the UK includes NI
3 Collaborative research is not included here as partner type is not specified

Higher Education Business and Community Interaction Survey 2008: Northern Ireland Summary

John Kerr, Analytical Services, DEL

Figure 2: Breakdown of funding from collaborative research in NI, 2002/03 - 2006/07

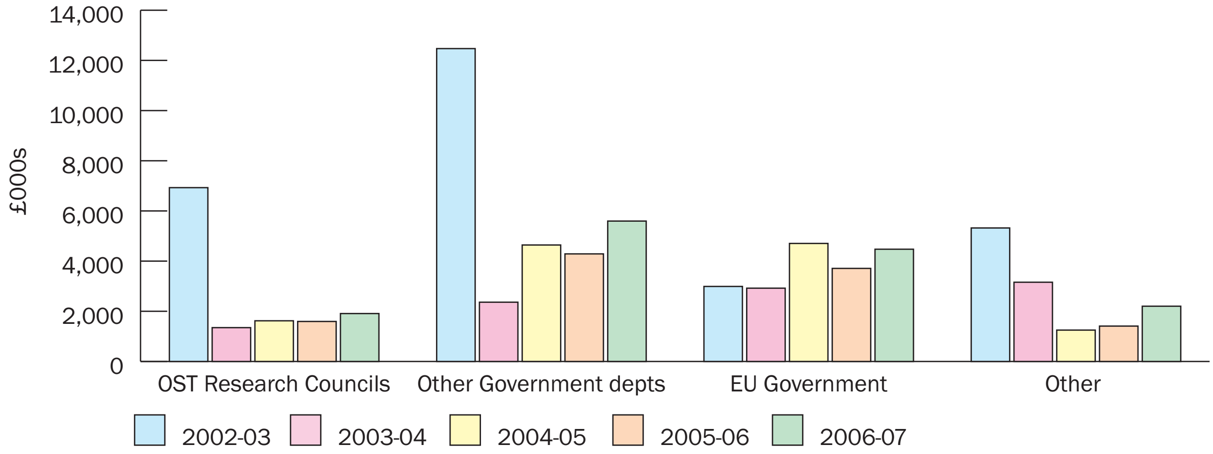


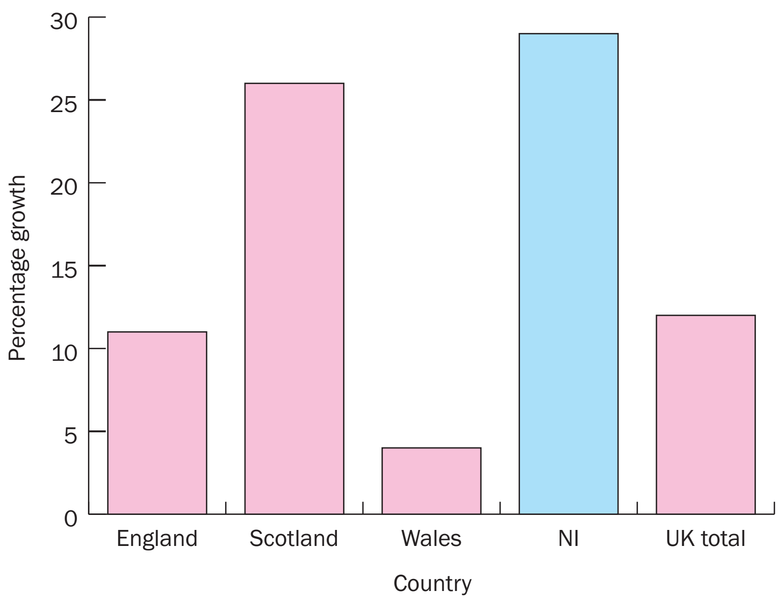
Figure 2 examines the breakdown of funding for collaborative research in NI over the period 2002/03 – 2006/07. This covers research involving the HEI, a public funder and a third party. This research is by nature complex as it involves HEIs and their partners exchanging knowledge, equipment and staff to achieve shared objectives.

The analysis found that total collaborative research income in NI experienced a sharp fall between the years 2002/03 and 2003/04. Although, the decline in funding is probably most noticeable in the case of funding from *'other government departments'* this decline may have been attributable to the fact that the figure for 2002/03 was unusually high due to a number of major infrastructural investments represented by Invest NI's *'RTD Centres of Excellence Programme'* and DEL's *'Support Programme for University Research'* which was jointly funded by Atlantic Philanthropies[4].

Since the sharp fall in 2003/04 total collaborative research income has experienced moderate growth and in 2006/07 was £14.18m. **Figure 3** illustrates a regional comparison of annual growth in collaborative research income. The graph shows that between 2005/06 and 2006/07 NI experience a 29% growth in research, this growth was significantly higher than the 12% growth across the UK as a whole over the same period.

Further analysis has highlighted that the collaborative research income per institution received in NI (£7.09m) in the most recent year is now the highest across all of the UK regions and is

Figure 3: Growth in income from collaborative research 2005/06 - 2006/07



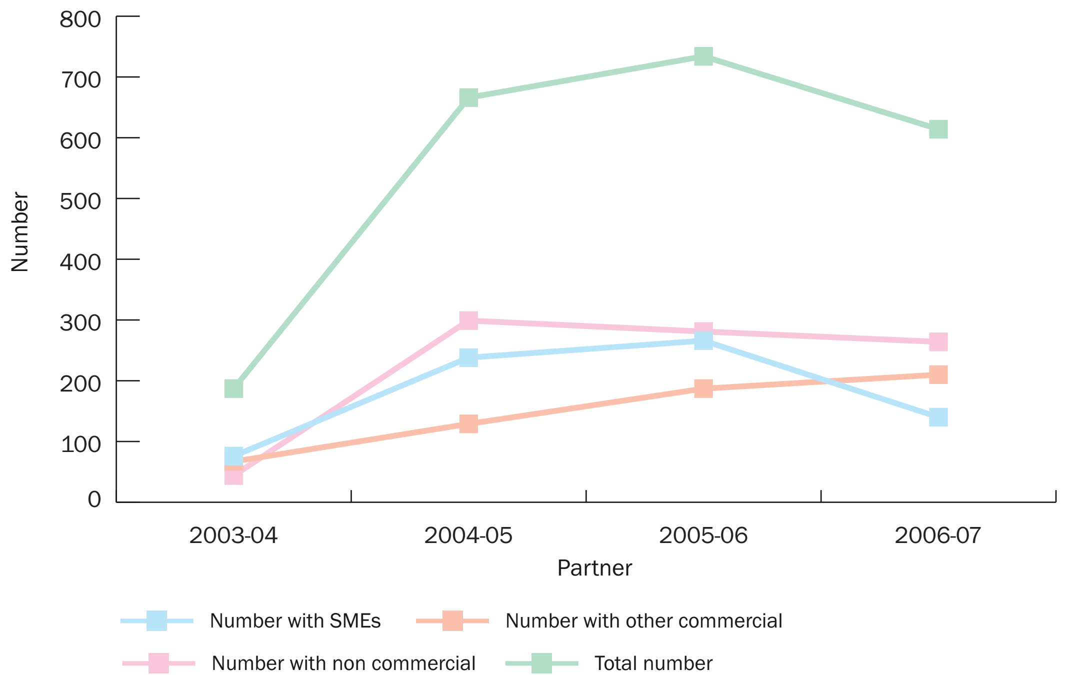
4 As advised by DEL Higher Education Research Policy Branch.

considerably higher than the UK per institution average of £4.2m.

HEIs also engage in contract research, that is research that a sponsor requires and it excludes any collaborative research or sponsorship from research councils. The total number of these contracts at the overall UK HEI level has grown by only 12% over the period. **Figure 4** illustrates that there has been a substantially greater upward trend in the number of research contracts for NI HEIs to 614 in 2006/07 (equivalent to a 228% increase over the period). Although as the graph illustrates, between 2005/06 and 2006/07 the total number of research contracts actually fell by 16%.

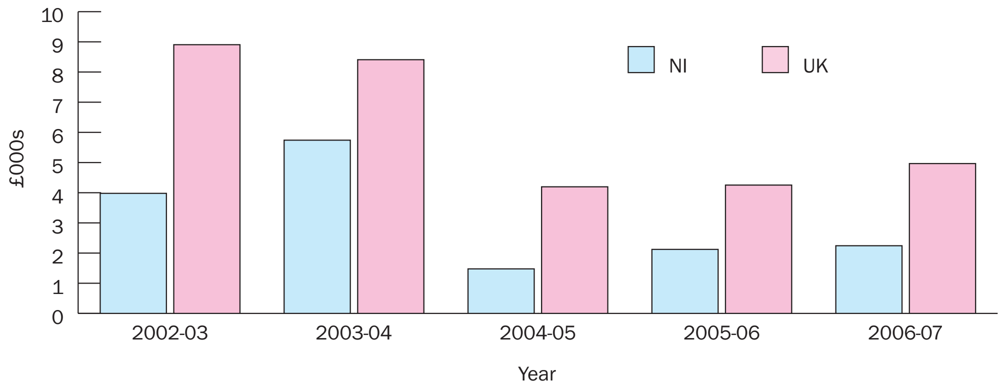
Universities also engage in consultancy contracts, this is often a more direct form of knowledge exchange between HE and the economy. Consultancy activities are diverse: they range from helping charities, to innovative rapid prototyping, to advanced training in both scientific and arts-based environments.

Figure 4: Number of research contracts by partner type for NI HEIs - 2003/04 - 2006/07[5]



5 Figures for Contract Research are from 2003-04 to 2006-07. They exclude 2002-03 because non-commercial business data for that year was not included in the HEBCI survey.

Figure 5: Annual average consultancy contract value (of all categories) 2002-03 - 2006-07

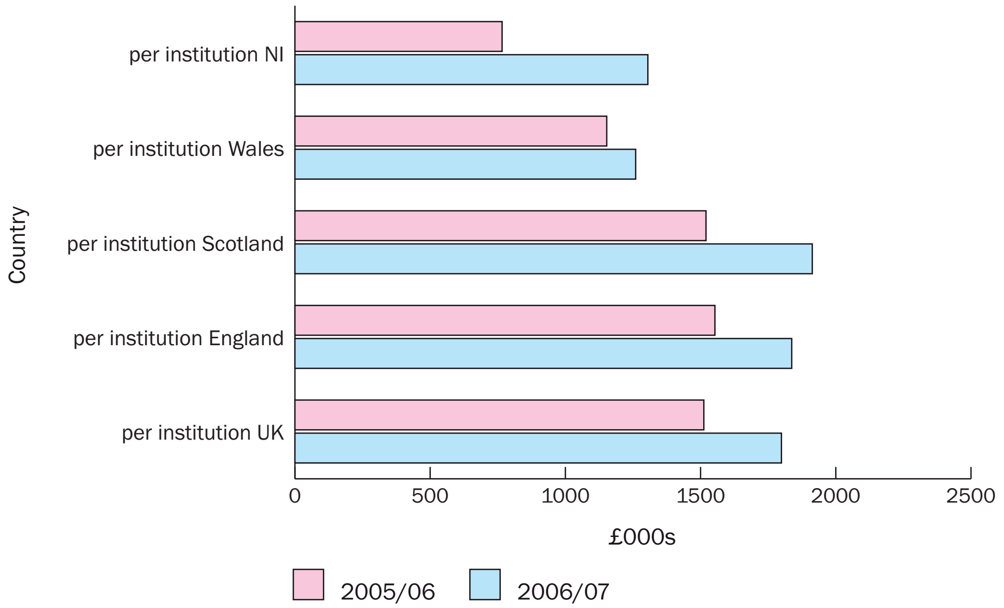


The total value of consultancy contracts for NI HEIs across all categories of contract has grown by 72% between 2002/03 and 2006/07 whilst the number of contracts has more than tripled from 381 to 1163. Consequently, the average contract value has fallen by 43% over the period as illustrated in **Figure 5** which also shows that NI has been consistently below the UK average.

The survey shows that the total income received from NI HEIs from Consultancy contracts grew by 70% between 2005/06 - 2006/07. This increase in total income has narrowed the gap between NI and the other UK regions moving us from bottom of the regional table of income per institution to third, as illustrated in **Figure 6**, with £1.3m per institution compared with the UK average of £1.8m. It should be noted that although total income received and income per institution have increased over the period NI only represents 0.9% of total UK income from Consultancy contracts.

The total number of facilities and equipment contracts[6] in NI HEIs has increased from 131 to 1,943. The total value of contracts has also increased

Figure 6: Consultancy contracts income per institution



6 Facilities and Equipment relates to the use by an external party of the physical academic resources of the HEI. This could range from electron microscopes to performance space. Provision of such resources may include, for example, a degree of technician support.

growing from £174,000 to £2.03m. It should be noted that the majority of the growth occurred in the period 2005/06 to 2006/07 which saw a 263% increase in the value of contracts in NI and a 136% increase in the number of contracts.

As evidenced in **Figure 7**, this growth has helped lift NI above the UK average income per institution for equipment and facilities so that in 2006/07 only Scotland had a higher equipment and facilities income per institution.

Figure 7: Equipment and facilities income per institution by region

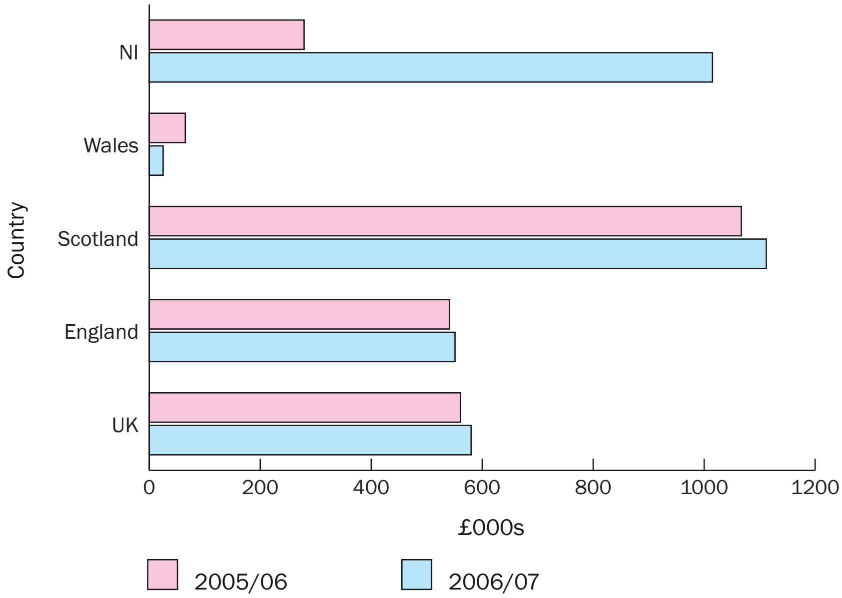


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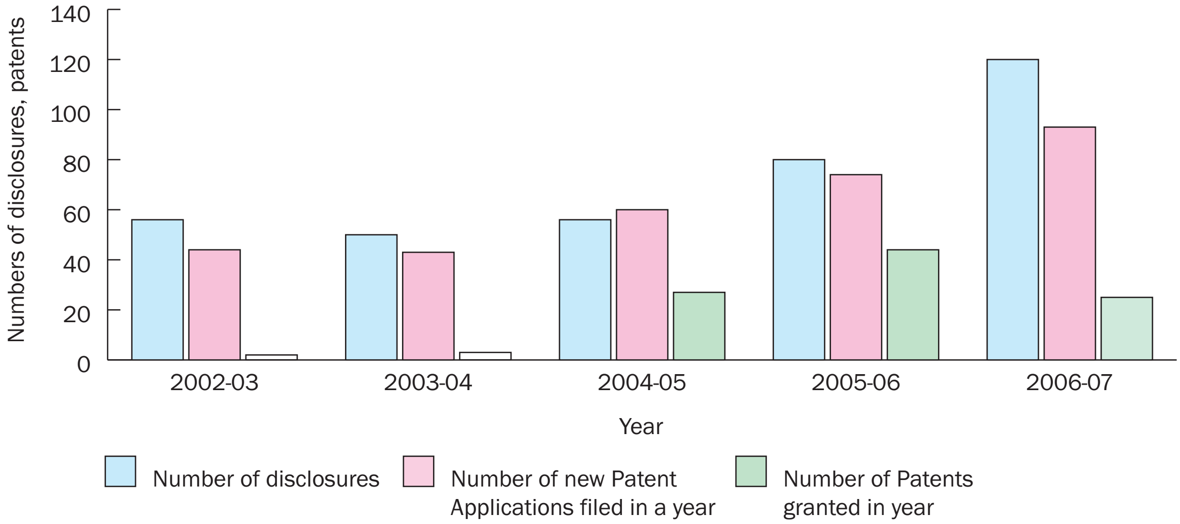
Figure 8 illustrates that the number of disclosures and patents filed on or behalf of the NI HEIs[7] increased by 114% over the period from 56 to 120 in 2006/07. It is worth noting that this was considerably above the 38% growth in disclosures for the UK as a whole over the same period (2,710 to 3,746). The number of new patent applications in NI also increased by over 100% to 95, whilst the number of patents granted also rose substantially albeit from a relatively low base.

Figure 8: Number of disclosures, patents filed on or behalf of NI HEIs and patents granted



7 Disclosure is the point at which an HEI recognises that research may require protection. Licensing is the moment that protected IP is exploited, although there are other options such as the creation of spin-off companies.

Figure 9: Disclosures of potentially exploitable inventions

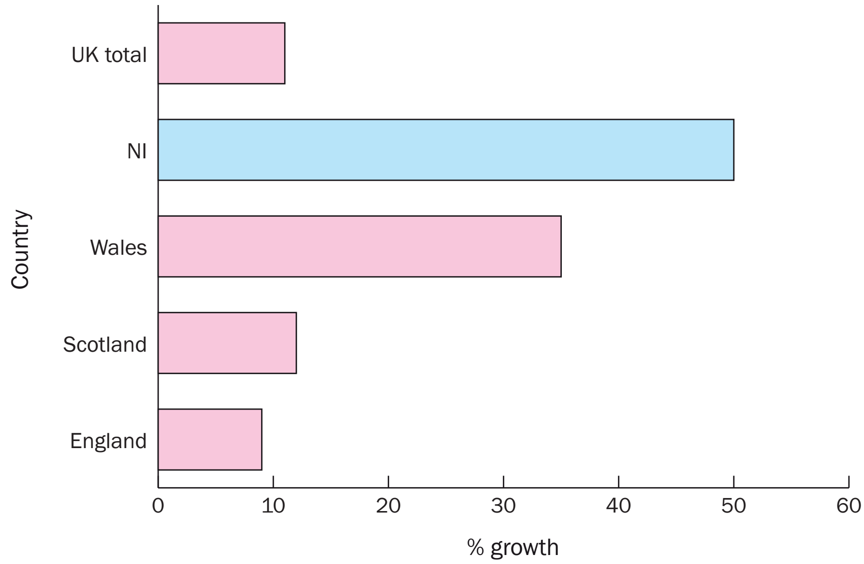


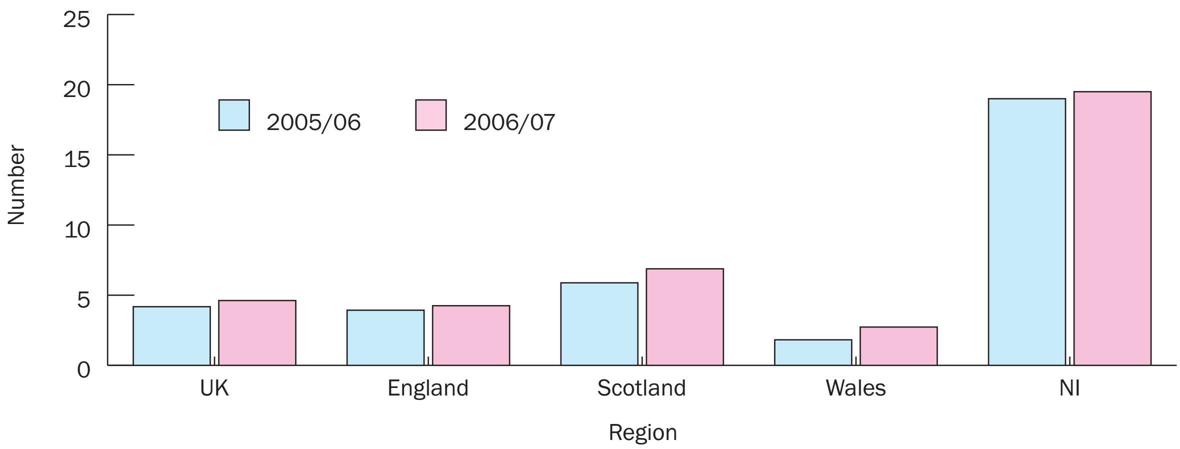
Figure 9 shows that in the period 2005/06 - 2006/07, the number of disclosures of potentially exploitable inventions grew by 11% (2,835 to 3,095) across the UK. Over the same period NI experienced growth of 50% (80 to 120), this considerable growth was not only in excess of the UK average, but was also the largest increase in the number of disclosures in any UK region over the period.

In 2005/06, the total number of spin offs (with some HEI ownership) still active after 3 years in NI was 38. Although the number of spin offs still active after 3 years grew by 3% to 39 in 2006/07, NI has remained on top in terms of the number of spin offs per institution as illustrated in **Figure 10**.

Conclusion

Overall the HE-BCI survey shows that UK universities have improved the contribution they make to the economy and society across a broad range of activities. These activities are for the most part responsive to business and public service needs ranging from the commercialisation of research, to the delivery of

Figure 10: Number of spin offs per institution



professional training and to activities intended to have direct social benefits. In 2006/07 UK HEIs received £2.64 billion from business and community interaction, an increase of 17% since the previous survey for the period 2005-06.

This article has shown that Universities in NI are continuing to make substantial economic contributions to the local and national economy. It was noted that on a per institution basis NI is outperforming other UK administrations across a significant number of sections in the HEBCI further illustrating that the position of HEIs as drivers of the knowledge economy is becoming increasingly embedded in NI.

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Research Linkages between the Department for Employment and Learning and the Economic and Social Research Council

Wendy Lecky, Analytical Services, DEL

Research is an essential part of the policy development process, necessary to ensure that there is a robust evidence base supporting the decision making. This is at the heart of the Department for Employment & Learning's Research Agenda. Part of the delivery of that Research Agenda includes commissioning research in conjunction with the Economic and Social Research Council. This article sets out those research linkages to date.

Introduction

The mechanism which the Department for Employment & Learning (DEL) utilises to set out its research priorities is through the development and publication of a Research Agenda, the purpose being to strengthen and build on the existing evidence base to inform policy makers. The Department has a strong track record in supporting and commissioning research and where opportunities arise will develop relationships with other research commissioning bodies to take forward projects on a partnership basis. These relationships are wide ranging with many joint projects commissioned between the Department and other organisations throughout the United Kingdom (UK) and Republic of Ireland (RoI). Over recent years the Department has been further developing its relationship with the Economic and Social Research Council (ESRC) and worked together on a range of projects.

Economic and Social Research Council

The ESRC funds research and training in social and economic issues. It began in 1965 as the Social Science Research Council. In 1983 the council was restructured under its current name, focusing on six research areas: economic affairs, education and human development, environment and planning, government and law, industry and employment, and social affairs.

The ESRC is a non-departmental public body and one of seven Research Councils throughout the UK who, through Research Councils UK (RCUK), work together to create a common framework for research, training and knowledge transfer.

Research linkages between DEL and ESRC

Stemming out of the ESRC and NI Government concordat, DEL held a public policy seminar back in 2006 on migrant workers, which was facilitated and funded by the ESRC. Dr Martin Ruhs from the University of Oxford delivered the seminar based on research he had undertaken on immigration and the labour market in Great Britain and the RoI.

It has been through that concordat which has helped foster the direct relationship between DEL and the ESRC on undertaking economic and social research together for mutual benefit. Following from that the Department has appointed two Research Placement Fellows through the ESRC scheme and is part funder of the 'Impact of HEIs on regional economies' initiative alongside the ESRC and the HE Funding Councils in England, Scotland and Wales. Details on each of these are set out on the next page.

Research Linkages between the Department for Employment and Learning and the Economic and Social Research Council

Wendy Lecky, Analytical Services, DEL

Research Placement Fellows Scheme

The Placement Fellows Scheme, jointly funded by the ESRC and a host 'partner organisation' (typically Government Department or Devolved Administration) allows for social science researchers to spend time in that organisation to undertake policy-relevant research and to upgrade the research skills of 'partner organisation' employees.

DEL currently has two Research Fellows working on specific projects within the Department.

Review of Variable Fees Research Fellow

In October 2008, Dr. Alessandra Faggian, Southampton University, was appointed by the Department through the ESRC's Placement Fellow Scheme to develop an evidence base which will contribute towards informing the review of tuition fees and student finance arrangements in NI. Dr. Faggian is working full-time on the project for 7 months and has worked in the area of human capital and migration behaviour of Higher Education (HE) students for almost 10 years.

In her role as Research Fellow she will undertake a robust analysis of relevant HE data sources for the review of variable tuition fees in order to determine:

- Trends in HE participation rates;
- The impact of recent changes in student finance arrangements on HE participation, particularly of individuals from lower income backgrounds; and
- The impact of fees on the choice of location for HE of NI domiciled students as well as the flows of students from elsewhere to the region.

This will be achieved through a robust analysis of relevant HE data sources, including:

- The Higher Education Statistics Agency (HESA) data on enrolments and performance indicators;
- Student Loans Company data for example on maintenance grants and loans and tuition fee support;
- Data from the University and Colleges Admissions Service (UCAS) on applications and accepted applicants to HE; and
- HE in Further Education (FE) enrolments at the NI FE Colleges.

Teaching and Learning Research Programme Research Fellow

DEL in conjunction with the Department of Education (DE) and the ESRC's Teaching and Learning Research Programme (TLRP) recently appointed Dr Debie Galanouli from Queen's University Belfast to work alongside all three organisations to act as a dedicated resource within NI to promote the effective dissemination, and enhance the policy and practice impact, of the TLRP research outcomes. She began her Fellowship in January 2009 and will be on placement full-time for 12 months. Dr Galanouli has previously worked on research projects covering a wide range of educational contexts, such as, teacher education, schools and community education.

The TLRP works to enhance capacity for all forms of research on teaching and includes projects with quite different orientations, namely:

- **Projects that are School related** focusing on Early Years, Primary Education, Secondary Education and Across School Phase; and
- **Projects that relate to Post 16**; FE, HE, the Workplace and Professional and Life-long Learning.

Dr Galanouli's role will be to:

- Review the TLRP research projects and themes for schools and post-compulsory education and training;
- Review relevant research already undertaken in NI and relate TLRP findings to recent and current DE and DEL research agendas and policy concerns; and
- Synthesise findings and liaise with policymakers, advisers and other relevant stakeholders in order to plan, finance and organise appropriate conferences, seminars, meetings, events literature distribution etc to promote and disseminate the findings widely across NI, and particularly in policymaking and advice circles.

Research Linkages between the Department for Employment and Learning and the Economic and Social Research Council

Wendy Lecky, Analytical Services, DEL

The Impact of Higher Education Institutions on Regional Economies Initiative

It is recognised that UK HE institutions (HEIs) can play a significant role in the economy. They are extensive businesses employing large numbers of people and generating substantial export earnings for the UK. They are also part of local, regional, national and international networks influencing the political, social, cultural and economic climate. It is recognised that HEIs have an extensive social and economic role and their impact as businesses is well understood. However much less is known about the full impact of HEI activities and the processes through which HEIs may generate benefits for wider society.

To better understand these issues the ESRC, in partnership with the Scottish Funding Council, Department for Employment and Learning, the Higher Education Funding Council for England and the Higher Education Funding Council for Wales established the *Impact of HEIs on regional economies* initiative – otherwise known as the IMPACT initiative. This is a research initiative which has the overall aim of promoting better understanding of the key economic and social impacts generated by UK higher education institutions on their host regions and on other regions of the UK. It is an innovative and new partnership between the five funders, seeking to encourage high quality research to build an evidence base that can help inform policy. The initiative runs from 2007-2010 and it was launched on 10th October 2007 at the University of Strathclyde in Glasgow.

The initiative has been managed in two stages. Stage One (during 2006) involved the establishment of five networks of researchers and policy makers to survey existing research and identify the gaps in the current state of knowledge. This resulted in five reports highlighting key areas where research is needed to develop a solid evidence base.

Stage Two involved a call for full research proposals. Nine projects were selected, ranging from 12 to 36 months in time span. The nine research projects involve academics from across the UK examining issues of:

- higher education institutions and regional competitiveness;
- influence of students and graduates on regions;
- knowledge exchange between University and Industry; and
- universities and community engagement.

Further details of these projects can be found at www.impact-hei.ac.uk and are summarised in the box overleaf.
Given the resource involved in managing the IMPACT initiative the funders agreed to appoint two co-ordinators – Ursula Kelly and Professor Peter McGregor from the University of Strathclyde.

The purpose of the coordination is two-fold:

- To provide an enabling framework for the exchange of knowledge and interim research findings among award holders so that a mutually supportive research community of award-holders can be created and sustained; and
- To encourage interested policy professionals and stakeholders to engage with the initiative, to highlight potentially relevant research findings and support their speedy dissemination to the policy community.

Part of these coordination activities includes a programme of events focussing on different aspects of the research being undertaken and its relevance to higher education policy developments. In addition to the launch in October 2007, there have been two other conferences – one in Cardiff (June 2008) and the other in Belfast (January 2009). The purpose of the conferences is to highlight key results and issues emerging from the ongoing research on higher education and to raise awareness of the economic and social role of higher education so that it can help inform policy. Delegates included a mixed academic and non academic audience, with academics from NI, Wales, Scotland and England as well as policy professionals and people from the business community from across the UK.

Research Linkages between the Department for Employment and Learning and the Economic and Social Research Council

Wendy Lecky, Analytical Services, DEL

1. **University-Industry Knowledge Exchange: Demand Pull, Supply Push and the Public Space Role of Higher Education Institutions in the UK Regions.** Involves the University of Cambridge Centre for Business Research: 2 Year project.
2. **Investigating business-university innovation linkages.** Involves the Institute for Fiscal Studies and the University of Bristol: 1 Year project.
3. **Students as Catalysts for City and Regional Growth.** Involves the University of Glasgow: 18 month project.
4. **The Impact of Economics and Quality of Life on Graduate Flows and subsequent innovative capacity of Cities in the UK**. Involves the Institute for Employment Studies: 1 Year project.
5. **Higher Education Institution Knowledge and its impact on regional competitiveness.** Involves the University of Wales Institute Cardiff: 2 Year project.
6. **Impact of Research and Innovation Networks on Regional Competitiveness: The Role of HEIs.** Involves the University of Manchester, University of Wales Institute, Cardiff and University of East Anglia: 2 Year project.
7. **Universities and community engagement: learning with excluded communities.** Involves the University of Newcastle: 2 Year project.
8. **Higher Education and Regional Transformation: Social and Cultural Perspectives (The HEART project).** Involves The Open University Centre for Higher Education Research & University of East Anglia: 2 Year Project.
9. **Overall Impact of higher education institutions on regional economies.** Involves the University of Strathclyde, University of Glasgow (Centre for Public Policy for the Regions), University of Southampton, University of Glamorgan: 3 Year project.

Conclusion

The Department has greatly benefited from the research projects and activities with the ESRC set out in this article. Both organisations have a desire to work together and with others in the area of producing high quality, independent and relevant research. These relationships will develop further to continue ensuring that policy development and delivery are well founded in a strong evidence base.

Evaluation of Pathways to Work

Tony Dignan, Economic Research and Evaluation
Eric Hanvey, PEER Consulting

The Pathways to Work initiative is aimed at helping people who are in receipt of sickness-related benefits to some of the barriers they have to finding employment and hence move them closer to the labour market. Pathways began as a pilot in NI in 2005[1]. This article gives details of the results of an interim evaluation of the Pathways pilots.

Introduction

Against a background of rising employment and a decline in unemployment, the number claiming Incapacity Benefit (IB) in NI rose from 99,000 in May 1999 to 111,904 by the end of August 2007, representing one in ten of the working-age population. The Pathways to Work reform package ('Pathways') is the NI Executive's response to the continued increase in the numbers claiming IB[2]. The aim of Pathways is to put in place a comprehensive package of support measures to help sick and disabled clients consider work where this is possible.

Pathways was rolled out in phases, commencing on a pilot basis in October 2005 in three areas: Ballymoney, Lurgan and Magherafelt (Phase 1). In a further six phases, by April 2008, the programme was rolled out across all Jobs and Benefits Offices (JBOs) in NI.

This article presents the main findings from the interim evaluation of the Pathways programme. In order to examine the emerging outcomes and assess how well the programme is meeting (or not meeting) its stated aim, the evaluation focused on the first three Pathways phases: the Phase 1 areas listed above plus Enniskillen, Newry and Newtownabbey (Phase 2) and Falls Road, Foyle, Lisnagelvin and Shankill Road (Phase 3).

Approach

In order to provide different perspectives and insights into the performance of Pathways in its initial phases, the evaluation employed a range of research methodologies, including:

- **Focus Groups** with Pathways Personal Advisers (PPAs) and Disablement Employment Advisers (DEAs).
- **Face-to-face depth interviews** with Pathways clients (35).
- **Analysis of administrative data** supplied by DEL and DSD.
- **Telephone survey** of 1,500 IB claimants, including 600 new or repeat claimants (flows) and 300 pre-existing claimants (stocks) in Pathways areas and 600 claimants in non-Pathways areas as a comparator group.

The Pathways Process

The Pathways process involves a series of Work-focused Interviews (WfIs) combined with voluntary participation in a range of provision, collectively referred to as "Choices", aimed at improving labour market readiness and removing barriers to work.

In the Pathways pilots all clients making a new claim to an IB were required to attend a WfI with a PPA following the eighth week of claim. The PPA could defer or waive an interview where, in their opinion, it would not be of benefit to the client at that time.

1 For more information on Pathways to Work, see the DEL website **www.delni.gov.uk**. A description of Pathways can be found in Labour Market Bulletin #19, Chapter 18 **www.delni.gov.uk/labourmarketbulletinnumber19**

2 That is, people claiming IB, Income Support (IS) on grounds of disability or Severe Disablement Allowance (SDA). On 27 October 2008, the Employment and Support Allowance (ESA) was introduced to replace IB and IS, paid because of an illness or disability, for new claimants only.

Evaluation of Pathways to Work

Tony Dignan, Economic Research and Evaluation
Eric Hanvey, PEER Consulting

In the Pathways Phase 1 areas, participation was mandatory for pre-existing claims made between October 2003 and September 2005 (mandatory stocks). In other Pathways areas, participation was voluntary for all pre-existing claims (stocks).

At the initial WfI, for those claims where attendance was mandatory, a screening tool was used to identify clients requiring further help in exiting IB[3]. Those screened in were required to attend up to five further WfIs. Those who were screened out on the ground that they were likely to exit IB without further help could participate on a voluntary basis.

The most novel element of the choices for participants is the Condition Management Programme (CMP) which was introduced for Pathways participants. Operated in partnership with local health providers, CMP seeks to help clients to better understand and manage their conditions to enable them to return to work.

The Return to Work Credit (RTWC) is also only offered to Pathways participants. The aim is to make people financially better-off in work and to make the financial transition easier. It is available to anyone leaving IB for paid work of at least 16 hours a week[4].

Clients could also opt for the Work Preparation Programme (WPP), offering supported work experience aimed at helping the participant to build up confidence and gain work skills while having one to one support on a work placement.

Overall, the focus of the Pathways programme is on those with mild-to-moderate conditions who are capable of entering or re-entering the labour market in the near to medium term. The rationale is to mitigate the risk that increasing duration on IB may erode their capacity to enter employment.

Within that context, the programme design correctly recognises that clients span a wide spectrum in terms of closeness to the labour market and their levels of preparedness and/or suitability for a (faster) return to work. The mix of choices in Pathways reflects this employability spectrum, as follows:

- **CMP** is designed to meet the needs of those falling within the scope of Pathways but who are furthest from the labour market.
- **WPP** enables participants at an intermediate stage to get a feel for being (back) in work and building confidence.
- **RTWC** provides the 'near-market' dimension, being aimed at participants who are ready to return to work.

Effectiveness

In the Pathways Phase 1 area it was possible to calculate 18 month off-flow rates for claims started in the six months immediately following the pilot rollout (October 2005 to end-February 2006). The estimated Pathways effect for that set of claims was +8 percentage points i.e. after 18 months, the proportion who had left IB following the launch of Pathways was 8 percentage points higher compared to what would have been expected in the absence of Pathways (**Figure 1**).

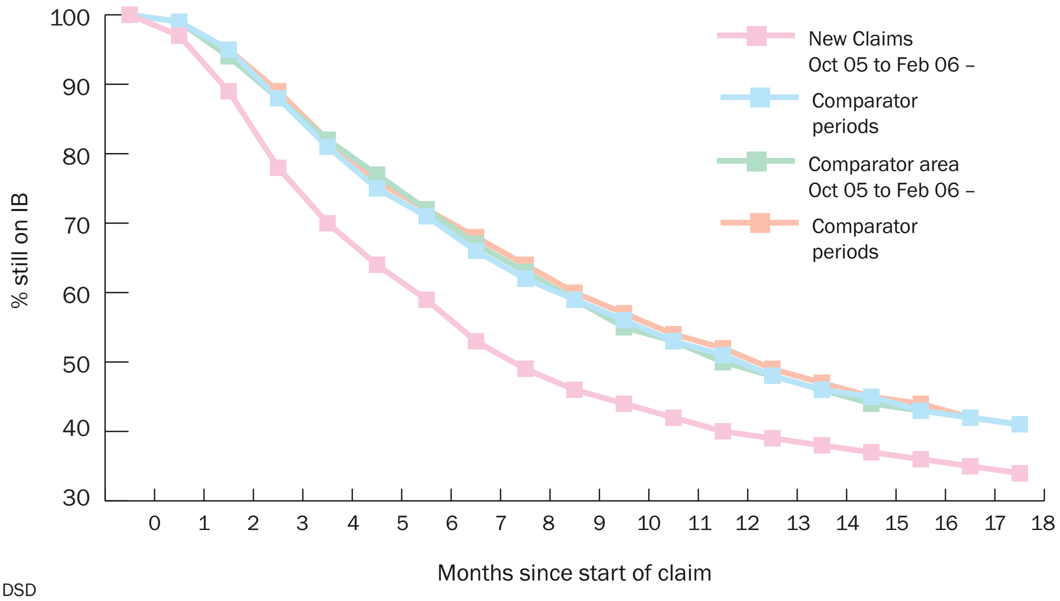
The finding for the 18 month off-flow rate reflects positively on the effectiveness of Pathways to date. However, at the interim evaluation stage, the 18-month effect could only be calculated for the first six months in the Phase 1 pilot. It is not possible therefore to draw a definitive conclusion as to whether the 18 month effect in the phase 1 pilot can be generalised as a sustainable impact of the Pathways programme that will be replicated in other areas.

The analysis of off-flow rates does, however, provide firm evidence that one of the additional benefits of introducing Pathways was to at least bring forward exits from IB that would have occurred anyway, but at some later date. This is the Pathways timing effect, that is, stimulating IB off-flows earlier than would otherwise be the case. Based on analysis of 12 month and 6 month off-flow rates, the timing effect of Pathways would appear to vary by geographical area, being weaker in the Phase 3 area (Falls, Shankill, Foyle and

3 Except those who are exempt from the Personal Capability Assessment (PCA) or claiming National Insurance credits only. In order to satisfy the requirements for receiving an incapacity benefit, most clients must undergo a PCA which should be completed within 12 weeks of the claim being made. Some clients are exempted from the PCA requirement if their illness or disability is such that they meet the threshold for incapacity without the need for a medical examination e.g. the individual is in receipt of the high care rate for Disability Living Allowance (DLA).
4 Participants who find work of at least 16 hours per week may qualify for a payment of £40 per week for up to one year if their gross annual earnings are less than £15,000.

Tony Dignan, Economic Research and Evaluation
Eric Hanvey, PEER Consulting

Figure 1: Still on IB by month since start of claim Pathways Phase 1 – Ballymoney, Lurgan, Magherafelt.



Source: DSD

Lisnagelvin) than in the earlier Phase 1 and 2 areas.

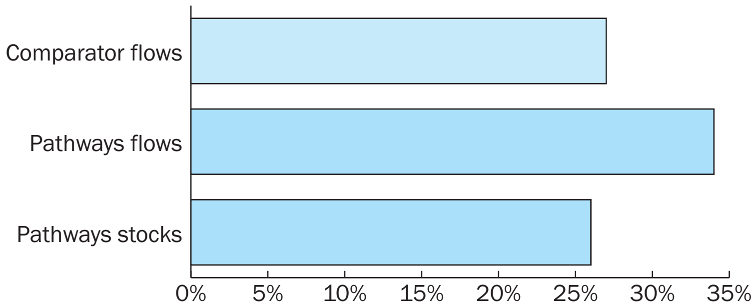
Turning to the survey results, Pathways was found to increase the probability of being in work or having a job lined up by seven percentage points (**Figure 2**). No significant effects were found in relation to average earnings, job search, receipt of benefit and health outcomes.

The survey findings would suggest that the main effect of Pathways to date has been to encourage a faster movement into work among those who are ready to make the transition. While equally likely to be in receipt of benefit, the comparators were found to be less likely to move into work as quickly as Pathways participants.

Positive outcomes have been slowest to materialise for clients whose participation in the full WfI process has been mandatory i.e. the screened-in flows and the mandatory stocks. But these clients are in that position precisely because of their 'distance' from the labour market.

Both for the stocks and the flows, those who took up one or other of the choices available to

Figure 2: Employment Status: In Work or job lined up.



Pathways participants tended to report more favourable outcomes than those who did not (**Figure 3**).

The majority of those receiving RTWC said they would have been in the same job anyway (**Figure 4**). Considered as an incentive for getting people into work, the survey findings point to a low level of additionality in the RTWC.

Those who reported having taken up the CMP were less likely to be in employment as compared with those taking up the WPP and, especially, the RTWC. These differences are not unexpected since the CMP is specifically focused on the Pathways client group that is furthest from the labour market due to their health condition. However, those who took up the CMP were the most likely to ascribe positive outcomes entirely or partly to the programme. This would suggest that there is a higher level of additionality associated with the CMP by comparison with the WPP, RTWC and other help.

Figure 3: Pathways participants – Employment status by take-up of choices: in work or job lined up.

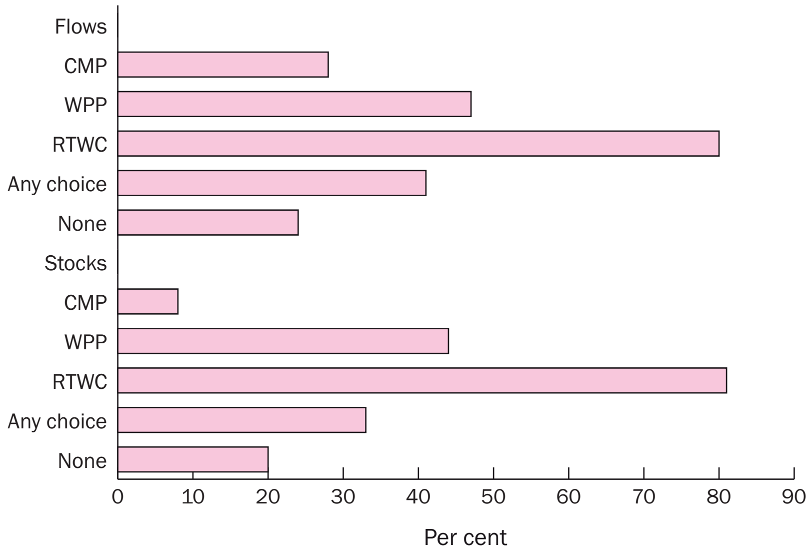
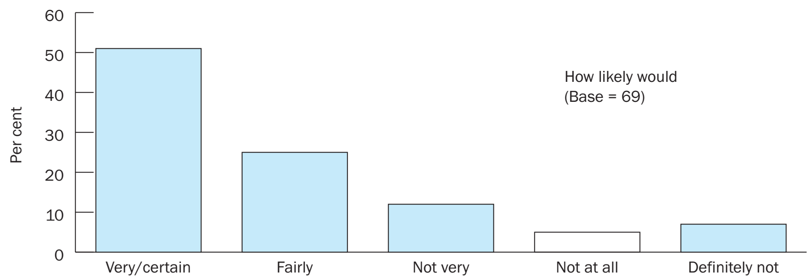


Figure 4: Return to Work Credit: likelihood of being in same job without RTWC



Experiences of Clients

Amongst the new/repeat IB flows for whom one or more WfI had been arranged, almost one in five had taken up one or more of the Pathways choices by end-September 2007. In general terms, the RTWC was most likely to be taken up by those whose participation in the follow-up WfI process was voluntary i.e. the screened out. As the screened out are also those closest to the labour market, this reinforces the survey findings regarding the relatively low additionality of the RTWC during the pilot phase.

By contrast, take-up of CMP was highest among those for whom the follow-up WfI process was mandatory. New/repeat IB flows who were screened in accounted for 65% of all new/repeat IB flows taking up CMP through September 2007. The picture was similar amongst the stocks. The evidence from the face-to-face interviews with clients was largely positive although in a qualitative exercise of this type there is a degree of self-selection and it may be that those who were best disposed towards the programme were more likely to participate.

The vast majority of interviewees were positive about their experiences on Pathways. With regard to CMP, the testimony from those with mental health problems such as stress, anxiety and depression was highly positive with a number stating that it had made a major difference to their lives. The RTWC was also seen positively as helping with the transition back into work, although it was clear that most if not all of those receiving RTWC would have gone back to work anyway.

Personal Advisers

The evidence from the face-to-face interviews with clients and also the telephone survey indicates the pivotal role of the PPAs. In the qualitative interviews, clients felt that the PPA was the most important element within Pathways and were very positive about the assistance and advice they offered to them.

It was also evident from the PPA focus groups that they are highly motivated and seeking to make a genuine difference to their clients. The PPAs did, however, identify a number of issues in the focus groups.

In relation to the “Choices” menu there were some isolated problems with CMP with the PPAs in a few areas feeling that too many clients were rejected as not being suitable for the programme.

There were more fundamental problems with WPP, with PPAs in some areas feeling that the provision was simply not good enough. In particular they felt that providers had not developed extensive enough networks with local employers and consequently they had only a very limited offering.

The PPAs also highlighted the lack of a training option on a programme which is dealing with people who may not be able to continue in their previous employment and therefore have a clear need for retraining.

PPAs also felt there was an urgent need for some form of intervention with regard to alcoholism and drug usage. It is worth noting that, of the sample of 35 clients for the qualitative interviews, six said they had problems with alcoholism.

One final issue which particularly applies to clients with mental health problems is the need for some form of referral system when clients present with what the PPAs perceive as severe mental health problems. This is especially acute where the problems relate to self-harm and, at the most extreme, threats of suicide.

Internal Partnership Arrangements

The internal partnership arrangements have on the whole been working very well. The PPAs and other DEL staff were generally very positive about the support and guidance they received from their SSA colleagues, although there were some clashes in terms of what was perceived as the different organisational cultures.

The PPAs were also very positive about the networking opportunities provided to them in terms of meeting up with their colleagues from other offices and they felt that these meetings and the “buddy” system that was introduced had gone a long way in dealing with some of the frustrations in new pilot offices. Being able to talk to someone in one of the earlier pilot offices who had been through the process was seen as very beneficial.

External partnerships

In relation to the “Choices” provision these generally worked well, particularly with CMP when there was regular contact between the PPAs and the occupational therapist. The situation with WPP providers, while generally less positive, was similar with those providers who visited the JBO regularly and met clients in the JBO being viewed much more positively than those that operated at an arms length.

In general terms, where there is frequent contact between the providers and the PPAs the relationships are better and more importantly the programme itself seems to work much better due to the interchange of information between provider and PPA. In the future an element of the contract for “Choices” providers should include a minimum amount of time spent meeting with PPAs and preferably running “clinics” with clients where possible in JBO offices although clearly there may be space restrictions in some locations.

Evaluation of Pathways to Work

Tony Dignan, Economic Research and Evaluation
Eric Hanvey, PEER Consulting

The biggest issue going forward in terms of partnerships is to broaden them outside of providers. In particular, there is a need to build much better partnership arrangements with employers. There are also other opportunities to be explored in working with voluntary organisations which may have considerable experience in dealing with some of the issues that clients on Pathways face.

Equality of Opportunity

No adverse effects were found in relation to the categories of gender, marital status, dependents and religion. Significant differences in outcomes were found by age and health/disability. These differences are likely to reflect the barriers that people with disabilities and those aged over 50 face in making a transition from being on benefits to being off work.

It can also be concluded that Pathways has not had adverse impacts on good relations. First, there were no significant differences by religion in participation, take-up or outcomes. Second, there is a strong social inclusion component in the rationale for Pathways.

Recommendations

Effectiveness

The recommendations for enhancing effectiveness are as follows.

A more proactive approach to managing and promoting progression by clients. Albeit the Pathways programme is at a relatively early stage, there is as yet no evidence to suggest that progression is 'managed'. The mix of provision ranges from the RTWC for those closest to the job market to the CMP for those who are furthest from a return to work. This 'spectrum' provides an opportunity to ensure that clients can be encouraged to progress closer to the labour market through their take-up of choices.

Introduce a training option to the Pathways menu of choices. Given the rationale for Pathways in trying to help people back into work, there will be some who are unable to do the work that they previously did and for whom (re) training may be essential.

More targeted use of the RTWC. The evaluation evidence suggests a high level of deadweight in the use of the RTWC as an incentive for getting people into work i.e. participants entering jobs when this would not otherwise occur. There is therefore a need to ensure a more targeted use of the RTWC option.

For those who are furthest from the labour market, the RTWC can serve as the 'near-market' component in an approach that aims to encourage progression along the Pathways choices. This emphasises the role that RTWC can play in providing a path-to-work.

For those who are closer to the labour market, it will be necessary to ensure that an award of RTWC is more firmly justified in relation to the objectives of Pathways. This would emphasise the objective of encouraging a faster return to work. In that regard, further research would be useful in assessing the role that RTWC may play in sustaining a transition into work.

Clients with drug and alcohol problems. There may be a need to further develop interventions to assist those clients dealing with alcohol and drug abuse problems.

Experience of Clients

The qualitative feedback from clients indicated that their experience of the programme has generally been quite positive. There are, however, a number of issues to be addressed in the way forward.

Need to provide a system of medical referral to enable PPAs to refer clients whose conditions they believe are severe and require medical intervention.

Tony Dignan, Economic Research and Evaluation
Eric Hanvey, PEER Consulting

Develop a means to establish clients' degree of closeness to the labour market. With the introduction of the Employment and Support Allowance in late 2008, clients will no longer be screened in or out. Nonetheless, it will still be useful to develop a method for establishing the client's starting position in terms of proximity to the labour market, to help in the identification of routes through Pathways that are most appropriate to the client's needs.

Review the CMP to determine ways of improving the effectiveness of the choice, in relation to:

- The appropriateness of the 12 week maximum and whether there should be greater flexibility in the duration of assistance offered to clients.
- The criteria for selection onto the CMP and whether these need to be made more explicit so that there is less variability in take-up.

Personal Advisers

The interim evaluation research highlighted the crucial role that PPAs play in the delivery of the Pathways programme. A central question going forward is how PPAs can be best supported to enable them to carry out this role. In that context, a number of recommendations were made in the interim evaluation report, including the following.

The balance of training between soft client skills and core administrative skills should be rebalanced to better effect for new PPAs. Whilst the PPAs generally found their training in the soft skills useful they all found the lack of training on systems and processes led to major frustrations when they took up their new posts. PPAs should be provided on an ongoing basis with refresher courses to improve their skills and understanding of the programme.

A counselling service should be provided to PPAs to help them to deal with the impacts of some of the more difficult cases they have to deal with. A number of PPAs have had to deal with threats of suicide from clients that caused them considerable anxiety. Even outside these more extreme cases PPAs often have to listen to harrowing stories in terms of client's life and health experiences. Offices should where possible and appropriate have interview rooms available to allow PPAs and clients to discuss personal issues around the client's health and other personal barriers to work.

Partnership arrangements

Develop a more strategic outreach approach to enhance the capacity of Pathways and its constituent Choices to meet clients' needs. In particular, develop better linkages with employers and with voluntary sector partners.

Best Practice

The Department should look to adopt and use more widely the "buddying" scheme used in the roll-out of Pathways. This was seen widely as a great success and helped to ensure that some of the lessons learnt in the initial phases of the roll-out were retained and 'passed on'.

Equality of opportunity

Consideration should be given as to how best to provide more focussed assistance for participants aged 50 and over, given the generally poorer outcomes for this group.

The use of JobCentre services by those with a limiting illness/ disability should be reviewed, to identify means of improving access to and take-up of such services. The Department should also seek to identify means of improving take-up of choices by participants with a limiting health problem or disability.

Concluding Remarks

The evidence from the interim evaluation is that, on balance, the benefits from Pathways are on track to exceed programme costs. On the outcome side, Pathways has performed at least as well in NI as in GB, in the following respects:

- Stimulating off-flows from benefit. Indeed, there is evidence to suggest that NI has been more successful in stimulating off-flows from IB.
- Moves into employment. The estimated employment effect for NI (+7 percentage points) is almost identical to the finding for the GB pilot[5].

5 See Bewley, H., Dorsett, R., and Haile, G., 2007. *The Impact of Pathways to Work.* Department for Work and Pensions, Research Report No 435.

NI has also performed at least as well as GB in relation to participation and take-up of choices.

There is a strong rationale for helping people on IB to get back into work. The Pathways programme represents a positive approach to meeting that need. Overall, the focus of the programme is well-grounded and the programme design is relevant and appropriate to helping IB clients. Nonetheless, there are still challenges to be addressed in enhancing the effectiveness of Pathways to better meet the needs of clients.

Interim Evaluation of Steps to Work

Colin Mounstephen, Deloitte

In 2008, Deloitte was commissioned to carry out an interim evaluation of three new iniatives being piloted by DEL: the Employment Service Delivery Model (ESDM); Steps to Work (StW); and Pathways to Work for Lone Parents (PtWLP).

The current Employment Service Delivery and the need for change

At present when a client makes a new benefit claim or moves to a different Jobs and Benefit Office (JBO) they are allocated to an Adviser on the basis of the type of benefit and/or the length of time that benefit has been in payment rather than on account of their employability needs or barriers to employment.

One of the existing employment programmes for those currently receiving Jobseeker's Allowance (JSA) is New Deal. This is a mandatory programme for those claiming JSA for six months and offers a range of training, placement or self employment opportunities to assist clients back into work. It has been successful in NI and partly as a result the packages offered often do not meet the needs of many of the remaining long-term unemployed. For example, approximately 65% of DEL's current New Deal clients are returning to the programme, some having been through the system several times. Increasingly these are found to be facing multiple or complex barriers to work.

Another major challenge is engaging with lone parents, a key target group for raising the employment rate and reducing child poverty. Lone parents are twice as likely to live in poverty in the UK as any other group. The Government priority to halve child poverty by 2010 is linked with helping lone parents access the labour market and contributing to the 80% employment rate target. Assisting lone parents return to work is considered an effective way of ensuring social inclusion and offering the best route out of poverty for them and their children.

To help address these challenges DEL as part of its Employment Service modernisation programme piloted three inter-related initiatives which were the subject of this evaluation. Each pilot has common aims to test improved employment services and thus contribute to a future modernised Employment Service.

Key features of the improved services DEL and DWP aim to provide are:

- services should be based on a more active relationship between the citizen and the welfare state;
- services should be better tailored to the needs and circumstances of the individual rather than the 'benefit group' to which they belong; and
- adviser time and employment services resources should be used more efficiently by targeting support where it is most needed and managing adviser input more effectively across client groups.

Employment Service Delivery Model

The role of advisers is central to the success of the employability programmes. The ESDM is aimed at achieving a flexible and responsive service that is capable of meeting individual needs. The revised model encompasses three main elements: ESDM tools; Core Skills training for all staff in the pilot offices; and changes in the way in which the various Adviser services are structured, including services to clients with disabilities. A Team Leader role was introduced to manage a team of Advisers and also to deal with the 'harder to reach' clients. ESDM along with the StW and PtWLP pilots were tested in four JBOs in Knockbreda; Shaftesbury Square; Lisburn; and Limavady.

Steps to Work programme

StW was developed using the existing elements of the New Deal 25+ programme as a base. It has extended the availability of New Deal 25+ provision to cater for other benefit recipients not previously targeted for assistance including Income Support claimants, Incapacity Benefit claimants, new JSA claimants and the economically inactive not in receipt of benefit. The flexible menu-based approach encourages advisers to use their 'discretion' to prescribe the type of provision (training/ placements/self employment) that best suits client needs. This can include tailoring the provision on offer to client needs, mixing and matching provision offerings or sourcing new types of provision if it will help the client move into work or become more job ready.

The initiative commenced in April 2007 and was piloted in the same four JBOs that are testing the ESDM. The pilot was expanded to two additional offices (Magherafelt and Carrickfergus) in late January 2008, and availability was extended in all these offices to clients in the 18 – 24 age groups in March 2008.

Pathways to Work for Lone Parents programme

PtWLP provides a package of support measures designed to increase the number of lone parents participating in the labour market. The project was piloted in the same four JBOs that are testing ESDM and StW pilots and is running over a two-year period to March 2009. Under PtWLP, lone parents can access provision from two main programmes: voluntary StW, and voluntary Work Preparation Programme for Lone Parents (WPPLP). The added advantage to these programmes is that lone parents do not have to change their benefit nor do they become subject to sanctions if they chose to opt for any one of the programmes available under PtWLPs. In addition to these two programmes, a financial incentive has been introduced; the Return to Work Credit (RTWC).

Conclusions and Recommendations

The evaluation assessed the effectiveness of each pilot programme in moving clients towards and into work. Each pilot was assessed individually against its aims and objectives. The composite approach was then evaluated to assess the extent to which the three pilot projects had jointly progressed towards achieving a modernised employment service.

The conclusions and recommendations for the interim evaluation of each pilot programme can be found at **www.delni.gov.uk**. Below we present the findings and recommendations from each of the three pilot evaluations to consider the terms of reference focusing on the composite approach.

The extent to which progress has been achieved by the three pilot projects jointly toward achieving a modernised employment service

Services should be based on a more active relationship between the citizen and the welfare state.

The availability of programmes on a voluntary basis for benefit recipients (without threat of benefit sanctions) and those who are economically inactive and not in receipt of benefit has encouraged more people to access support. This support has either moved them from benefits into work, has prepared them for work or at minimum has managed to re-engage them in relation to the labour market.

The products available combined with the core skills training of Advisers and Team Leaders and the ESDM tools available, mean they are better equipped to encourage a more active engagement among a wider range of clients. Some products have been of specific value in this regard. For example the RTWC has been a positive selling tool to lone parents by making clear the advantages of returning to work.

Services should be better tailored to the needs and circumstances of the individual rather than the 'benefit group' to which they belong.

The pilots encouraged a greater focus on understanding individual clients' needs and circumstances. Further application of the tools and training will enable better tailoring of support to individual needs.

Clients now see the same Adviser throughout the process. This is helping to build rapport and trust, which in turn helps staff and clients in the process of identifying specific needs, some of which may be difficult to talk about. Through their core skills training, staff are better prepared to ask questions that identify clients' needs more accurately. Having identified specific needs, all eligible clients can access the wide StW menu of work placements, courses, self employment option and support without having to change benefit or without having to wait a period of time before accessing assistance. In addition lone parents can access WPPLP and RTWC.

For more difficult clients action was often deferred 'until the next interview' or sometimes generic interventions were applied when more creative approaches may have been required. Analysis highlighted that this was either because need was not understood sufficiently, Advisers were not yet confident about applying discretion, and/or appropriate provision was not available or not known to be available. Examples of this included: clients not being allowed to undertake an NVQ if they already had one even if it would have assisted them finding employment; and Advisers not offering Enhanced Support. Advisers need to feel confident in using their discretion to offer appropriate provision to a client, which will require appropriate support along with a cultural shift.

Adviser time and employment services resources should be used more efficiently by targeting support where it is most needed and managing Adviser input more effectively across client groups.

The design of the structures and the products highlight the intent for more effective targeting of support and input. However, evidence indicated that at the time of the interim evaluation, pilot support was not yet being targeted where it was most needed.

Firstly there was the potential for allocation of staff resources to be focused on more challenging clients. Examples included limited evidence of more difficult clients being escalated to Team Leader level. This was often due to Team Leaders being less experienced than the Adviser, but may also have been because mechanisms for transferring clients (especially case conferencing) were being practiced inconsistently. Applied appropriately, case conferencing provides both a mechanism for escalating clients to Team Leader level and focusing a team's attention on more difficult cases. While there were some examples of good application of case conferencing there was significant evidence of intermittent or more ad hoc approaches which limited its effectiveness.

Secondly there was the allocation of resources through various interventions. Two examples are the employment subsidy and enhanced support. The employment subsidy is now more tailored than its New Deal predecessor with a greater level of subsidy for clients who are further from the labour market. If appropriately applied by the Adviser, the enhanced support option is an intensive personal support for clients facing substantial barriers. The evaluation highlighted piecemeal uptake of these provisions which if applied appropriately should focus resources on supporting the hardest to help clients.

Determine if the three projects overall are working as intended towards the development and implementation of a new approach that will form the basis of modernised employment service and what benefits/approach has been achieved to date

The parallel implementation of three projects was a significant challenge for the pilot offices. At the time of the evaluation, they were undergoing predictable patterns of change, with offices at varying levels of acceptance, understanding and looking forward.

While progress had been made, at the interim position of implementation there were a number of elements in each pilot that were not yet working as intended:

- there was inconsistent adoption and practice of the ESDM tools (Client Assessment Framework, Quality Assessment Framework, Case Conferencing and Essential Skills Screening tool). There was varying understanding of their purpose and inconsistent messages delivered to frontline staff on their use. As a result of varying levels of application;
  - the depth to which client needs, especially those with more complex needs, were understood and progress tracked was limited;
  - the extent to which additional resource and focus was applied on the hardest to help cases was less than if the tools were fully embedded; and
  - the tools should be encouraging the development of a learning culture within offices. While there were positive glimpses of this, there was no clear adoption of a widespread learning culture.
- the breadth of provision available to clients and the subsequent extent to which tailored and creative solutions could be offered was limited by the following;
  - different levels of knowledge of the products available, largely due to lack of experience;
  - inconsistent understanding of the providers' responsibility for making the required support available;
  - local approaches to promotion of available provision within offices; and
  - varying approaches to using discretion. It was understood that this was a significant cultural challenge, especially for certain staff, and requires strong support and leadership from local/regional management in the first instance.
- While the implementation was at an interim stage a range of benefits had been achieved at the time of the evaluation;
  - the employment and employability outcomes were generally strong (albeit a fuller assessment of employment outcomes for StW was required once more clients had completed). This should be considered even more positively in light of the fact that several elements of the new approaches were not yet fully embedded. Therefore if progress was made towards fuller and more consistent implementation, and subsequent adoption of good practice learning, it was anticipated that outcomes would improve further;
  - client feedback highlighted strong levels of satisfaction with the service, in particular the rapport developed through being able to see the same Personal Advisor on each visit. Reflecting this Personal Advisors also reported higher levels of job satisfaction with working with a client on an ongoing basis. The ongoing relationship helped create an environment in which clients were more willing to 'open up' which

in turn helped developing understanding of needs;

- there was evidence of increasing flexibility and tailoring. This was especially so in the case of early intervention for voluntary clients. This is important for helping clients to move into work more quickly reducing the risk of clients becoming stuck in longer term unemployment – at which point more significant intervention would be required; and

- the availability of provision to voluntary clients without threat of benefit sanction has removed a barrier to engagement and helped those furthest from the labour market to engage in activity which may assist a longer term move into work, which they may otherwise have not undertaken.

We anticipated that these benefits would increase and further benefits emerge as the processes continued to embed.

While there were several initial 'teething' problems, in general the projects were working towards a new approach that will form the basis of a Modernised Employment Service.

Recommendations on actions required by the three projects to ensure successful implementation of the new approach

As well as project specific recommendations we put forward the following recommendations for consideration in relation to further integration of services:

- considering the overall evidence of progress within the pilot offices our view was that a further 12 months of consolidation was required by these offices before any further integration is considered. This would mean these pilot offices would have undergone a 24 month period overall;

- for other offices if learning from the experience of the pilot offices (i.e. this evaluation) is acted on then we consider the period of time to properly embed the same changes in other offices could be reduced to 18 months rather than the 24 months required by the pilot offices;

- we recommended that further consideration is given to the 'fit' of an integrated model for offices with high turnover and potential options available either to address the turnover or potentially to adapt the model. This consideration should be given in advance of further integration/roll out; and

- it was shown throughout the evaluation, that a cultural change was required in order for the three pilot programmes to be successful and in particular, the cross-cutting them of Advisers discretion. In order for this cultural change to happen strong leadership is essential. We recommended that Project Teams, central support, Office Managers and Team Leaders all provide appropriate leadership for Personal Advisers and for each other.

Labour Market
Bulletin 22

Review of Ulster Supported Employment Ltd (USEL)

David Williamson, Williamson Consulting

This article summarises a comprehensive review of Ulster Supported Employment Limited (USEL) carried out during 2007/08 by Williamson Consulting. It considered the continuing relevance of USEL's factory employment for people with disabilities. The review went on to consider appropriate structures for USEL and made a number of recommendations for the future.

Overview

USEL is a company limited by guarantee, having charitable and NDPB (Non-Departmental Public Body) status. Originally established in 1962 to provide manufacturing employment for people with visual disabilities, USEL has grown to become the largest employer in NI of people with disabilities. USEL's work falls into two categories:

- Manufacturing and Contract Services - employs approximately 60 people in a manufacturing environment in Belfast and a further 19 subcontracted to mainstream employers in managed CCTV monitoring work.
- Employment Services - delivering a range of government funded services to help people with disabilities acquire skills to improve their employability and to obtain and sustain employment. These include Workable NI, New Deal for Disabled People, Employment Support (although this is being phased out), Work Preparation Programme and the ESF funded STEP Programme[1].

USEL is overseen by a Board of six Directors appointed by the Department for Employment and Learning (DEL). USEL has regular contact with DEL at a number of levels through both the Board and Chief Executive.

Policy Context

While DEL is USEL's parent Department, USEL works within a Governmental policy context that spreads across a number of Departments. Data from the Labour Force Survey (LFS) show that nearly 1 in 5 (19%) of the working age population has some form of long-term disability – more than 200,000 people[2]. Currently over 170,000 people claim Disability Living Allowance. LFS data also show that those with a disability are 50% less likely to be employed as those without. The Disability Discrimination Act 1995 makes it unlawful for employers to discriminate against people for a reason relating to disability. A number of public bodies have responsibility for policy relating to disability including the Department for Health, Social Services and Public Safety, the Office of the First Minister and Deputy First Minister, and DEL. While USEL's work is primarily about employment and training, it inevitably impacts on health, equality and social inclusion legislation, and policy. Since the introduction of the Welfare Reform and Modernisation Programme, Government has sought to promote work as the best form of welfare for people of working age who are able to work. A range of benefit and support mechanisms have sought to support those with disabilities to gain and sustain

1 Details of DEL programmes for people with disabilities can be found on the DEL website at **www.delni.gov.uk/index/finding-employment-finding-staff/fe-fs-help-to-find-employment/das.htm**
2 Source: Labour Force Survey, Department of Enterprise Trade and Investment **www.detini.gov.uk/cgi-bin/downutildoc?id=4058**

employment. The Disablement Advisory Service within DEL provides a range of support to those with disabilities and works closely with USEL and other providers to maximise the impact of a range of initiatives and programmes. The recently introduced Pathways to Work seeks to proactively assist people in receipt of sickness-related benefits to consider options for returning to work. From DEL's perspective, USEL provides employment choice for people with disabilities who wish to work in a supportive environment as well as providing support to maintain employment in the general workplace. USEL also contributes to the wider economic and equality agendas by increasing economic activity and reducing exclusion from employment.

The Review

Williamson Consulting was commissioned by DEL to undertake a "light touch" review of USEL. This considered whether the functions of USEL as an NDPB were still required and, if so, what the most appropriate structure to carry out these functions might be. The review was carried out in line with Cabinet Office guidance which looked at a range of issues including:

- USEL's contribution to Government objectives;
- USEL's performance;
- The views of customers and other stakeholders;
- Accountability and governance.

USEL's Performance

The review sought to look at USEL's performance under a range of measures. These included the following.

Sales

USEL's sales volume grew steadily over the five year period prior to the review, broadly maintaining their value in real terms. USEL expects to gradually increase this further over the next five years. USEL also holds a virtual monopoly on small batch production of custom made travel goods, aimed primarily at safe transit of equipment. This market has seen a small decline over the last few years. However, this has been offset by some increases in both bedding sales and contract services where USEL employees monitor CCTV.

Manufacturing Performance

USEL's performance in manufacturing mattresses and travel goods is constrained by two key factors, the capacity of its employees and the age of its machinery. The two are interrelated as competitors tend to use highly mechanised processes which have a low labour content. While USEL has made some improvements in this area, highly mechanised processes would mean less employment for those with disabilities and would be counterproductive in terms of its wider policy objective. An analysis of USEL's production suggests that it operates its mattress manufacture at approximately 50% productivity compared to a commercial baseline and, in the case of travel goods, around 60%. Discussions with USEL's customers have shown that they do not buy these produces because of how they are manufactured but because they are considered to be of similar price and better quality than alternatives.

Employment Conditions

One of USEL's key targets relates to provision of training and support to staff. While some of this is geared to assisting staff to move into mainstream employment, for most this is not a practical reality. Training costs USEL approximately 5% of its

Table 1: Comparison of USEL v Minimum Wage Factory Job Employer Annual Cost/employee

Element	USEL	Other factories
Salaries	£251	£216
Pensions	£36	£0
Manual staff training costs	£14	£4
Totals	£301	£220

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Table 2: Funding per Disabled Employee - Factory (Inflation adjusted)

(£'s)	2002	2003	2004	2005	2006	2007
Disabled Employees - Factory	56	61	61	60	58	55
DEL Funding - Factory	325,000	325,000	392,000	438,000	451,000	462,000
Funding Per Job	5,804	5,328	6,426	7,300	7,776	8,400
RPI	176.2	181.3	186.7	192	198.1	201.3
Funding/job (2002 basis)	5,804	5,178	6,065	6,699	6,916	7,353

salary bill, which is substantially greater than most factory situations. It also provides higher pay and better conditions (such as pension and holidays) for manual workers. Collectively these raise USEL's staffing cost by approximately 20% above competitors. This is assisted by DEL funding which is provided both directly towards factory costs and to support capital development **(Table 1**).

Table 2 shows DEL factory funding per disabled employee. It can be seen that this has increased by approximately 26% in real terms over the last six years.

Employment Programmes

For many years, USEL has bid competitively for Government and other programmes. Over the last three years USEL has consistently worked with over 1,000 disabled employees through these programmes, which are set out in **Table 3**. It is clearly important that USEL is not able to undercut competitors utilising factory funding. An analysis of factory and programme costs, and income from each source, has actually shown that USEL runs programmes very competitively and has been able to use income from programmes to cross subsidise the factory, leading to a lower grant requirement.

Table 3: Employment Programmes - Number of Disabled Employees

	2004	2005	2006	2007
Pathways		23	31	151
Job Broking	193	270	283	235
ES Scheme	624	638	632	656
In house	80	74	73	70

Cost Effectiveness

While USEL's DEL funding has increased on a "per capita" basis in real terms over the last six years, it is important to compare this with external benchmarks. There are no equivalent organisations in NI. However, Remploy, while not directly comparable, performs a similar function on a much larger scale in England. The David Freud Report, produced for the Department for Work and Pensions in 2007, assessed the benefit to the taxpayer of having a person employed, rather than on Incapacity Benefit to be around £9,000 per annum. At the time Remploy's grant cost per employee was approximately twice this and growing rapidly. The total cost of USEL's grant per employee was around £10,700 including factory grant, capital costs and training costs. An analysis of the savings in benefits and the increased tax and National Insurance as a result of USEL's employment suggests a saving of at least £7,500 per employee per annum. This suggests that the Freud figure, which takes a more comprehensive view, is likely to apply equally in NI. USEL should therefore see the £9,000 per annum as a target grant figure, at which point it could be considered to be of zero cost to the economy on a recurrent basis.

DEL Performance Targets

USEL operates within a Management Statement and Financial Memorandum which sets out the relationship between the Department and the organisation. The consultants found that some of these targets are not an ideal means of measuring USEL's performance, or of ensuring best use of public funds, and have made recommendations in relation to their amendment. USEL's performance over the last three to five years in relation to the targets is as follows:

- USEL has operated within the agreed level of funding;
- USEL has slightly increased the overall number of disabled employees, in line with DEL expectations;
- While the grant per factory employee has increased slightly over the last five years, the overall funding per disabled employee, including programmes, has stayed relatively static over the period 2002 to 2007. In fact, when considered from a 1995 base, the funding per disabled employee has stayed static in spite of inflationary pressures;
- Moving employees into unsubsidised employment has proved to be very difficult, with an average of 5% per annum making this transition. The introduction of the Step programme has provided a mechanism to improve performance in this area;
- USEL has consistently delivered a high level of training hours per employee, although this has increased greatly in 2007 as a result of the Step 3 programme. While this meets the target, USEL needs to consider whether this training is cost effective and fulfils its business objectives.

The Future

Key Issues

The review went on to consider a number of key issues relating to USEL's future and its continued appropriateness as a means of providing training and employment for people with disabilities.

- It was concluded that USEL does support Government's objectives, specifically in relation to economic inactivity and increasing access to employment for those with disabilities;
- The factory facility offers alternative choices for those with disabilities wishing to seek employment and provides opportunities for people who may not be able to work in mainstream environment;
- USEL is becoming increasingly efficient and should continue to offer value for money in use of public funds in the longer term;
- Determining whether an NDPB is the most appropriate structure for USEL was a key part of the review and is considered in the following section.

Appropriate Structure

In considering the most appropriate future structure for USEL a number of criteria were utilised:

- Ability to address Government objectives in relation to employment of people with disabilities;
- Ability to bring about greater inclusion and integration of disabled people into employment;
- Long term cost effectiveness;
- The immediate cost of the option;
- Ease of implementation.

The review considered a range of possible options. These included continuing as an NDPB; moving to agency status; privatisation; mergers; marketing testing and closure. Each of these was scored against the criteria, which were all weighted according to their relative importance, assuming that addressing Government objectives in relation to employment was the most important. Some of these options offered better performance in areas such as more inclusive employment. However, some also introduced risks in terms of meeting Government's core objectives for economic inactivity and disability. Ultimately it was concluded that there was no justification for changing USEL's NDPB status at present. However, there was a recognition that USEL could benefit from more freedom and flexibility in terms of its relationship with central Government, which would potentially enable it to improve its performance in a number of key areas.

Funding

USEL's current funding arrangements are subject to a Financial Memorandum which sets out the respective responsibilities of USEL and the Department. USEL needs greater flexibility to allow it to better control its own costs and undertake capital investment to improve its production capacity and efficiency. The Freud Report showed that the benefit of a person being employed rather than on Incapacity Benefit was £9,000 per annum. This holds true in NI and should be seen as a maximum per capita figure for USEL'S operation. However, the financial relationship between USEL and the Department is not a straightforward commercial one and is complicated by a range of factors, including ownership of assets, pension commitments and capital structure. Ultimately, discussions between USEL and DEL need to consider how greater flexibility in relation to USEL's finances can be achieved while continuing to observe appropriate cost effectiveness measures.

Conclusions and Recommendations

Conclusions

The review concluded that there continued to be a need for USEL to deliver both programmes and operate its factory provision. USEL is able to compete in a quasi commercial environment for programme delivery and can carry this out cost effectively. Programme delivery enables USEL to subsidise its factory provision to a modest extent. The factory continues to provide highly valued supported employment for those who choose this option. USEL has established effective relationships with the wider disability community and, while some in this sector has reservations about such factory employment, USEL is respected as an effective deliverer of services to those with disabilities. While USEL's targets set out within the Management Statement are not perhaps the most effective means of measuring the organisation's performance, USEL has performed effectively in relation to these. In a wider hospitality industry and retail trade, USEL is seen as a credible manufacturer of high quality mattresses and travel goods, which are in demand. While USEL's factory is much less modern than competitors, a more mechanised process would undermine the very nature of what USEL is seeking to do by reducing the number of employees performing manufacturing functions. However, USEL has sought to modernise its work in a number of areas and has demonstrated good practice in a number of ways. USEL's joint project with the Bryson Charitable Group to refurbish white goods is both environmentally and economically valuable. USEL has developed a transition model which will support factory employees moving towards long term employment, or perhaps self-employment. While the cost per employee has risen gradually over a number of years, USEL remains cost effective. The major challenge facing USEL is how it develops and grows with a limited ability to raise capital funding.

Recommendations

While the consultants are satisfied that USEL continues to have a valuable role and should continue in the longer term, the review made a number of recommendations:

- USEL's funding formula needs to be reviewed to ensure that it has incentive to grow and develop and can generate adequate capital to allow it to modernise;
- The NDPB structure continues to be the most appropriate for USEL in the short to medium term. However, in the longer term, an alternative structure such as a Trading Fund may be more appropriate and should be considered;
- The Management Statement should be revisited to determine the most appropriate way of measuring USEL's performance and its fit with Government's priorities;
- USEL should enter into discussions with DEL to consider how it can best use its existing resource base and exploit the potential for more flexibility in its financial operations. To this end USEL should develop a five to ten year capital investment plan for consideration by the Department;
- Consideration should be given to developing a "per capita" funding mechanism which would ensure both efficiency and more flexibility in USEL's use of public funds.

The Department is in discussion with USEL board and management about the potential implementation of recommendations.

FURTHER INFORMATION

Further details can be obtained by contacting David Williamson, Senior Partner, Williamson Consulting. Telephone: 028 9062 5511.

Evaluation of Special Projects

Pamela McCreedy and Maria McDonnell, KPMG

KPMG was commissioned to undertake an evaluation of two special projects for which the Department for Employment and Learning (DEL) provides funding. They were the NI Committee of the Irish Congress of Trades Unions' (NIC ICTU) Education and Training Service, and the Law Centre (NI) Employment Rights Project. The evaluation considered the benefits to clients of the services provided with DEL's grant-aid, what was achieved in terms of value for money, and whether the original rationale for funding remains valid.

DEL commissioned KPMG to undertake an evaluation of two special projects for which it provides funding. They were:

- The NI Committee of the Irish Congress of Trades Union's (NIC ICTU) Education and Training Service. This service is aimed at trade union officials and covers a wide range of courses e.g. health and safety, new technology, industrial relations, equality issues etc. The NIC ICTU project received DEL grants totalling £184,000 in the financial year 2006; and
- The Law Centre (NI) Employment Rights Project. The project aims to provide employees with access to legal advice and representation, and to support the Law Centre's member agencies across NI. The annual grant made by DEL for the Employment Rights project amounts to £150,000.

The aim of this evaluation was to consider the effectiveness of the existing arrangements and consider whether there was a requirement for financial assistance to be provided to each organisation.

NI Committee of the Irish Congress of Trade Unions - Education and Training Service

NIC ICTU was formed in 1942 to represent the interests of trade unions in NI. From the mid-1960s, NIC ICTU engaged directly in dialogue with Government to discuss matters of mutual concern. It was accepted by Government then that the trade union movement would have a remit that went beyond issues surrounding collective bargaining and that it would have a role in highlighting issues, such as housing, unemployment and discrimination. This resulted in a formal offer of grant-aid for training and education purposes.

KPMG reviewed the performance of NIC ICTU's Education and Training Service and Work Study Advisory Services against the organisational aims and targets laid down by the Letters of Offer (LOOs) from DEL. In summary, across the period of review (2002/2003-2006/2007), NIC ICTU complied with the requirements laid down by DEL. It was considered that the work delivered by NIC ICTU has had a positive impact on the workplace, and consultation with key stakeholders indicated that NIC ICTU's work was complementary to the offering by other bodies such as the Labour Relations Agency and the Equality Commission rather than being duplication of their work, and that it contributed to wider government objectives of ensuring employment rights are properly upheld.

However, in considering an overall assessment of Value for Money, it was not demonstrated if the funding provides value for money. While NIC ICTU had been successful in meeting its objectives as laid down in its LOOs, these objectives could have been more specific, measurable, achievable, realistic and time bound (SMART) with clearer and more quantifiable targets. This could have facilitated a more definitive evaluation of performance against targets.

KPMG concluded that recent political, progressive social and economic developments meant that the context for the original rationale has substantially changed. However, there was an alternative rationale for DEL to continue to support NIC ICTU's Education and Training Service: it was reasonable to assume that NIC ICTU's training interventions have enabled trade union representatives to intervene positively in employment rights issues; there was sufficient evidence of demand for training while at the same time NIC ICTU indicated it could not fund this training based on current income (and alternatives such as delegates paying for the training could impact disproportionately on smaller trade unions). Therefore, there was a possibility that a lack of appropriately trained trade union representatives could give rise to increased employment rights issues especially at a time when DEL was introducing new consultation legislation.

KPMG recommended that DEL should continue to fund NIC ICTU to provide trade union training but that, similar to other DEL funded training, this funding to NIC ICTU should move from a grant in aid model to output based funding, and that consideration be given to measuring the impact of the training in the workplace. KPMG considered that NIC ICTU was best placed to be DEL's preferred contractor for this provision given its links to the trade unions and its ready access to trade union representatives but DEL may wish to review this position at a future point. A final issue related to compliance with government's overall aim of securing equality and equity and it was further recommended that, as part of any funding contract, NIC ICTU should consider enabling other employment representatives from non-unionised environments to avail of training.

Law Centre (NI) - Employment Rights Project

The Law Centre (NI) is a not for profit organisation which offers specialist consultancy support to its members and accepts appropriate casework on referral from them. The Employment Rights Project provides specialist advice and offers support and representation through the employment dispute process especially to those who are most vulnerable or disadvantaged e.g. those on/near the minimum wage, migrants etc.

There are a number of organisations which can provide specific advice on employment rights and a large number of solicitors who specialise in employment issues. However, there are very limited amounts of financial assistance available to progress issues through the legal process. Specifically, Legal Aid is not available for tribunal cases and the Green Form Scheme is limited to two hours of free advice from a solicitor and excludes representation. The Employment Rights Project is unique in that it provides specialist professional advice and advocacy through to the Industrial Tribunal process free of charge to employees with no other source of access to justice.

KPMG reviewed the performance of the Employment Rights Project against its targets as set out in the LOOs issued to the Law Centre by DEL. From this analysis, it was noted that the Project met or exceeded six out of eight of its cumulative targets during the review period. Specifically, the Project vastly exceeded its targets in relation to advice and information, although this may indicate that the targets were not challenging enough. The Project exceeded its cumulative target for pieces of representation and for the success rate at representation, although reduced staffing capacity affected the Project meeting its cumulative target for the number of cases opened. The Project surpassed its target for training events and for satisfaction with these events, and for the number of written articles produced. It did not produce the targeted number of policy responses/submissions although this was reflective of the lack of relevant policy changes and consultations requiring comment.

Evaluation of Special Projects

Pamela McCreedy and Maria McDonnell, KPMG

In reviewing the performance of the Project, it was important to consider if the maximum impact was achieved for the funding. Whilst it is reasonable to assume that the advice provided stopped employment disputes escalating, data is not collected on the impact of the advice line. The impact of the casework is more clearly demonstrated; in 2006/07, out of 36 cases opened 12 IT1s were logged; from this it is reasonable to assume that the Project helped to avoid a number of Tribunals.

In reviewing if the maximum impact has been achieved with the level of funding available, it was considered if it would be more cost effective to refocus the activities of the project towards more training and publications and less on the advice line, which would allow more staff time for casework. However, whilst the casework has a demonstrable impact on clients and the wider economy (in terms of approximately £1.3 million compensation awarded in the period 2002-2007), the advice line can also filter out less meritous and misguided cases than may have otherwise have been pursued through the tribunal process unnecessarily. Furthermore, consultation with generalist advice providers indicated that there was little or no appetite to provide specialist services.

A further point to consider was the appropriateness of the targets that were set for the Project. The targets reflected the activity required to deliver the Project and not the impact of the service provided. The use of more economic focussed impact and result indicators could provide a more accurate description of the Project's impact on those whom it supports and the local economy. For example, the Employment Rights Project settled a case and secured £2,000 in compensation for a shop worker and a favourable reference. However, the Project does not generally collate information on the impact of its activities, especially the level of financial awards. Doing so could provide greater evidence to demonstrate the impact of the project.

Based on the evidence provided, the review concluded that the Project was economical with its resources and was efficient in meeting its targets and in maximising its outputs in order to provide value for money. However, it was suggested that stronger evidence of value for money could be provided if the Project collected more impact and output data particularly in relation to the levels of awards it has secured.

It was concluded there was a strong rationale for continuing to grant-aid the Project in terms of access to justice for vulnerable and low paid workers, the impact of the services provided and the value for money it has provided.

A number of recommendations for improvement were made including:

- Collation of information relating to cases that were settled before or during the LRA conciliation process and cases that were settled before or during the tribunal process.
- Presentation of activity monitoring information in the form of output, impact and result indicators which would assist in measuring the long term impacts of the project, and which could assist the Law Centre in demonstrating the value for money of the Project to DEL and other potential funders.
- Collation of detailed socio-economic information on its clients which could demonstrate its contribution towards government anti-poverty and social exclusion policies such as Lifetime Opportunities.
- DEL should consider if it would be appropriate to move to a contract based funding mechanism for the Project in line with Her Majesty's Treasury and NI Audit Office guidance.

This article has been prepared summarising elements of a confidential report for DEL in June 2008. This article is not suitable to be relied on by any party wishing to acquire rights against KPMG for any purpose or in any context.

Evaluation of Special Projects

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Northern Ireland Demographic Projections

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Demographic projections provide a key element in the shaping of public policy and the planning of local services. They help to plan for future demand for services as diverse as schools, hospitals and housing. In terms of the economic measures they inform policy in areas such as pensions provision, availability of labour and forecasts for the economy. This article provides an overview of the current demographic projections for NI. The article describes the main features of the latest 2006-based population projections and assesses some likely labour market implications of the projected changes in the demography of NI.

The article commences with a brief description of the methodology for preparing population projections. It then presents the main findings from the current 2006-based projections on the future size of the population. The article includes a commentary on the trends in the components of population change (births, deaths and migration). Finally the article includes commentary on the likely labour market impact of projected population change.

Population Projections Process/Headline Results

The Office for National Statistics (ONS) produces national population projections for the UK and its constituent countries. The projections are undertaken at the request of and on behalf of the National Statistician and the Registrars General of Scotland and NI. The figures are produced by ONS to provide UK wide consistency; with NI projections published jointly by ONS and the NI Statistics and Research Agency (NISRA)[1].

Population projections are made every second year, following a review of trends affecting fertility, mortality and migration. The assumptions on which projections are based are agreed in liaison with the devolved administrations and an expert advisory panel. The approach to making population projections is based on the cohort component method which is best understood using the following formula:

Population Statistics Cohort Component Formula

Projected population *equals*

Base year population

plus **births**

minus **deaths**

plus **net migration**

To make assumptions for the future levels of births, deaths and migration; current trends in mortality, fertility and migration are examined. Any set of assumptions adopted will clearly be subject to uncertainty. For that reason, ONS produces *the principal projection* and an accompanying set of *variant projections.* Whilst projections are available up to 2081, the principal projection up to 2031 is the focus of this article. The main features of the principal NI population projection are as follows:

- the population is projected to increase to 1.812 million in 2011 from 1.742 million in 2006. This is equivalent to an average annual rate of growth of 0.8% over this five year period;

- the five-year projected increase in population is

1 See ONS National Population Projections: 2006-based: Populations by Age and Sex for the UK, GB and Constituent Countries & NISRA 2006-Based Population Projections. Statistics Press Notice 23 October 2007.

due to both natural growth and population migration. In the period 2006-2011 it is projected that there will be 51,000 more births than deaths and 19,000 more people coming here to live than leaving;

- the population is projected to reach 1.922 million by 2021 an increase of 180,000 people or 10% from the 2006 baseline. Over the longer term, to 2031, there is projected to be an increase in population of 260,000. By 2031, it is projected that just under 2 million people will be living in NI, representing a 15% increase on the 2006 base of 1.742 million; and

- projections indicate a marked increase in the relative size of the population at older ages. The number of people of current pensionable age (aged 60 and over for females and aged 65 and over for males) is projected to increase by around 9% in the next five years and by around 40% over the next fifteen years, while the number of children is projected to remain broadly constant over the next fifteen years[2].

Figure 1 shows graphically the estimated and projected size of the NI population from 1951 to 2081.

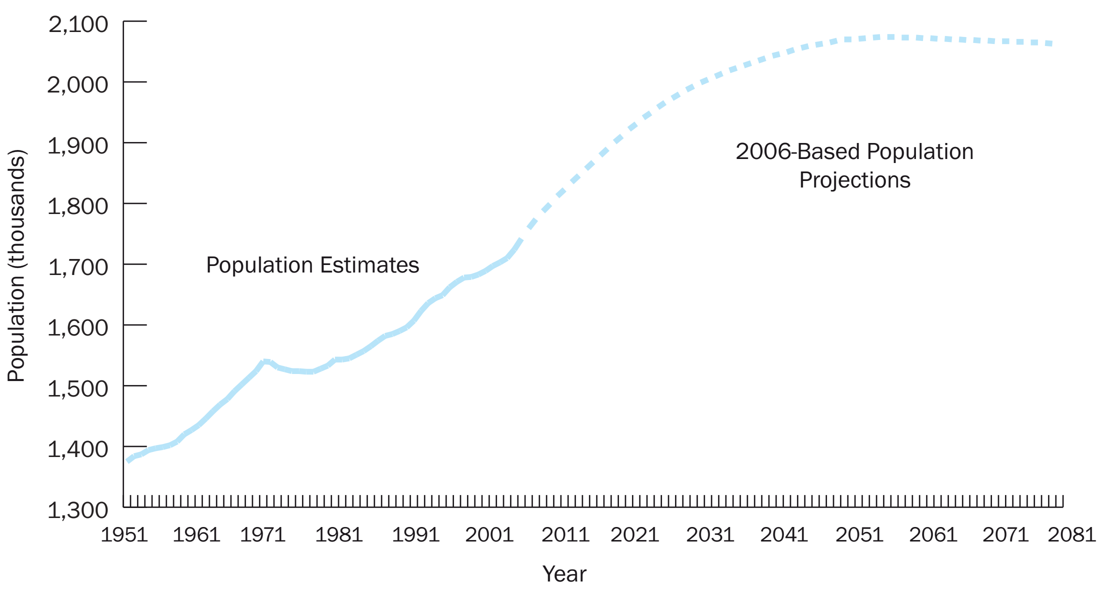
Projections Assumptions

Although the cohort component formula describes the projections process succinctly, in practice population projections are prepared by single year of age and sex. Starting from the base population, each age-sex cohort is successively aged on through each year of the projection period. Births are calculated in each projection period by applying assumed age-specific fertility rates to the female population of child-bearing age (taken as 15-44 years). For each cohort the projected number of deaths occurring in that year is calculated, based on an extrapolation of mortality trends, and then subtracted to give the surviving population in that cohort. Similarly, the assumed level of net migration is added (or subtracted if there are more out-migrants than in-migrants) to each age-sex cohort in each time period. The assumptions used in the 2006-based principal projections are outlined below.

Fertility Assumptions

A standard overall measure in making fertility assumptions is the Total Fertility Rate (TFR). The TFR gives the average number of children that a woman would be *expected* to have over the course of her child-bearing years.

Figure 1: NI Population Estimates (1951 to 2006) and Population Projections (2007 to 2081)



2 From 2020 onwards females will only be eligible for the state when they are aged 65 or more. The change in pension rules will be introduced incrementally over the period 2010 to 2020. Accordingly the number of women aged 60 to 64 who are of pensionable age will reduce over this period – the figures presented here reflect the current definition.

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The 2006 period TFR for NI was 1.94; i.e. based on the 2006 age-specific fertility rates, 1.94 is the number of children that a hypothetical "average woman" would have during her lifetime.

From 1971 to 2000, NI experienced sharply declining fertility rates[3], with the period TFR tumbling from almost 3.12 in 1971 to 1.75 in 2000. This downward fertility trend was reflected in the falling number of births that occurred in NI. However, since 2000, the decline has reversed and fertility rates have been steadily increasing. One reason for the recent upturn in fertility rates is *delayed fertility*, where women aged in their thirties are now having children making up for them not having babies when aged in their twenties. Clearly part of the uncertainty around the number of births in future years is that people make choices about the number of children that they might wish to have. Moreover some of those who will be making those choices in future years of the projection period have not yet been born themselves. To this end the assumption used in the projection series is a conservative one. The projections use a long-term cohort TFR for NI for the hypothetical "average woman" of 1.95 children in her lifetime.

Mortality Assumptions

There is less uncertainty around the projected number of deaths, not least because most of the population for whom mortality assumptions need to be made have already been born. The key requirement in projecting deaths is to make assumptions regarding the mortality of the population.

Trends over the last century have been generally of significant improvements in mortality. Indeed over the last thirty years mortality rates have fallen sharply with the overall NI mortality rate falling from 11 deaths per 1,000 population in 1976 to 8 deaths per 1,000 population in 2006[4].

The reduction in the number of deaths in recent years has occurred despite the population increasing in size and getting older. For example, in 1976 there were 17,000 deaths; 2,500 more than the number registered in 2006. However in 1976 there was 13% fewer people in the population than there is now and those aged 75 and over represented 4% of the population in 1976 compared with 6% in 2006. Indeed if the age-specific mortality rates of 1976 applied to the current population, the number of deaths registered would have been 11,000 higher.

Again, a standard measure is useful for illustrating current mortality trends and extrapolating into the future. The *expectation of life at birth* (EOLB) gives the number of years that a person would be expected to live, if that person experienced the age-specific mortality rates pertaining to the year of their birth. A rising EOLB signifies falling mortality rates, that is, people living longer.

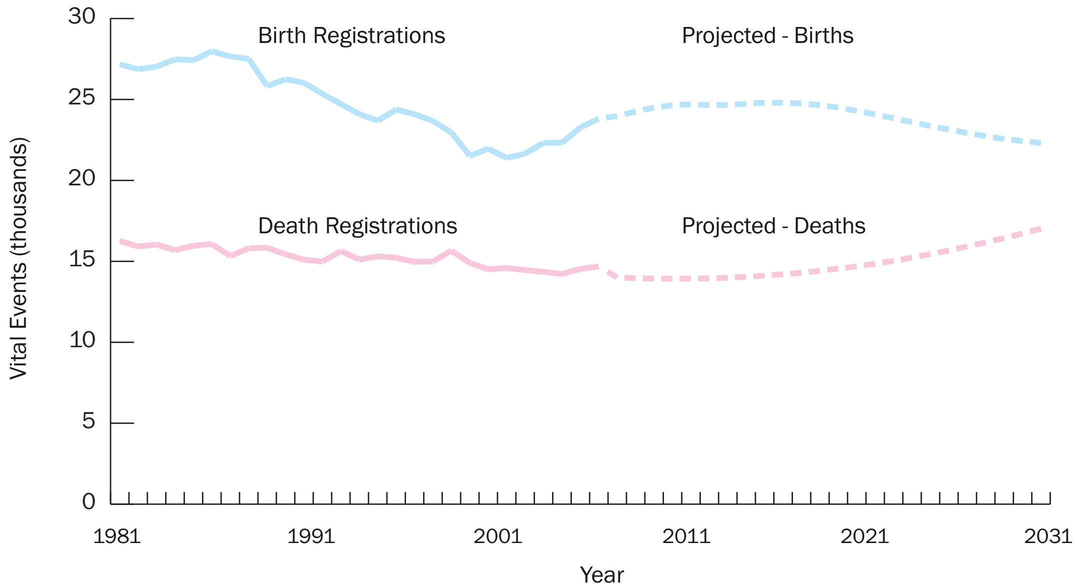
The projections assume mortality will continue to improve, as follows:

- **Males** – EOLB to rise from 76 years in 2006 to 82 years by 2031.
- **Females** – EOLB to rise from 81 years in 2006 to 86 years by 2031.

3 See O'Neill et al (2006) for a review of NI fertility trends.
4 See O'Reilly et al (2005) for a review of mortality trends in NI.

Tony Dignan, Economic Research and Evaluation
David Marshall & Gillian McCrory, NISRA

Figure 2: NI Estimated (1981 to 2006) and Projected Births and Deaths (2007 to 2031)



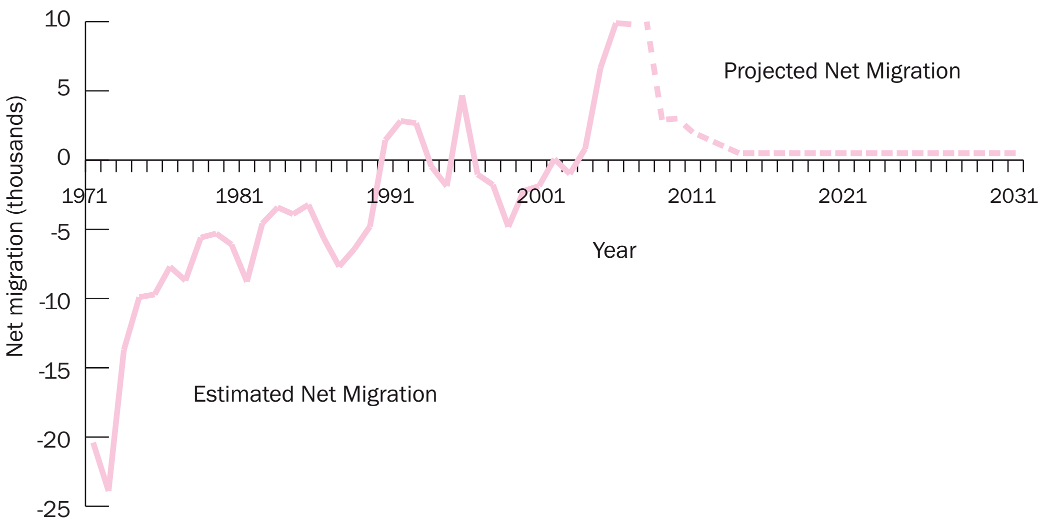
The projected numbers of births and deaths for NI are shown in **Figure 2**. Over the period to 2021, the projections indicate an annual average of around 25,000 births, tapering off to about 22,000 births by 2031. Deaths are expected to average out at 14,000 annually through to 2021, before rising steadily to 17,000 by 2031. Thus, for the first 15 years of the projection period, to 2021, natural change (births-deaths) will add around 10,000 persons per annum to the population but this will fall to 5,000 persons per annum by 2031.

Migration Assumptions

International and within-UK migration statistics are based on the United Nations definition of a *long-term migrant*[5]. The overall effect, net migration, is derived from the difference in two "population flows": the number of people coming to live in NI and the number of people leaving NI to live elsewhere.

Since the Second World War it is estimated that around 300,000 more people have left NI to live elsewhere than came here to live. Estimates of net migration for NI since 1971 are shown in **Figure 3**. The graph can be

Figure 3: NI Estimated Net Migration (1971 to 2006) and Projected Net Migration (2007 to 2031)



5 "A person who moves to a country other than that of his or her usual residence for a period of at least a year, so that the country of destination effectively becomes his or her new country of usual residence." - Taken from "Recommendations on Statistics of International Migration. UN 1998" available at **http://unstats.un.org/unsd/pubs/gesgrid.asp?ID=116**

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viewed in terms of three distinct phases of migration.

The first phase during the 1970s and 1980s was when NI experienced consistently large population loss due to migration from NI. Clearly, the impact of "The Troubles" was significant here. The second phase from the early 1990s until 2004 shows population movement in balance. However in the third phase since 2004 there has been a marked increase in net migration. This phase is related to the enlargement of the European Union in May 2004, when people from countries in Central and Eastern Europe were allowed to come to work in the UK and Ireland. Between July 2005 and June 2006 there was an overall gain in population (or net-migration) of 9,900 people.

In the principal NI projection, net migration is assumed to remain high in 2006/7 at a 10,000 person gain. This is projected to fall back to a 1,500 person gain by 2010/11 and remaining constant thereafter at +500 persons. These assumptions are subject to considerable uncertainty as migration presents the greatest difficulty in making population projections. In particular, migration flows are sensitive to economic conditions. Consequently, net migration can fluctuate in tandem with the economic cycle, making it more difficult to discern trends likely to be sustained over the longer term.

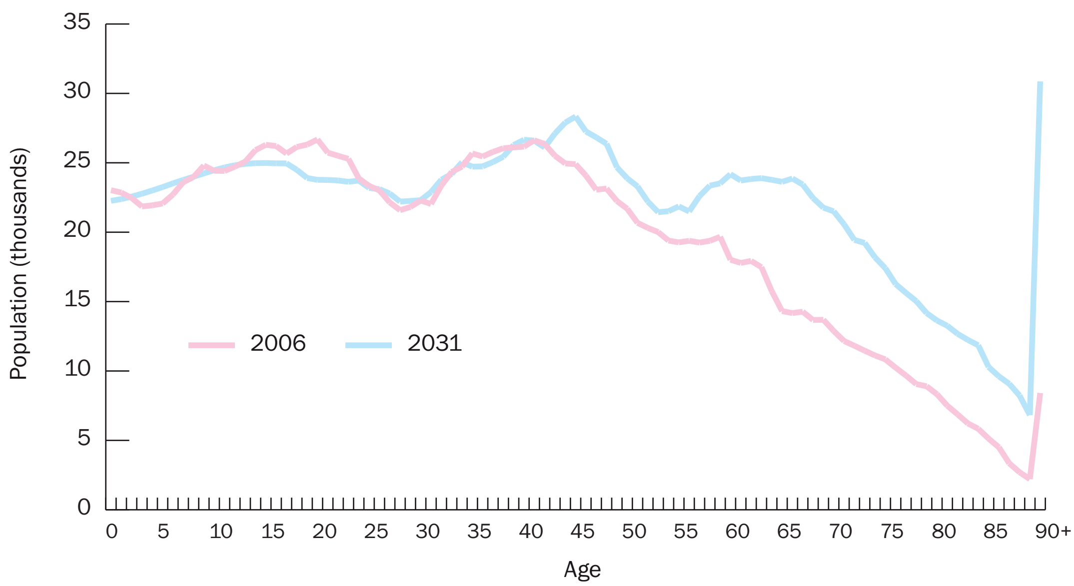
Nonetheless, and bearing in mind the uncertainty that is necessarily attached to migration assumptions, it is important to note that *the net change* in the NI population projection is driven by natural increase and not migration.

Projected Age Structure of the Population

The principal population projections by single year of age for the years 2006 and 2031 are shown in **Figure 4**. The figures show the faster growth in the older age group over this projection period. Whereas in 2006, the median age of the population was 36 years (i.e. half the population was aged 36 and under), it is projected that the median age will rise to 42 years of age by 2031.

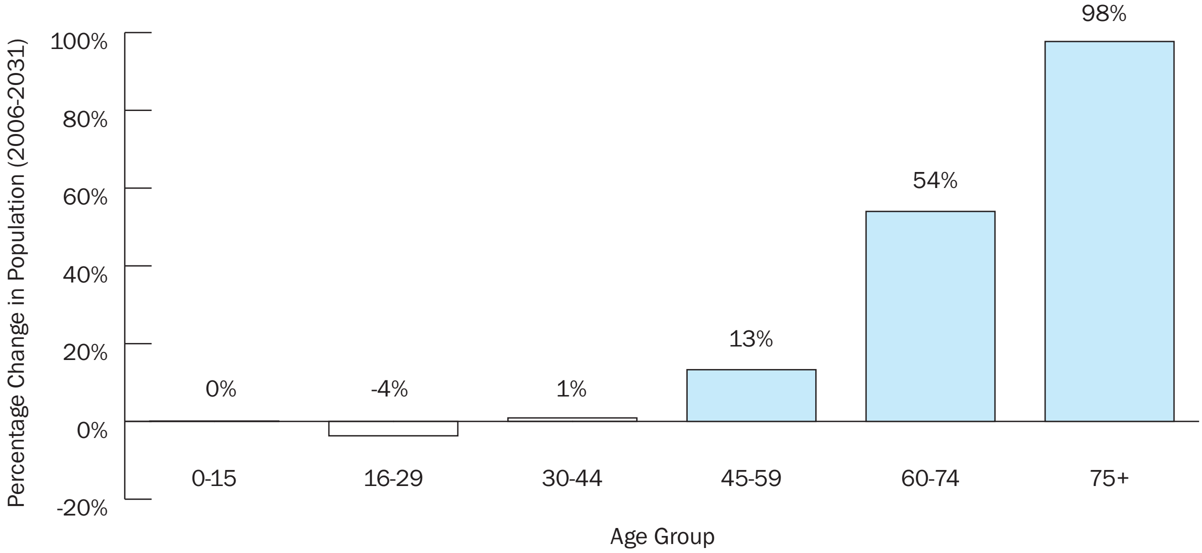
A particularly striking feature of the population projections is the

Figure 4: NI Estimated Population by age (2006) and Projected Population by age (2031)



Note: The large peak in the graph at 90+ is due to the inclusion of all persons aged 90 and over in this group.

Figure 5: Percentage Change in NI Estimated Population (2006) and Projected Population (2031) by age-group



growth in the number of persons in the older age groups. **Figure 4** indicates that the projections point to a near fourfold increase in the number of persons in the 90 and over age range, from 8,400 in 2006 to 31,000 in 2031. **Figure 5** shows, the number of persons aged 75 and over will almost double. There will also be a sharp rise in the number of persons aged 60-74 (+54%). Expanding by 13%, the age range 45-59 will rise in line with the NI average. The remaining younger age groups show no significant change.

The ageing of the population in the 2006-based projections is not a new phenomenon and has been signalled in all recent previous population projections. Partly, this reflects the fact that, with fertility rates falling since the 1970s and life expectancy continuing to improve, the trend is towards an older population. Indeed the 1960s saw very high levels of births in NI, the *baby boom,* and as these individuals age, against a backdrop of improving mortality, this will act to spur the growth in the older population in the next few decades.

Labour Market Implications of Population Projections

The projected increase in and ageing of the population clearly has considerable implications for planners and policy-makers across Government. At the UK level a major impact that the ageing of the population will have is in the continued provision of the state pension. To ensure equality between men and women the UK Government legislated to increase female pension age from 60 to 65 from 2010 to 2020. However to address further concerns the UK Government set up an independent commission on pension policy headed by Lord Turner (The Pensions Commission). The Commission was set up in December 2002 and published their final report in April 2006. The main thrust of the findings were that retirement age would have to rise, there would need to be higher private pension saving and an increased percentage of national income would need to be spent on state pensions. In terms of the labour market the UK Government has since legislated[6] for the state pension to increase for both men and women from 65 years to 68 years between 2024 and 2046.

In the economic development sphere, labour supply growth will be important in underpinning a growing economy. While the working-age population is projected to grow by around

6 The legislation passed through Westminster as part of the Pensions Act 2007 and Pensions Act (NI) 2008. Parliament has also passed further legislation (Pensions Act 2008) to encourage greater private saving towards pensions; most of the measures in this Act will come into force in 2012 and will include a duty on employers to automatically enrol all eligible workers into a good quality workplace pension scheme.

10-15% over the next 25 years, there is projected to be a shift towards greater representation of older working age groups in the labour force. This will bring challenges in managing and maintaining the labour supply. For example economic activity rates fall with age, therefore demographic projections indicate there will be downward pressure on overall economic activity levels. It is projected that this ageing effect will, over the next 25 years, have a 1% downward pressure on male economic activity levels. However this should be set against the overall increase in the working age population noted above.

Research[7] also suggests that population ageing will pose further issues such as ensuring that older workers' skills remain relevant to changing employer requirements. In addition an ageing workforce is likely to need to provide more care for elderly relatives and/or themselves have a greater chance of having a limiting long-term illness whilst still working. Furthermore if current trends continue older workers tend not to migrate for work and also are more likely to have childcare commitments. These issues will pose significant challenges and will require a more flexible approach to the labour force.

Added to this demand for products and services will evolve with greater demand coming from the older age-groups. This is likely to shift the focus in the economy towards sectors which provide for this demographic (e.g. greater demand for healthcare related products and services).

What is clear from these issues is that the ageing of the population is likely to have a significant impact on the economy and the labour market in particular. To cater for this change will require careful consideration of policy and also changes in attitudes towards older workers in the labour force.

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7 See Dixon (2003) on a more detailed review of the implications of population ageing on the labour market.

Migrant Workers in Northern Ireland: an Update

Dave Rogers, Analytical Services, DEL

This article updates the Northern Ireland position in relation to migrant workers. The accession of 10 countries to the EU in 2004 was followed by an in-migration of a considerable number of workers to NI from many of the new accession countries. Given the lack of information on migrant workers, work was set in train to collage and gather data in four key areas: numbers of migrant workers; experiences of migrant workers; the impact of migrant workers on the NI labour market; and attitudes towards migrant workers. This article reports on the progress made in this work.

Background

The two previous issues of the Labour Market Bulletin reported on the growing phenomenon of inmigration to NI – particularly from A8 countries that have acceded to the European Union in the past few years[1] – and also on the establishment of the Migrant Worker Sub-Group of the Race Forum that was established and led by DEL[2]. This article updates key information on data and research on migrant workers. The Sub-Group identified four key areas for attention where data were either sparse or lacking, and progress has been made in all four areas:

- **Numbers of migrant workers** – accurate and timely information on the numbers of migrant workers is an essential underpinning of both policy and service delivery. Progress on this strand is reported below.

- **Experiences of migrant workers** – eg employment, access to services, language issues, racism etc. The need for this information sparked a major research study of migrant workers, and a summary of results from that work can be found in Chapter 23 of this Bulletin.

- **The impact of migrant workers on the NI labour market** – eg levels of employment and unemployment; wages; skills gaps; employer experiences etc. This gave rise to another research project: progress is reported on below.

- **Attitudes towards migrant workers** – the response of the indigenous population to migration and migrant workers is also an important factor. Details of the outputs of the NISRA Omnibus Survey on attitudes is detailed in the following chapter (Chapter 22) of this Bulletin. It should be noted that the fieldwork for this study was May 2008: a follow-up will be conducted in June of this year.

Information on Migrant Numbers in NI

There is little doubt that the position in relation to migrant numbers is changing, not least due to the deteriorating economic and labour market situation. The years immediately following accession saw very substantial inflows of migrant workers into NI. Even without recession there are reasons to believe that flows could not have continued on the scale of the early years. Chief among these are the fact that other EU countries are opening up their labour markets to the new accession countries, thus widening the scope of workers from the accession countries for work. Also, the potential supply of migrant workers is not infinite: many who would be in a position – and inclined – to leave will have left in the years immediately following accession. These factors could reasonably

1 The A8 countries are Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Slovenia; and Slovakia. There were some restrictions put on rights to work for nationals of these countries following accession. Cyprus and Malta, which also acceded in May 2004, were not subject to similar restrictions.

2 Labour Market Bulletin #20 (2006), Chapters 29 and 30. Available at **www.delni.gov.uk/labour-market-bulletin-20.pdf**; Labour Market Bulletin #21 (2008), Chapter 10. Available at **www.delni.gov.uk/labour-market-bulletin-21.pdf**;

have been anticipated. Others will almost certainly have impacted on decisions vis-à-vis migration – for example the exchange rate, with recent falls in sterling making the UK less attractive to migrants who wish to repatriate some of their earnings. However the recent downturn in the labour market will almost certainly have a significant effect. At the moment, it is difficult to be definitive about precisely what effect that will be – in part, because the current poor economic circumstances are not restricted to NI or the UK but affect many countries, including the home countries of migrants. Also, many of the sources of data we have are lagging: they show what the position was some time ago, in many instances relating to a time period before the change in labour market conditions. Hence an assessment of the current position entails an element of interpolation.

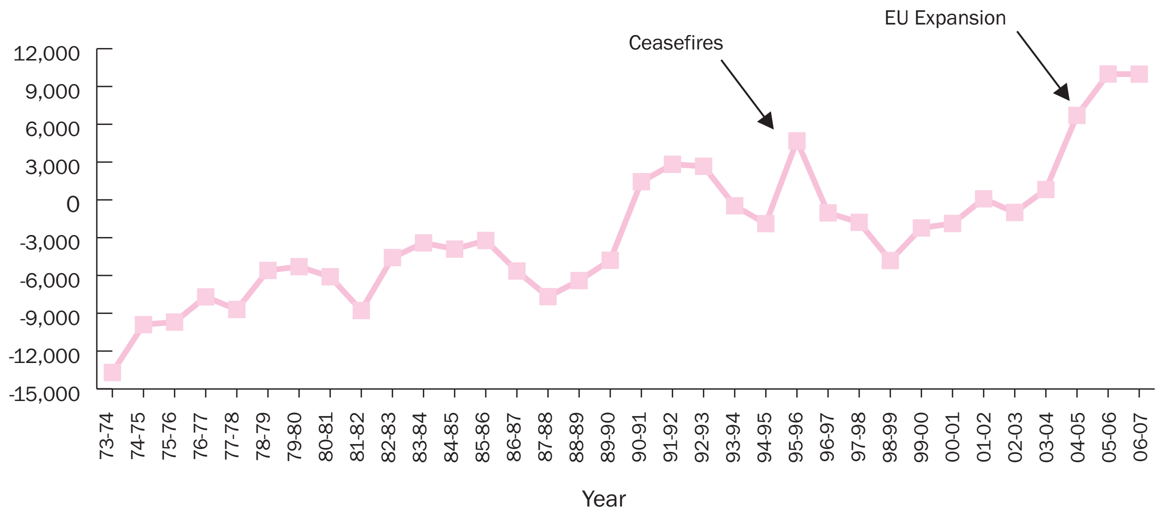
The most recent migration estimates published by NISRA relate to 2006/7. They show that net in-migration continues at a high level (nearly 10,000 more people came to NI in the year to mid-2007 than left: this figure was almost identical to that for the previous year): and this followed a year (2004/5) that itself experienced the highest net in-migration (+6,700) recorded in recent times (see below).

Information on the derivation of population data on migrants is available from NISRA's most recent migration publication[3]. However it is worth recapping on a key issue to be borne in mind when considering the number of migrants in general and migrant workers in particular: that is, there are a number of uncertainties around any figures derived. This is important due to difficulties and complexities surrounding the definitions of migrant workers, and the necessity to use proxies in some instances: these are covered at length in the NISRA paper and in last year's Bulletin article.

Other Information from the Worker Registration Scheme

The Worker Registration Scheme (WRS) was introduced in 2004 as a result of certain conditions placed on nationals of the A8 countries to allow them to work in the UK, including in NI. Basically most A8 nationals who wish to enter the UK to work as employees have to be registered by their employers on the WRS. WRS figures to the end of December 2008 show that there were nearly 5,800 applications in the year, down by a third on the figure for 2007 (8,500). Furthermore the figures for the last six months of the year showed that the numbers entering in 2008 were only half of the same period for

Figure 1: Estimated Net Long-Term Migration (NI) 1974-2007



Source: NISRA

3 NISRA (2008) "Long-Term International Migration estimates for NI (2006-7) (**www.nisra.gov.uk/archive/demography/population/migration/NI_Migration_Report(2007).pdf**)

Dave Rogers, Analytical Services, DEL

the previous year[4]. Since the establishment of the WRS in May 2004, NI has accounted for 3.9% of all UK applications (ie higher than its population percentage would suggest).

The main industrial sector for migrant workers was Administration, Business & Management, which accounted for nearly a third (30%) of all A8 employment, although this was smaller than the proportion for the UK as a whole (40%). It should be noted that these figures could be inflated, as agency workers may be recorded in this sector even if their actual job is in another sector. This issue is being explored through the survey of migrant workers (see Chapter 23, although these particular data have yet to be analysed). Manufacturing accounted for nearly a fifth of all employment, much higher than in the UK as a whole (17%: UK, 7%), and Food Processing accounted for 14% (UK, 5%). Hospitality and Catering and Construction form just over a tenth of A8 employment (10% for both, of UK figures of 19% and 4% respectively. Perhaps surprisingly, Agriculture accounted for only 6% of NI employment by A8 nationals: this was considerably below the UK figure of 10%.

Unfortunately statistics on Bulgarian and Romanian nationals coming to work in the UK are no longer published by region, so these data are not available.

Migrant Workers in the Population

Last year's Bulletin detailed the difficulties in estimating numbers of migrant workers in the population. Until recently, the only data available (at least, since the Census of Population) have been from the Labour Force Survey, and LFS data, although useful, have to be heavily caveated, as discussed last year. The latest LFS central estimate, which relates to Quarter 4 of 2008, shows that the central estimate of the number of non UK/Irish nationals in the working age population is 37,000, of whom 31,000 were in employment. These figures will be subject to sampling error.

Using these figures as a proxy for migrant workers would suggest that approximately 5% of the NI workforce in late 2008 comprised migrant workers.

However since last year significant progress has been made in relation to estimates of the A8 population, as NISRA have carried out a detailed examination of data sources to make more robust estimates of the A8 resident population in NI in 2007[5]. Note that the estimates relate to the population, not the number of migrant workers. NISRA used data from a variety of sources to make these estimates, the most important of these were birth registration data (births to foreign-born mothers) used to estimate the number of females aged 15-44); Worker Registration Scheme and Health Card data (used to estimate the number of males aged 15-44 and also the number of persons aged 45 and over); and birth registration data and information of school children with A8 languages (used to estimate the number of children). Full details – and caveats – can be obtained from the NISRA paper.

The main findings of the NISRA paper were as follows:

- the central estimate for the population of A8 nationals in the NI population in 2007 is 30,000.

- of these, an estimated 14,000 are males aged 15-44 and 10,000 are females in the same age band. Thus around 80% of the A8 population could be characterised as young adults. A further 4,000 are schoolchildren aged under 15, and 2,000 are older adults aged 45 or over.

- nearly half of the A8 population live in just four district council areas: Belfast (5,000; an estimated 1.9% of the district's population); Dungannon (3,700; 6.8%); Craigavon (3,100; 3.5%); and Newry and Mourne (3,000; 3.1%).

Further Demographic Work

Work is continuing under the auspices of the British-Irish Council to improve estimates of migrant statistics in the UK (and the constituent countries of the UK), RoI, and other members of

4 Further information can be found at **www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/reports/accession_monitoring_report**
5 See **www.nisra.gov.uk/archive/demography/population/migration/EstimatedA8Pop_2007.pdf**

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the council (Jersey, Guernsey; and the Isle of Man). To that end a meeting was held in Dublin in January 2009 and further progress will be reported through the Council[6].

Labour Market and Economic Impact

Research at UK and RoI level suggests that migrants have generally positive impacts of the economy and labour market, for example growing employment, filling of skills and labour gaps by migrants; although there were a number of potentially negative impacts, such as depressed wages; unemployment in indigenous population; exploitation of migrants themselves etc.

The NI labour market position until recently has been one of continuing employment growth (considerably??) since the accession of the A8 countries alongside falling unemployment. Also, in most years (2007 was an exception) median private sector wages rose more strongly than UK as a whole. These figures do not suggest any serious negative impact on the NI labour market, at least up to late 2008: in contrast they suggest that migration helped the labour market and the economy to grow.

However there are caveats to this. First, earnings may have grown: but from a low base. NI median wages in the private sector are still only 82% of the UK as a whole: and in NI, earnings growth stalled in 2007[7], before resuming again in 2008.

The inward and outward moves of migrants has significant labour market and economic implications: for example in meeting skills gap/shortages – both current and future. Understanding labour market impacts is crucial to enable optimal decision-making not only around what to do now, but especially how to plan for future skills provision. With this in mind, DEL have commissioned Oxford Economics to carry out a detailed assessment of the Economic, Labour Market, and Skills Impacts of Migrant Workers in NI. This work commenced in January 2009 and is due to report by the summer. It will provide a useful piece of evidence as we assess the impact of migration to date and, perhaps more importantly, an assessment of its possible impacts going forward.

Conclusion

This article – and others in the Bulletin – have shown that, from a low base, considerable progress had been made, and is continuing to be made, in gathering more and better information about migrant workers. Compared to a couple of years ago, our data on the numbers and characteristics of migrant workers here is considerably more robust. The survey of migrant workers, reported on later in the Bulletin, gives us an insight to the experiences of migrant workers – but also their skills and qualifications and their intentions, very important information for us to help plan for the future, and work that will be picked up on in the assessment of economic, labour market, and skills impacts that is under way and due to report in the summer. And finally, the evidence on public perceptions of and attitudes to migrant workers will provide baseline data should there be changes especially in a time of economic and labour market difficulties.

6 See **www1.british-irishcouncil.org**. Migration work is being carried out as part of the work programme of the Demography Workstream.
7 Source for figures in this section: Labour Force Survey; Annual Survey of Hours and Earnings **www.detini.gov.uk**

Attitudes towards Migrants – Results from the NI Omnibus Survey

Claire Hood, Analytical Services, DEL

This article reports the main findings from a survey of public attitudes towards migrant workers in NI which was carried out in May 2008. This is a repeat of the survey first carried out in early 2007. The questions asked remained the same and included views on people's perceptions of the impact of migrant workers on the labour market, economy and public services and on possible prejudice towards migrant workers.

Introduction

Since the accession of the A8 countries[1] to the EU in 2004 there has been a substantial increase in the level of migrant workers arriving in NI (for further information see Chapter 21 of this Bulletin). Whilst there is a general acceptance that migrant workers have made a positive contribution to the economy and society, there are indications that some public attitudes towards migrant workers were negative, for example as indicated by the incidence of racially-motivated attacks, some of which were directed at migrant workers. Also, it should be noted that the survey was carried out in May 2008, prior to the downturn in the economy and labour market which began last autumn. This module of the Omnibus Survey was repeated in May 2009 to determine if there have been any changes in attitudes since the 2008 survey was carried out: results will be available later in 2009.

In recognition of the significance of the problems faced by migrant workers and the implications of substantial numbers of migrant workers on society and on the provision of services, the NI Executive agreed that the Race Equality Forum was best placed to coordinate work on this issue. A thematic sub-group, chaired by the Department for Employment and Learning (DEL), was established in June 2006 and was tasked to produce a strategy and action plan. One of the recommendations in the Action Plan was that research should be undertaken into the public's perception to migrant workers in NI. As a result, DEL sponsored a series of questions in the January 2007 NI Omnibus Survey on attitudes to migrant workers. The same questions were asked again in the May 2008 NI Omnibus Survey in order to get an indication of any changes in the attitudes of the general population to migrant workers.

The NI Omnibus Survey

The NI Omnibus Survey is a sample survey conducted several times a year by the Central Survey Unit of the Northern Ireland Statistics and Research Agency (NISRA) and is designed to provide a snapshot of the behaviour, lifestyle and views of a representative sample of people in NI. Fieldwork for this survey took place in May 2008.

The survey comprises two parts: core questions about the respondents and their individual circumstances, and a variety of mainly attitudinal questions commissioned by clients.

The sample surveyed was drawn from the Valuation and Lands Agency list, the most up-to-date listing of private households in NI. At each address one person aged 16 or over was selected to participate. 1,183 interviews were achieved from an eligible sample of 1,970 individuals, giving a response rate of 60%. The sample is designed to be representative of the NI adult population.

1 The A8 countries are Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Slovenia; and Slovakia. Some restrictions were placed on the right to work in the UK by nationals of these countries following accession. Cyprus and Malta, which also acceded in May 2004, were not subject to similar restrictions.

Attitudes towards Migrants – Results from the NI Omnibus Survey

Claire Hood, Analytical Services, DEL

Findings

Some of the key findings from the 2008 Omnibus Survey are outlined below.

Contact with Migrant Workers

- 61% of respondents come into contact with migrant workers either daily or once or twice a week. This is a big difference from the results of the 2007 survey, with an increase of 12 percentage points, indicating that there has been a huge increase in respondent's contact with migrant workers.

Attitudes towards Migrant Workers

Respondents were asked about their assessment of the general feeling towards migrant workers of people in NI; and non-migrants were asked about their own attitudes.

- 27% of respondents think that NI people were very prejudiced towards migrant workers. The results are broadly similar to those from the 2007 survey, with a slight increase of 3 percentage points, indicating that respondents continue to think that NI people are very prejudiced towards migrant workers. However, only 4% of respondents consider themselves to be very prejudiced – although 31% describe themselves as "a little prejudiced". Again the results are broadly similar to those from the 2007 survey with a slight increase of 1 percentage point and 3 percentage points respectively, indicating that respondents continue to think they themselves are prejudiced towards migrant workers.

Migrant Workers, the Economy and Jobs

Respondents were asked whether they thought that migrant workers benefit the NI economy or not; whether they think that migrants are harder working than locals and prepared to work for lower wages; and whether they consider that migrants take up jobs that local workers don't want and if they take jobs away from local people.

- 50% of respondents agree or strongly agree that migrant workers are generally good for the local economy. The results are similar to those from the 2007 survey, with a slight increase of 1 percentage point, indicating that respondents increasingly feel migrant workers are generally good for the economy.
- 44% of respondents feel that migrant workers take jobs away from people who were born in NI. The results are similar to those from the 2007 survey, with a slight decrease of 1 percentage point.
- 28% of respondents agree or strongly agree that migrant workers come to NI just to get social security benefits. The results are similar to those from the 2007 survey, with a small increase of 3 percentage points, indicating that respondents increasingly feel migrants come to NI just to get social security benefits.
- 17% of respondents consider migrant workers were more law abiding than locals - although 45% took a contrary view.
- 60% of respondents agree or strongly agree that migrant workers are more hard working than local workers.

Services, Benefits and the Law

Respondents were asked about their views of the impact of migrant workers on services; the extent to which they felt that migrants came here to avail of social benefits; and whether they were more law-abiding than locals or not.

- 71% of respondents feel that the number of migrant workers coming to NI puts a strain on services.
- 74% of respondents think that migrant workers mostly take up jobs local workers don't want.
- 83% of respondents agree that migrant workers are prepared to work for lower wages than local workers.

Restrictions on Migrant Workers

With the accession of Romania and Bulgaria to the EU in January 2007, the UK government introduced more stringent controls that were put into place when the A8 countries joined nearly three years previously. There were also controls in place

Attitudes towards Migrants – Results from the NI Omnibus Survey

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on those entering from outside the EU. As part of the survey people were asked whether government should place more restrictions on migrant workers; fewer restrictions; or whether the current arrangements were just right. 55% of respondents feel that government should place more restrictions on migrant workers. The results are broadly similar to those from the 2007 survey, with a slight increase of 3 percentage points, indicating that respondent's views have hardened slightly in the last year.

Responses to the questions are presented in the report broken down by age group; gender; religion; socio-economic group; employment status; economic activity; highest educational qualification; urban/rural split; and by area (Belfast; East of NI; and West of NI). There are some differences[2] in responses by different groups:

- Younger respondents (those aged under 25) are less likely to think that government should place more restrictions on migrant workers (44%) than older respondents (53% for those aged 25-44; 62% for those aged 45-64[2]; and 54% for those aged 65 and over).
- Males (56%) are more likely[3] than females (54%) to want more government restrictions on migrant workers, whereas Catholics (43%) are less likely than Protestants (66%) to want greater restrictions.
- 56% of respondents from the managerial and technical social group favour greater restrictions which is the same for skilled manual workers.
- Just over a half (55%) of those in paid employment and three-fifths (60%) of those not in paid employment want greater restrictions. The results were similar for economic activity (i.e. economically active respondents less likely to want more restrictions).
- Just over two fifths (42%) of those with a degree wanted greater restrictions compared to 59% of those without qualifications. However the pattern was not simple – 60% of those with higher education (other than a degree) also wanted greater restrictions.
- There was no difference[4] between respondents from urban and rural areas - 56% of respondents from urban areas wanted greater restrictions compared to 53% of those from rural areas.
- There does not appear to be a difference by geography – only 57% of those from Belfast wanted greater restrictions compared to 55% of those from the East of NI and 54% of those from the West of NI.[5]

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KEYWORDS:

Migrant workers; respondents; contact; attitudes; jobs; benefits; restrictions.

2 Differences are statistically significant at the 99% level unless indicated otherwise.
3 Significant at 95% level.
4 Urban/rural difference is not statistically significant.
5 The difference between Belfast and the East of NI is statistically significant at the 99% level. However the difference between Belfast and the West of NI is only significant at the 90% level. There is therefore a 10% possibility that this difference is due to chance.

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Bulletin 22

The Experiences of Migrant Workers in Northern Ireland: Preliminary research findings

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The Department for Employment and Learning (DEL) commissioned a survey of migrant workers in Northern Ireland in 2008. This work, carried out by the Institute of Conflict Research (ICR) and the South Tyrone Empowerment Programme (STEP), collected information on the experiences and characteristics of more than 400 migrant workers through a mixture of survey and interviews, and will enhance the evidence base on this group for policy makers, service deliverers, and will inform the debate in this area. This article presents preliminary findings from the research.

Introduction

Over the last ten years, the nature of population movement in NI has changed dramatically; what was previously a region of large-scale out migration has become a net recipient of migrants, many of whom have come to work here. The most recent figures produced by the Northern Ireland Statistics and Research Agency (NISRA) estimate that migration has added almost 10,000 residents to the population in each of the last two years (NISRA 2008a). Further NISRA estimates suggest that at the end of 2008 there were 30,000 migrants from A8 countries living in NI, primarily in Belfast, Dungannon, Craigavon and the Newry & Mourne areas (NISRA 2008b).

In 2008 ICR and STEP were commissioned by DEL to conduct a large-scale study into the experiences of migrant workers living in NI. This research will inform the work of DEL but will also feed into wider considerations discussed regularly by the Thematic Sub-Group on Migrant Workers convened under the auspices of the Racial Equality Forum.[1] The research included a distribution of a seven-page questionnaire through a variety of contact networks, and conducting semi-structured interviews and focus groups with migrant workers and their families, as well as with representatives from support and advice organisations.

This brief article summarises the preliminary findings of the research and focuses on the following elements: the demographics of the population of migrant workers in NI; the history of migration and reasons for coming here; employment data; education; and finally, on their future intentions.

Background

There have been a number of studies researching the experiences of migrant workers in NI since ICR carried out baseline research in 2004. However, most subsequent studies have either focused on the impact of migration on limited geographical areas (eg ANIMATE 2005, 2006; Betts and Hamilton 2005; Hamilton and Byrne 2007; Jarman and Byrne 2007; McVeigh 2006) or have been related to specific sectors or elements of service delivery (e.g. Hamilton and Betts 2006; NIHE 2007; Watt and McGaughey 2006). In 2006 the Migrant Worker Thematic Sub-group highlighted the gap in data relating to migrant workers' socio-economic background and professional experience before and since moving to NI and as a result DEL commissioned ICR to look more closely at those issues, and to survey a large sample of the new migrant population across NI.

The aims of the research were threefold:

- To collect information about migrant workers' personal profiles, migration history and their professional experience outside of and in NI;

1 For details of the NI Racial Equality Strategy see the website of the Office of the First Minister and Deputy First Minister **www.ofmdfmni.gov.uk/index/equality/race.htm**

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- To assess their experience of every-day life in NI, including experiences of access to services, social life and relationships with the wider community; and
- To gauge the future plans of migrant workers, for instance, whether they intend to settle in NI (temporarily or permanently) or move to jobs elsewhere, including in their home countries.

The aim of the study was also to provide a profile of migrant workers and a view, as representative as possible, of the experiences of people subject to different types of restrictions imposed by UK immigration laws. The study focused on those migrant workers who had arrived in NI since 2000.

Methodology

In the course of the research, the ICR/STEP team surveyed the experiences, attitudes and opinions of a sample of over 300 migrant workers, which reflects the increasingly diverse range of this section of the population. The questionnaire included a number of questions designed to gather the variety of information required by the aims of the study. These related to the:

1. Personal characteristics of the respondent;
2. Educational background, including the level and nature of qualifications;
3. Factors behind the decision to migrate, and for choosing NI as a destination;
4. Migration history;
5. Previous labour market experience in and outside of NI;
6. Experience of living in NI;
7. Relationship with the wider community; and
8. Future intentions.

Given the lack of a sampling frame, the study used a purposive sampling method. Potential participants were contacted through a range of statutory organisations, community-based and support groups and employers. The research team also attended events and activities where it was known migrant workers would attend. In order to try to reach a wider pool of respondents the research team also contacted individuals who attended English as a Second Language classes.

The research team also conducted semi-structured interviews and focus groups with 103 migrant workers and members of their families to allow for a more in-depth exploration of some of the key-issues. The interviews were mainly conducted in one-to-one meetings, but small focus groups were also convened as it was deemed to be more practical in certain situations. Additionally, the team conducted a small number of interviews with representatives of organisations that provide support, advice, interpretation and other services to migrant workers.

The following sections present preliminary findings based on the analysis of 319 questionnaires completed by migrant workers who have come to live in Northern Ireland since 1 January 2000.[2] The full report will be published by DEL in the first half of 2009 and will provide a more in-depth analysis of the emerging issues.

Demographics and Family Life

Of the 319 respondents to the questionnaire, 190 (60%) were female and 129 (40%) were male. The age profile of those respondents who provided their date of birth indicates a relatively young population, with almost half of respondents (48%) between the ages of 25 and 34. A further 23% were between the ages of 18 and 24 years while 20% of respondents were between 35 and 44 years old. Only 8% of respondents were over 45 years of age (**Table 1**).

More than half of all respondents to the survey came from the A8 countries (66%), with a third of all respondents in A8 group being Polish (60%). A further 10% of respondents from A8 countries were Lithuanian, and 6% came from Slovakia. In respect of the overall sample (all 319 respondents) the next largest group of respondents were from non-EU countries

2 Quantitative data was analysed using the Statistical Package for Social Sciences (SPSS). For the purposes of the presentation of preliminary findings percentages have been rounded up to the nearest whole number.

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Table 1: Age Profile of Respondents

Age	Frequency	Percent
Below 18[3]	2	1
18-24	72	23
25-34	149	48
35-44	61	20
45-54	23	7
55-64	4	1
65 and over	0	0
Total	**311**	**100**

(18%), followed by other-EU and EEA countries (14%) and A2 countries (2%). For those individuals for whom information was available, 78% were of a white ethnic background. The second largest ethnic group was Asian (7%), while 4% of respondents were from a Chinese ethnic background and a further 4% identified themselves as Indian.

The profile of respondents suggests that they are broadly representative of the migrant population with some qualifications. One of the difficulties of this study is the lack of a sample frame or even of definitive estimates of the size and nature of the migrant population. However data from NISRA publications referred to above suggests that the migrant adult population is largely dominated by those from eastern Europe, particularly Poland and Lithuania; and is predominantly young. One area of divergence though is the fact that population estimates suggest a slight plurality of male migrants, whereas the survey sample has a higher proportion of female respondents.

Respondents were asked to provide information relating to personal/family relationships. Of the total survey sample, 68% stated that they had a partner. For the majority of respondents who were in a relationship, their partner was from their home country (80%), while 12% of respondents had a partner from NI. A significant majority of those who stated that they are in a relationship indicated that their partner currently lived in NI (90%), and only 10% indicated that their partner currently lived 'elsewhere', predominantly the country of origin (**Table 2**).

Table 2: Country of Origin of Spouse/Partner

Country	Frequency	Percent
Home Country	171	81
NI	25	12
Elsewhere in the UK	1	0.5
RoI	1	0.5
Other	14	7
Total	**212**	**100**

N.B Percentages are rounded to the nearest whole number and may not sum to 100.

120 respondents to the questionnaire (39% of the overall sample) recorded that they had children. Of those who had children, 94 respondents (80%) stated that their children live in NI.[4] It should be noted, however, that only 21% of respondents who had children stated that they had been born in NI, indicating that the majority of children joined their parents at some stage by moving to NI from their home country.

Respondents were also asked where they lived either by recording the name of the town or providing their postcode. The preliminary data shows that the majority of respondents (78%) lived in an urban area while 22% of respondents lived in rural areas. The definition of the urban/rural distinction used for the analysis was based on the classification as defined by the Inter-departmental Urban-Rural Definition Group.[5]

3 Two respondents below the age of 18 were students.
4 There were 26 missing responses.
5 See, **www.ninis.nisra.gov.uk/mapxtreme_towns/Reports/ur_report.pdf**

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Coming to Northern Ireland

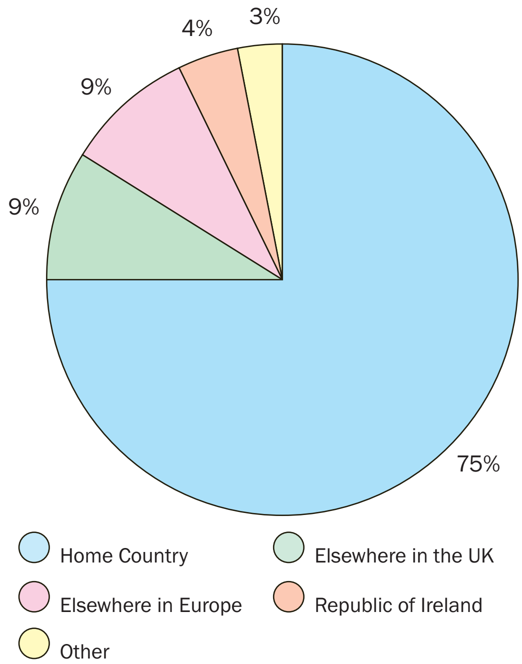
Respondents were asked on what date they had arrived in NI (**Table 3**). Half of all respondents (50%) stated that they had arrived in here from 1 January 2007 onwards, while 41% of respondents indicated that they had arrived between 1 May 2004 and 31 December 2006. Only 9% of respondents arrived here prior to 30 April 2004. Respondents from the A8 and A2 countries were more likely to have come here since the accession of those countries to the EU with only 3% of respondents from A8 countries arriving prior to 30 April 2004. Respondents from other EU or non-EU countries were more likely to have come to NI earlier than their Eastern European counterparts; this linked to the nature of recruitment of workers by local businesses and public services prior to the enlargement of the EU, and the nature of work restrictions prior to EU enlargement. 18% of respondents from non-EU and 20% of respondents from other EU countries arrived in NI before the 30 April 2004. Of the total sample, 75% of respondents came directly from their home country, while 9% came from elsewhere in the UK and a further 8% from another European country (see **Figure 1**).

Table 3: Date of Arrival in NI

Arrival Date	Frequency	Percent
1st January 2000 – April 30th 2004	27	9
1st May 2004 – December 31st 2006	132	42
1st January 2007 - onwards	158	50
Total	**317**	**100**

N.B Percentages are rounded to the nearest whole number and are thus subject to rounding

Figure 1: Country of residence prior to coming to NI



The questionnaire afforded individuals the opportunity to list all reasons why they came here. These reasons included: to improve levels of English (53%), to look for a job (51%), to travel and see another country (40%), and to join their partner/spouse (22%). It is worth noting that one third of respondents (33%) indicated that one of the reasons that they came to NI specifically was because they knew people who were already here.

When asked about their *main reason* for coming, 32% of respondents noted that this was to look for a job while 21% stated that they had arrived to take up a pre-arranged employment. During interviews many people stated that they did not specifically choose to come to NI as a region of particular interest; they came because that is where the jobs were. In many cases, people chose to come here as their friends or family had told them that they would be able to find work or had arranged work for them. Other interviewees reported that they came in order to join their family who had already moved here. A number of interviewees indicated that they chose NI rather than other destinations in the UK or Ireland because of a lower cost of living and quality of life issues.

The survey data also highlighted a number of other main reasons why people decided to come to NI. These included the desire to improve their level and standard of English, which was the main reason for 16% of respondents, while 15% of respondents came to join their partner or spouse. The responses to this question would appear to be impacted upon by gender, with 31% of women coming to NI to join their spouse or family compared to just 8% of men.

Table 4: Employment status

Employment status	Frequency	Percent
Employed (full-time or part-time)	245	77
Unemployed	28	9
Student	14	4
Homemaker	10	3
Other	9	3
Self-employed	7	2
Retired	1	0
Not Known	5	2
Total	**319**	**100**

Employment Information

One of the primary aims of the study was to assess the position of migrant workers in the labour market in NI. The data analysed to date shows that 77% of the total number of respondents were currently in full-time or part-time employment, while a further 9% of respondents were unemployed (**Table 4**). This data compared to 65% of respondents who had been in full or part-time employment and 8% who were unemployed prior to coming to NI. Women were three times as likely to be currently unemployed (13%) when compared to males (4%). Respondents who were non-EU nationals were also more likely to be students here (18%) than their counterparts from Europe (3%).

The majority of respondents (88%) currently had a national insurance number, while a further 4% had just applied for one. The least likely to have a national insurance number were respondents from outside the EU (22%) compared to just 2% for other EU nationals and 4% for A8 nationals.[6] Over a quarter (28%) of the total sample had obtained a work permit, and 10% an accession worker card. More than one third of respondents (36%) recorded that none of these were applicable to them.

In relation to the total sample, 43% of respondents were registered with the Worker Registration Scheme (WRS), with 77% of respondents from A8 countries were WRS registered. It should be noted that 9% of other EU and 7% of non-EU nationals stated they had registered with the WRS despite the fact that only A8 nationals are required to register under this scheme. This perhaps reflects a degree of confusion amongst some respondents with regards to the elements of the bureaucracy of registration regimes.

Employment in Northern Ireland

For those respondents who provided information, 39% found their job by applying directly to their employer in NI, 25% found their job via a family member or friend and 17% were recruited by an agency once in NI. Only 6% of respondents were recruited by an agency in their home country prior to coming to NI.

Table 5 shows that over one third of respondents (36%) who provided the necessary

Table 5: Length of time in current main job

Time in Job	Frequency	Percent
Less than six months	95	36
Between six months and one year	48	18
Between one year and two years	70	27
Between two years and four years	38	15
More than four years	11	4
Total	**262**	**100**

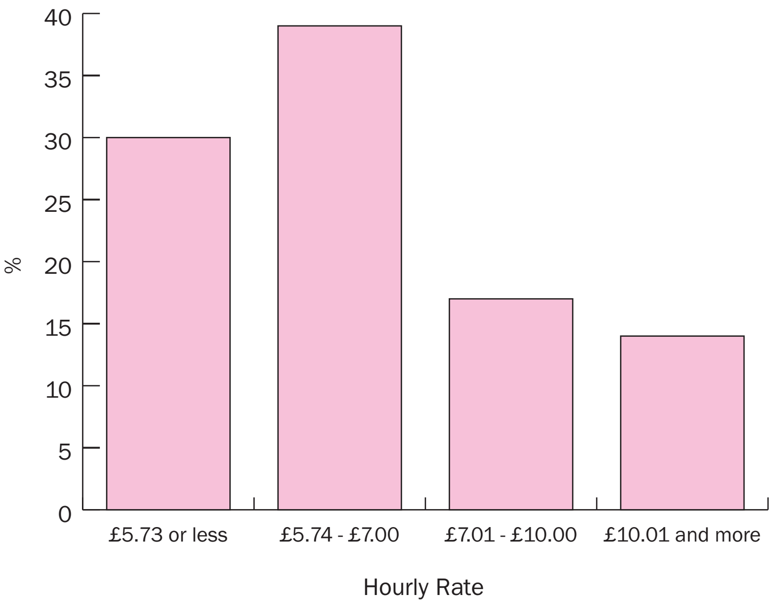
6 54 respondents from non-EU countries answered the questions about employment status and whether or not they had a National Insurance number. The cross-tabulation of nationality grouping, employment status and NINo status revealed that 22% of them did not have NINo in Northern Ireland (12 respondents). This included: 3 respondents who were employed (part-time or full-time), 1 respondent who was self-employed; 3 respondents who were unemployed; 2 respondents who were students; 2 respondents who stated that they were homemakers, and 1 respondents who stated that he/she had 'other' employment status.

information had been in their current main job for six months or less, while a further 18% had been in their job less than one year. Only 4% of respondents stated that they had been in their current main job for more than four years, perhaps not surprising given that a significant number of respondents were relatively recent arrivals to NI.

67% of respondents for whom information was available worked between 21 and 40 hours per week, while 16% worked between 41 and 50 hours, with 3% working more than 50 hours per week. A further 14% of respondents indicated that they worked 20 hours per week or less. Over half of respondents for whom information was available (56%) were satisfied or very satisfied with their hours of work, while 58% of respondents were satisfied or very satisfied with their current terms and conditions.

In relation to pay, 87% of those individuals who answered the question indicated that they were paid by their employer, while 12% were paid by an agency or labour provider. The hourly rates of pay varied significantly with 38% of respondents earning between £5.74 and £7.00 an hour, 17% between £7.01 and £10 and 15% earning £10.01 and above. Just under a third 30% of respondents reported that they were on a rate equivalent to the current National Minimum Wage (NMW) for those aged 22 and over (£5.73) or less [7] (**Figure 2**).

Figure 2: Rates of pay



When analysed further, the data illustrate that males are more likely to earn between £7.01 and £10 than their female counterparts (25% compared to 11% respectively). 17% of males earned £10.01 an hour or above compared to 12% of females. Females were more likely to earn between £5.74 and £7.00 (47%) than males (27%).

Respondents from A8 and other EU countries were more likely to earn current NMW or less than respondents from outside the EU. Almost one third of respondents (32%) from the A8 countries and 38% of respondents from other EU countries earned current NMW or below compared to 16% of respondents from outside the EU. For those individuals for whom information was available, 12% had problems receiving their pay while 8% had problems linked to their holiday entitlement. Of those respondents who provided information, 31% were satisfied with their rate of pay, 6% were very satisfied, 18% were very dissatisfied and 6% dissatisfied. Over one third of respondents (37%) were neither satisfied nor dissatisfied with their rate of pay.

Respondents were asked to note their employment history on the questionnaire with sufficient information provided as to enable the researchers to code respondents' employment into both Standard Occupational Classification (SOC) level categories and Standard Industrial Classification (SIC) categories for employment sector. This approach enabled the researchers to not only analyse what types of jobs migrant workers were currently working in, but also allowed a comparison to the job type and sector of previous employment

7 The NMW changed during the course of the research. The current minimum wage of £5.73 was used for coding purposes in all cases. It should also be noted that this rate is for those aged 22 and above: the NMW for those aged 18-21 is currently £4.77

in both the country of origin and in NI (if the respondent had changed jobs since their arrival to NI) with a view to establishing any trends in labour market progression.

Individuals in lower graded employment (SOC Levels Eight and Nine[8]) tended to be, perhaps unsurprisingly, less satisfied with their rates of pay than some of those respondents working at higher-level occupations. 29% of respondents working as process, plant or machine operators (SOC Level Eight) were dissatisfied or very dissatisfied with their rate of pay, while 25% of respondents working in elementary occupations (SOC Level Nine) were dissatisfied or very dissatisfied with their rates of pay. In contrast, only 3% of respondents working in associate technical and professional occupations (SOC Level Three) were dissatisfied or very dissatisfied with their rate of pay; indeed 31% were either satisfied or very satisfied. There also appeared to be a greater degree of ambivalence towards rates of pay amongst employees working in SOC Levels Eight and Nine professions, with 41% of process, plant and machine operators neither satisfied nor dissatisfied with their rate of pay and 42% of those working in elementary occupations neither satisfied nor dissatisfied with their wage.

The data indicated very few examples of individuals having deductions made from their pay other than those made for tax and national insurance. Indeed, 90% of respondents recorded pay deductions for tax and national insurance, 5% noted that deductions had been made for food, 8% for clothing/equipment, 2% for transport and less than 1% recorded deductions for housing.

In terms of training, 70% of respondents who answered the question indicated that they had received training after they began work and 76% of respondents had received health and safety training. A further 21% of respondents had been promoted since they started work. Only one in five respondents were members of a trade union (20%).

There appeared to be a degree of uncertainty amongst respondents as to whether or not their employment experience or educational qualifications were recognised in NI. Of those respondents for whom information was provided, over 40% did not know if their employment experience was recognised, 34% felt that their experience was recognised and nearly 26% felt that it was not recognised. In terms of educational qualifications, again 38% did not know whether or not these qualifications were recognised in NI. More than one quarter of respondents (30%) felt that their educational qualifications were recognised in here while one third of respondents (32%) believed that their qualifications were not recognised.

Employment: Labour Market Comparison

In terms of employment by sector in the labour market there were similar levels of employment in the health and social work sector in NI in comparison to the sector of employment in which the respondents worked in the country of origin. The preliminary data would suggest that a higher proportion of respondents were working in the manufacturing and accommodation/food service sectors here than had been the case in their previous employment in the country of origin. The proportion of respondents working in the manufacturing sector in NI is higher than had been the case in the country of origin (22% compared to 13%), while 16% of respondents were currently working in the accommodation and food service sector compared to 13% in their home country (**Table 6**).

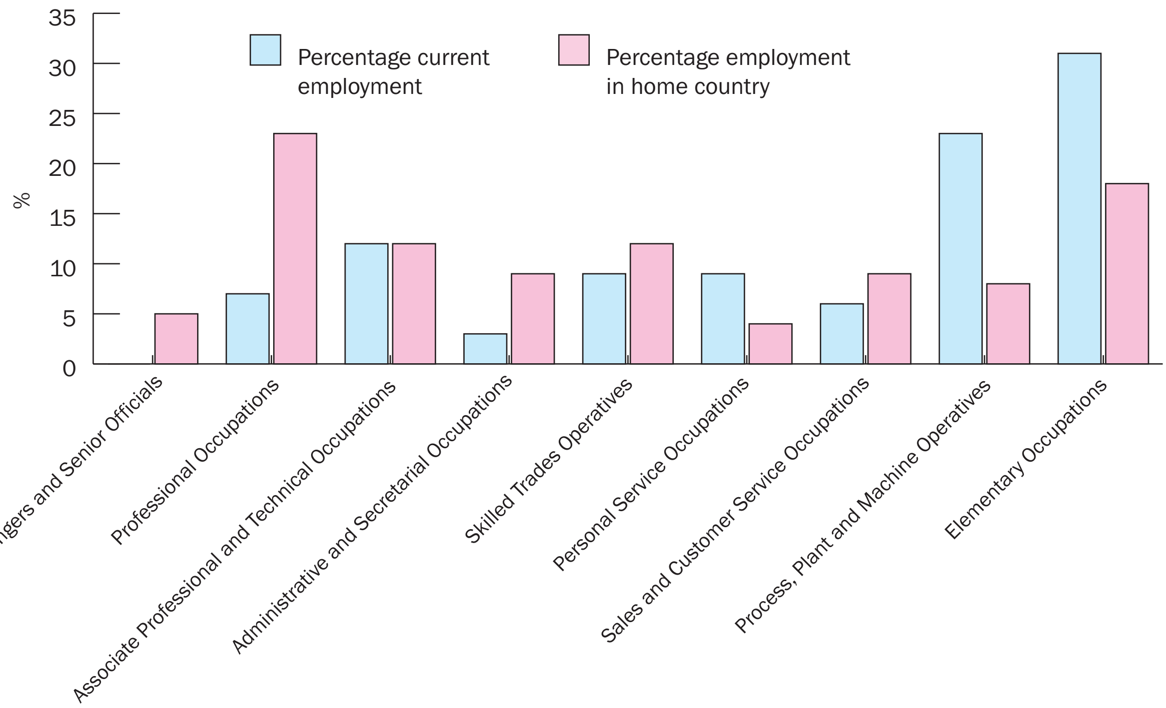
8 There are nine employment groups identified under SOC ranging from level one which includes managers and senior officials to level nine which consists of individuals working in elementary occupations.

Table 6: Standard Industry Classification – comparison

SIC Code	Percent in NI	Percent in home country
Agriculture, forestry and fishing	1	1
Manufacturing	22	9
Electricity, gas, steam and air conditioning supply	0	0.5
Water supply, sewerage, waste management and remediation activities	1	0
Construction	5	5
Wholesale and retail trade; repair of motor vehicles and motor cycles	8	11
Accommodation and food service activities	16	9
Transport and storage	3	3
Information and communication	3	6
Financial and insurance activities	1	2
Professional, scientific and technical activities	3	3
Administrative and support service activities	4	3
Public administration and defence; compulsory social security	1	3
Education	6	7
Human health	5	5
Arts, entertainment and recreation	0	2
Other service activities	1	0
Activities of households as employers; undifferentiated goods and services producing activities of households for own use	0.5	1
No information	19	29
Total	**100**	**100**

In terms of specific jobs, the results indicated both a progression in the labour market, as well as some individuals working at a lower level than in their country of origin. Less than 1% of respondents were currently working in NI as managers or senior officials compared to 5% who had been doing so in their country of origin. Perhaps more striking is the fact that only 7% of respondents were currently working here in professional occupations (SOC Level Two) compared to 23% who had been doing so in their country of origin (see **Figure 3**).

Figure3: Employment history



At the other end of the SOC scale, 8% of respondents indicated that they were working as process, plant or machine operators (SOC Level Eight) in their home country, but 23% were working in these jobs in NI. Similarly, 18% of respondents worked in elementary occupations (SOC Level Nine) in their home country compared to 31% in NI. Therefore, 26% of respondents indicated that they worked in Level Eight or Nine SOC coded occupations in their country of origin, but nearly twice that proportion of respondents stated that they were now working in these types of jobs in NI (54%).

There was evidence of some progression in the labour market in relation to current and previous employment in NI. Of those individuals who worked previously as process, plant and machine operators in NI, 40% indicated that their current job was at the same level. However the remaining 60% were all currently working at SOC level codes above that of their previous employment in NI. This included 20% of respondents who were now working as skilled trades operatives with previous experience of working as process, plant and machine operators.

Education and the labour market

Table 7 shows 41% of respondents to the survey indicated that they held a higher educational qualification, while a third (32%) had a further education qualification.[9] 19% of respondents had A-level or equivalent qualifications and only 7% of respondents had qualifications lower than A-levels. The vast majority of

Table 7: Highest educational qualification

Highest qualification	Frequency	Percent
Higher Education	109	41
Further Education	86	32
A-level equivalent	52	19
Lower than A-level	20	7
Total	**267**	**100**

N.B Percentages are rounded to the nearest whole number and thus subject to rounding

9 Further qualifications related to technical and vocational qualifications while Higher education refers to an undergraduate university degree or above.

respondents attained their highest educational qualification in their home country (95%), only 3% of respondents had gained this qualification in NI.

Respondents were also asked to provide details of at what age they finished full-time education. Almost one third of respondents (32%) finished full-time education between the ages of 18 and 19 while 45% finished education between the ages of 20 to 24. 12% of respondents finished their education between 25 and 29 years of age, while 3% finished full-time education aged 30 years and above.

38% of those respondents in professional occupations (SOC Level Two) had a higher educational qualification while 76% of respondents working in associate, professional and technical occupations (SOC Level Three) had a higher-level qualification. However, there were also examples of individuals working at a job level potentially inconsistent with their educational qualifications. The data shows that 53% of respondents who worked in SOC Level Eight jobs as process, plant and machine operators had further or higher educational qualifications. It was also apparent that 53% of respondents who were currently working at SOC Level Nine in elementary occupations held further or higher educational qualifications. The analysis of information from qualitative interviews suggests that this situation may be related to levels of knowledge of English among migrant workers. In several cases, individuals stated that they were not using their qualifications or experience due to a lack of English language skills or due to a lack of confidence in their ability to speak English at an 'acceptable' level. Several interviewees stated that they felt that they had failed to get a job they had applied for because their English was not adequate and they felt that their English would have to improve in order to improve their access to a wider range of better jobs.

The discussions with interviewees revealed that many of those individuals who are working below their qualifications are from Eastern Europe and have non-vocational degrees such as those in History or Literature. Those individuals with vocational qualifications, or experience of skilled or unskilled manual work were more likely to find work, which uses their experience or qualifications. In most cases where people are working below their qualifications or experience, interviewees suggested that they would prefer to find a job, which uses their skills. In several cases, people with professional qualifications and experience stated that they are earning more in NI in unskilled jobs than they did in their professions in their home country.

Future Intentions

Almost one third of respondents (33%) did not know what their future intentions were. Despite this, only 16% indicated that they would like to stay in NI permanently, and 38% of respondents stated that they would return to their home country in the future (see **Figure 4**). It also should be noted that those respondents with children were more likely to state that they wished to remain here permanently, with 30% of respondents with children wanting to stay permanently compared to 7% of those respondents who did not have children.

In addition, a number of respondents also wanted to improve their situation in NI; 31% of the total sample stated that they wanted to get a better job here while 26% of respondents wanted to get a job in NI that makes more use of their skills, training and education.

Conclusions

The preliminary analysis of the research data indicates a wide variety of experiences on the labour market, as well as relationships with the wider community. Factors that impact upon those experiences include country of origin, employment status, language skills, age, and support of friends and family.

Many interviewees stated that they had specifically chosen to come to NI as it offered employment opportunities which were not available in their countries of origin, either in terms of general lack of employment or unsatisfactory

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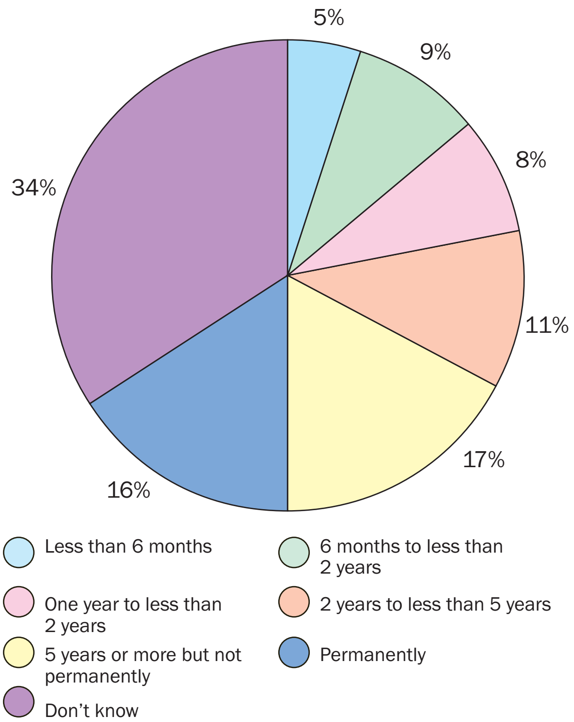
Figure 4: Planned length of stay in NI



levels of pay. While employment was identified by many of the respondents to the survey as the main reason for coming here, it was by no means the only one, with the desire to improve their knowledge of English and family re-unification both being high on the list of reasons for choosing NI as a destination. The research also illustrates the existence of 'chain economic migration', with the existing support networks playing a very significant role in the decision to migrate to NI rather than elsewhere in the UK or Ireland.

The initial analysis also indicates that a large number of individuals are working at a level below what might be expected from their educational qualifications, skills or training, and also in comparison with previous employment in their country of origin. The research highlighted inconsistencies between respondents' levels of education and level of occupation. Those individuals with vocational qualifications, or experience of skilled or unskilled manual work were more likely to find work that uses their experience or qualifications. In most cases where people are working below their qualifications or experience, interviewees suggested that they would prefer to find a job, which uses their skills. In several cases, people with professional qualifications and experience stated that they are earning more in NI in unskilled jobs than they did in their professions in their home country. The imbalance between qualifications and level of occupation also seemed to be related to the lack of knowledge among participants or in some cases the lack of confidence in their ability to speak English at an 'acceptable' level. However, it should be noted that just under half of respondents for whom information was available were satisfied with the current level at which they were employed.

Finally when reflecting on their future intentions, employment opportunities were fundamental to any plans to settle in NI, either long-term or permanently. In the current economic uncertainty, it is clear that for some these plans may be subject to significant changes in the near future.

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Equality Monitoring Update

Claire Hood, Analytical Services, DEL

This article updates the results of DEL's equality monitoring for the Department's programmes and services to March 2008 by gender, community background and disability and also includes information by age and marital status. HE and FE enrolments are taken over the full academic year 2006/07. Figures by gender, community background and disability have been published in the annual Labour Market Bulletins (LMB) since 2001. Information has also been updated on the numbers of participants on New Deal for 18 to 24 year olds and New Deal 25+ who have moved into sustained unsubsidised employment, by a number of the Section 75 groups between January and December 2007.

Background

Section 75 of the NI Act (1998) places a statutory obligation on all public authorities, in carrying out their functions, to have due regard to the need to promote equality of opportunity:

- Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Between men and women generally;
- Between persons with a disability and persons without; and
- Between persons with dependants and persons without.

As a result DEL has monitored its main programmes and services in terms of gender; disability; community background; dependants; marital status; age; and ethnicity for some time. The dimensions of political opinion and sexual orientation are not monitored and this is consistent with current guidance from the Equality Commission. The results of DEL's equality monitoring on gender, community background and disability have been published in the LMBs since 2001. Monitoring is one way in which the Government can keep a check on its own performance and publication of monitoring results enables public scrutiny.

Participation by Gender, Community Background and Disability

Table 1 (overleaf) shows occupancy/enrolments on the Department's main programmes and services and shows the eligible groups for gender, community background and disability. The eligible group is the total number of people eligible to participate in the programme or service. The breakdown of the eligible population by gender, community background and disability was taken from the Labour Force Survey 2008 Quarter 1 (most recent data available). Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error. The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible group figures then further investigation may be appropriate.

Equality Monitoring Update

Claire Hood, Analytical Services, DEL

Table 1: Occupancy and Eligible Group Figures by Gender, Community Background and Disability [1]

Programme	% Female[2]		% Catholic[3, 4]		% Disabled[5]	
	Occupancy	Eligible	Occupancy	Eligible	Occupancy	Eligible
Services to Clients[6]	43%	45%	54%	67%	4%	38%
Employment Support	34%	47%	45%	53%	100%	N/A
IFI Wider Horizons	41%	N/A	68%	N/A	N/A	N/A
Jobskills[7]	19%	N/A	68%	N/A	14%	N/A
Jobskills Modern Apprenticeship	24%	51%	60%	66%	1%	26%
New Deal for Disabled People[9]	47%	48%	58%	39%	37%	97%
New Deal 18-24	31%	N/A	60%	N/A	8%	N/A
New Deal 25+	23%	N/A	62%	N/A	4%	N/A
New Deal for Lone Parents	96%	N/A	59%	N/A	2%	N/A
New Deal for Partners	71%	N/A	80%	N/A	0%	N/A
Business Education Initiative	51%	N/A	69%	N/A	1%	N/A
Bridge to Employment	26%	62%	86%	56%	0%	31%
Walsh Visa Programme	0%	N/A	0%	N/A	100%	N/A
Higher Education (HE)[8]	60%	N/A	58%	N/A	7%	N/A
Further Education (FE)	55%	N/A	54%	N/A	4%	N/A
Training for Success	31%	N/A	56%	N/A	6%	N/A
Intro	46%	N/A	51%	N/A	3%	N/A
Workable (NI)	20%	53%	43%	47%	100%	N/A

Notes
1 The occupancy figures are as at 31st March 2008 for all of the main training and employment programmes. HE and FE enrolments are taken over the full academic year 2006/07. FE figures relate to assessed provision only.
2 Percentages given are of the total number with stated gender.
3 Percentages for community background exclude those not classified as either Protestant or Catholic. The accepted convention, which is followed in this table, is to give the percentage in [square brackets], except where specifically indicated. Protestant and Catholic percentages will thus sum to [100%]. Community Background information is not mandatory for training and employment programmes.
4 For HE and FE, information on community background is not a mandatory question and it is only collected for NI domiciled students studying at NI institutions which contributes to high response rates.
5 Disability in HE and FE is collected on the basis of self-assessment by each individual student, while those on training or employment schemes are given the DDA definition of disability and asked to determine if they are disabled under this definition. Disability information is not mandatory for training and employment programmes and is only input when the client declares a disability.
6 Eligible Group figures for Services to Clients include only those who are ILO unemployed or economically inactive but who would like a job. Services to Clients is also available to those who are employed but fewer will take up the service.
7 Excludes Jobskills Modern Apprenticeships.
8 HE figures refer to enrolments at NI HE institutions. HE data for 7 of the 9 Section 75 categories are now published on the DEL website: **www.delni.gov.uk/index/publication/pubs-stats/statistical-fact-sheets.htm**
9 A New Deal for Disabled People (NDDP) clean up exercise has been undertaken since March '07 and a number of clients have been removed from NDDP as they were no longer actively seeking work - occupancy figures have therefore fallen. The disability indicator used is self reported and all clients are considered as having 'no disability' unless the client records themselves as having a disability or health problem that might affect their work. Eligibility for NDDP is based on the health related benefit as determined by the SSA and not on the disability indicator used in the statistics provided.

Examples of some of the differences in the occupancy and eligible group figures regarding female participation are given below:

- The level of female participation on Employment Support (34%) is low compared to the eligible group (47%).
- Similarly the level of participation on Jobskills Modern Apprenticeship (24%) is very low compared to the eligible group (51%).
- The level of female participation on Bridge to Employment (26%) is very low compared to the eligible group (62%).
- Again the level of female participation on Workable (NI) (20%) is very low compared to the eligible group (53%).

Claire Hood, Analytical Services, DEL

Examples of some of the differences in the occupancy and eligible group figures regarding Catholic participation are given below:

- The level of Catholic participation on Services to Clients (54%) is low compared to the eligible group (67%).
- The level of Catholic participation on New Deal for Disabled People (58%) is high compared to the eligible group (39%).
- Similarly the level of Catholic participation on Bridge to Employment (86%) is very high compared to the eligible group (56%).

Examples of some of the differences in the occupancy and eligible group figures regarding disabled participation are given below:

- The level of disabled participation on Services to Clients (4%) is low compared to the eligible group (38%).
- The level of disabled participation on Jobskills Modern Apprenticeship (1%) is low compared to the eligible group (26%).
- Similarly the level of disabled participation on New Deal for Disabled People (37%) is very low compared to the eligible group (97%).
- The level of disabled participation on Bridge to Employment (0%) is low compared to the eligible group (31%).

In relation to disability several programmes have a low participation rate of disabled people compared to what might be expected given the composition of the eligible group. In particular Services to Clients, Jobskills Modern Apprenticeship, New Deal for Disabled People and Bridge to Employment appear to have low levels of uptake by disabled people. The percentages of disabled people both taking part in New Deal for Disabled People programme and in the eligible group for this programme raises some issues as only those claiming Incapacity Benefit (IB), Severe Disablement Allowance (SDA) or Income Support Disability Premium (ISDP) are eligible and it would be expected that all of this group would consider themselves disabled under the Disability Discrimination Act (DDA) definition of disability. (Under the DDA a person has a disability if he/she has a 'physical or mental impairment which has a substantial and long-term adverse effect on his/her ability to carry out normal day to day activities'). This shows that people's perceptions of their own disability may not be consistent between survey responses and monitoring forms and this could explain the low percentage of disabled people on some of the Department's programmes and services. It may also be due to the fact that the Disablement Advisory Service (DAS) provides guidance, training, assessment and placing services for people with disabilities who wish to obtain or retain employment. These services are provided through the network of Jobs and Benefits Offices (JBO) and Jobcentres across NI.

Participation by Age

Table 2 (overleaf) shows occupancy/enrolments on the Department's main programmes and services and shows the eligible groups for age. The breakdown of the eligible population by age was also taken from the Labour Force Survey 2008 Quarter 1 (most recent data available). The eligible group is the total number of people eligible to participate in the programme or service. Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error. The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible group figures then further investigation may be appropriate. The breakdown of the eligible population by age is not possible for a large number of the programmes as they specify particular age criteria and therefore a breakdown into age bands would not be appropriate or produce reliable estimates.

Equality Monitoring Update

Claire Hood, Analytical Services, DEL

Table 2: Occupancy and Eligible Group Figures by Age[1]

Programme	% 16/17		% 18-24		% 25-49		% 50+		% Other	
	Occ.[6]	Eligible	Occ.[6]	Eligible	Occ.[6]	Eligible	Occ.[6]	Eligible	Occ.[6]	Eligible
Services to Clients[2]	0%	0%	30%	27%	56%	52%	13%	21%	0%	0%
Employment Support	0%	1%	13%	8%	75%	46%	12%	45%	0%	0%
IFI Wider Horizons	0%	N/A	85%	N/A	15%	N/A	0%	N/A	0%	N/A
Jobskills[3]	34%	N/A	0%	N/A	0%	N/A	0%	N/A	66%	N/A
Jobskills Modern Apprenticeship	3%	N/A	0%	N/A	0%	N/A	0%	N/A	97%	N/A
New Deal for Disabled People[7]	0%	N/A	10%	N/A	61%	N/A	28%	N/A	0%	N/A
New Deal 18-24	0%	N/A	91%	N/A	9%	N/A	0%	N/A	0%	N/A
New Deal 25+	0%	N/A	0%	N/A	76%	N/A	24%	N/A	0%	N/A
New Deal for Lone Parents	0%	N/A	26%	N/A	72%	N/A	1%	N/A	0%	N/A
New Deal for Partners	0%	N/A	43%	N/A	43%	N/A	14%	N/A	0%	N/A
Business Education Initiative	0%	N/A	97%	N/A	3%	N/A	0%	N/A	0%	N/A
Bridge to Employment	0%	0%	0%	26%	0%	49%	2%	26%	98%	0%
Walsh Visa Programme	0%	N/A	33%	N/A	67%	N/A	0%	N/A	0%	N/A
Higher Education (HE)[4]	0%	N/A	65%	N/A	31%	N/A	4%	N/A	0%	N/A
Further Education (FE)[5]	25%	N/A	26%	N/A	33%	N/A	9%	N/A	6%	N/A
Training for Success	64%	N/A	0%	N/A	0%	N/A	0%	N/A	36%	N/A
Intro	0%	N/A	75%	N/A	24%	N/A	1%	N/A	0%	N/A
Workable (NI)	0%	1%	32%	8%	55%	45%	13%	45%	0%	0%

Notes

1 The occupancy figures are as at 31st March 2008 for all training and employment programmes. HE and FE enrolments are taken over the full academic year 2006/07. FE figures relate to assessed provision only.

2 Eligible Group figures for Services to Clients include only those who are ILO unemployed or economically inactive but who would like a job. Services to Clients is also available to those who are employed but fewer will take up the service.

3 Excludes Jobskills Modern Apprenticeships.

4 HE figures refer to enrolments at NI HE institutions. HE data for 7 of the 9 Section 75 categories are now published on the DEL website: **www.delni.gov.uk/index/publication/pubs-stats/statistical-fact-sheets.htm**

5 Age is as at 1st July 2006 for FE enrolments.

6 Occ. Is abbreviation of Occupancy.

7 A New Deal for Disabled People (NDDP) clean up exercise has been undertaken since March '07 and a number of clients have been removed from NDDP as they were no longer actively seeking work - occupancy figures have therefore fallen. The disability indicator used is self reported and all clients are considered as having 'no disability' unless the client records themselves as having a disability or health problem that might affect their work. Eligibility for NDDP is based on the health related benefit as determined by the SSA and not on the disability indicator used in the statistics provided.

Examples of some of the differences in the occupancy and eligible group figures regarding participation by age are given below:

- The level of participation of 18 to 24 year olds on Bridge to Employment (0%) is low compared to the eligible group (26%).
- However the level of participation of 18 to 24 year olds on Workable (NI) (32%) is high compared to the eligible group (8%).
- The level of participation of 25 to 49 year olds on Employment Support (75%) is very high compared to the eligible group (46%).
- The level of participation of 25 to 49 year olds on Bridge to Employment (0%) is very low compared to the eligible group (49%).
- The level of participation of those aged over 50 years old on Employment Support (12%) is very low compared to the eligible group (45%).
- The level of participation of those aged over 50 years old on Bridge to Employment (2%) is very low compared to the eligible group (26%).
- The level of participation of those aged over 50 years old on Workable (NI) (13%) is very low compared to the eligible group (45%).

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Claire Hood, Analytical Services, DEL

Table 3: Occupancy and Eligible Group Figures by Marital Status[1]

Programme	% Single		% Married		% Other	
	Occ.[6]	Eligible	Occ.[6]	Eligible	Occ.[6]	Eligible
Services to Clients[2]	68%	56%	13%	33%	19%	12%
Employment Support	89%	33%	10%	48%	1%	19%
IFI Wider Horizons	N/A	N/A	N/A	N/A	N/A	N/A
Jobskills[3]	100%	N/A	0%	N/A	0%	N/A
Jobskills Modern Apprenticeship	100%	N/A	0%	N/A	0%	N/A
New Deal for Disabled People[7]	49%	36%	33%	41%	18%	22%
New Deal 18-24	97%	N/A	0%	N/A	2%	N/A
New Deal 25+	64%	N/A	12%	N/A	24%	N/A
New Deal for Lone Parents	66%	N/A	1%	N/A	33%	N/A
New Deal for Partners	43%	N/A	0%	N/A	57%	N/A
Business Education Initiative	100%	N/A	0%	N/A	0%	N/A
Bridge to Employment	92%	49%	8%	42%	0%	9%
Walsh Visa Programme	100%	N/A	0%	N/A	0%	N/A
Higher Education (HE)[4]	83%	N/A	14%	N/A	3%	N/A
Further Education (FE)[5]	72%	N/A	23%	N/A	5%	N/A
Training for Success	99%	N/A	0%	N/A	1%	N/A
Intro	92%	N/A	7%	N/A	2%	N/A
Workable (NI)	92%	33%	8%	48%	0%	19%

Notes
1 The occupancy figures are as at 31st March 2008 for all training and employment programmes. HE and FE enrolments are taken over the full academic year 2006/07. FE figures relate to assessed provision only.
2 Eligible Group figures for Services to Clients include only those who are ILO unemployed or economically inactive but who would like a job. Services to Clients service is also available to those who are employed but fewer will take up the service.
3 Excludes Jobskills Modern Apprenticeships.
4 HE figures refer to enrolments at NI HE institutions. HE data for 7 of the 9 Section 75 categories are now published on the DEL website: **www.delni.gov.uk/index/publication/pubs-stats/statistical-fact-sheets.htm**
5 Figures for '% married' of FE enrolments also includes '% co-habiting'.
6 Occ. is abbreviation of Occupancy.
7 A New Deal for Disabled People (NDDP) clean up exercise has been undertaken since March '07 and a number of clients have been removed from NDDP as they were no longer actively seeking work - occupancy figures have therefore fallen. The disability indicator used is self reported and all clients are considered as having 'no disability' unless the client records themselves as having a disability or health problem that might affect their work. Eligibility for NDDP is based on the health related benefit as determined by the SSA and not on the disability indicator used in the statistics provided.

Participation by Marital Status

Table 3 shows occupancy/enrolments on the Department's main programmes and services and shows the eligible groups for marital status. The breakdown of the eligible population by marital status was also taken from the Labour Force Survey 2008 Quarter 1 (most recent data available). The eligible group is the total number of people eligible to participate in the programme or service. Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error. The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible group figures then further investigation may be appropriate. The breakdown of the eligible population by marital status is not possible for a large number of the programmes as there is a large proportion of suppressed data and therefore a breakdown into marital status bands would not be appropriate or produce reliable estimates.

Claire Hood, Analytical Services, DEL

Examples of some of the differences in the occupancy and eligible group figures regarding participation by marital status are given below:

- The level of single participation on Employment Support (89%) is very high compared to the eligible group (33%).
- The level of single participation on Bridge to Employment (92%) is very high compared to the eligible group (49%).
- The level of single participation on Workable (NI) (92%) is very high compared to the eligible group (33%).
- The level of married participation on Services to Clients (13%) is low compared to the eligible group (33%).
- The level of married participation on Employment Support (10%) is very low compared to the eligible group (48%).
- The level of married participation on Bridge to Employment (8%) is very low compared to the eligible group (42%).
- The level of married participation on Workable (NI) (8%) is very low compared to the eligible group (48%).
- The level of other marital status groups' participation on Employment Support (1%) is low compared to the eligible group (19%).
- The level of other marital status groups' participation on Workable (NI) (0%) is low compared to the eligible group (19%).

Participation by Dependants and Ethnicity

The breakdown of the eligible population by dependants is not possible for several reasons. The information on dependant children is derived from the household dataset to ensure that only the head or partner of a head of household are included as those with dependants. This avoids the problem of counting an adult sibling in a household with other younger dependant children as a person with dependants. Usage of the household dataset in this manner does not enable the required breakdown by the various eligibility criteria for the programmes.

The breakdown of the eligible population by ethnicity is not possible as the number of people classified as 'non-white' of the total working age population of NI was 9,000 and as a result any further breakdowns such as those required render estimates unreliable.

Monitoring Outcomes

From 2006 the process of examining the measurable outcomes of DEL's programmes and services was begun. In this year's equality article the measurable outcomes of New Deal for 18 to 24 year olds and New Deal 25+ will be updated.

- The eligibility criteria for New Deal for 18 to 24 year olds is that participants must be unemployed and aged between 18 and 24 and receiving Jobseekers Allowance for at least 6 months.
- The eligibility criteria for New Deal 25+ is that participants must be unemployed and aged between 25 and 49 and receiving Jobseekers Allowance for at least 18 months.

Equality Monitoring Update

Claire Hood, Analytical Services, DEL

Table 4: Leavers and numbers into sustained unsubsidised employment for New Deal for 18 to 24 year olds between January and December 2007

	Number of leavers Jan-Dec 07	Numbers into sustained unsubsidised employment Jan-Dec 07 [2]	% into sustained unsubsidised employment Jan-Dec 07
Gender			
Male	4,299	880	20
Female	1,842	437	24
Marital Status			
Single	5,916	1,278	22
Married	30	7	23
Other	120	23	19
Missing	75	9	12
Religion			
Catholic	2,100	511	24
Protestant	3,158	609	19
Other	249	57	23
Missing	634	140	22
Disability [1]			
Disabled	5,759	1,238	21
Non-Disabled	382	79	21
Ethnicity			
White	6,039	1,304	22
Non-White	65	9	14
Missing	37	4	11
Total	**6,141**	**1,317**	**20**

Notes

1 Disability here refers to those who have recorded themselves as having a disability or health problem that might affect their work.

2 A participant is considered to have sustained employment if they remain in the same spell of employment for 13 weeks or more.

Table 4 shows the number of leavers and the number of those who have moved into sustained unsubsidised employment for New Deal for 18 to 24 year olds by a number of Section 75 equality groups between January and December 2007. There were a total of 6,141 leavers and of these 20% went into sustained unsubsidised employment. A fifth (20%) of males and just less than a quarter of females (24%) moved into sustained unsubsidised employment; 22% of single people and 23% of married people did likewise. In terms of community background, 24% of Catholics and 19% of Protestants moved into sustained unsubsidised employment; and the corresponding figures for disabled and non-disabled people were 21% and 21% respectively. More white people moved into sustained unsubsidised employment (22%) as opposed to non-white people (14%). There does not appear to be a difference within the equality groups for New Deal for 18 to 24 year olds.

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Claire Hood, Analytical Services, DEL

Table 5 shows similar figures for New Deal 25+. There were a total of 5,382 leavers and of these 17% went into sustained unsubsidised employment. 15% of males and 17% of females moved into sustained unsubsidised employment; 15% of single people and 17% of married people did likewise. In terms of community background, 17% of Catholics and 14% of Protestants moved into sustained unsubsidised employment; and the corresponding figures for disabled and non-disabled people were 16% and 14% respectively. More non-white people moved into sustained unsubsidised employment (21%) as opposed to white people (16%). There does not appear to be a difference within the equality groups for New Deal 25+.

DEL will continue to collect data on and monitor the occupancy of its main programmes and services in order to ensure that all of these are delivered on the basis of equality of opportunity and we will continue to publish the results in the LMBs.

Table 5: Leavers and numbers into sustained unsubsidised employment for New Deal 25+ between January and December 2007[1]

	Number of leavers Jan-Dec 07	Numbers into sustained unsubsidised employment Jan-Dec 07 [3]	% into sustained unsubsidised employment Jan-Dec 07
Gender			
Male	4,150	627	15
Female	1,232	209	17
Marital Status			
Single	3,159	488	15
Married	849	147	17
Other	1,328	190	14
Missing	46	11	24
Religion			
Catholic	1,848	309	17
Protestant	2,764	393	14
Other	526	49	9
Missing	244	85	35
Disability [2]			
Disabled	5,146	803	16
Non-Disabled	236	33	14
Ethnicity			
White	4,980	783	16
Non-White	78	16	21
Missing	324	37	11
Total	**5,382**	**836**	**17**

Notes
1 Following the introduction of the Steps to Work Initiative (StW), (**www.delni.gov.uk/stepstowork**) participants starting New Deal 25+ from April 2007 in the four StW pilot offices (Knockbreda, Limavady, Lisburn and Shaftsbury Square) are not included in these figures.
2 Disability here refers to those who have recorded themselves as having a disability or health problem that might affect their work.
3 A participant is considered to have sustained employment if they remain in the same spell of employment for 13 weeks or more.

KEYWORDS:

Equality; monitoring; DEL programmes; Section 75; occupancy; eligible groups; measurable outcomes.

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Using Labour Market Information to Make Informed Choices

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We are living in an information age. Computer technology, the internet and the media can process and deliver information in quantities and timescales that were unfathomable just a few years ago. Wider and freer information can enrich our lives in many ways. The Department for Employment and Learning (DEL) through its Review of Labour Market Information (LMI) has been focusing on how information can help us all make better choices as we interact with the labour market. The following article provides details about the outcomes of that review and examines the progress being made in implementing its recommendations.

The Department's LMI Review was announced as an element of the NI Success through Skills strategy which recognises the importance of understanding the demand for skills and opportunities for the region in a global market place. The LMI Review set out to determine how the demand for skills in NI can be better understood, communicated and harnessed. The Review report was published in 2008[1].

Backgound

The LMI Review was led by DEL's Analytical Services with the following objectives:-

- to identify how LMI is used currently to influence policy, delivery and customer choices;
- to assess what better use could be made of the information already available; and
- to identify gaps in current LMI and how those might be filled.

It was underpinned by a comprehensive range of studies. These included an extensive consideration of what LMI is available in NI throughout and how it is used. It looked beyond NI to see what can be learned from practice elsewhere. Departmental analysts examined how LMI was being developed and used in other countries of the UK and the RoI. The Washington based, National Centre on Education and the Economy (NCEE) was commissioned to examine and report on international models of best practice in the use of LMI to inform choice. This work was reinforced by detailed research into the LMI model that exists in North Carolina, a model which is regarded as world leading in many respects.

In addition to examining best practice elsewhere, pilot projects were established and evaluated to examine how LMI could be used better to inform and influence customer choice. Finally, the review team undertook extensive consultation to ensure that the focus of the review was appropriate and the recommendations coming forward were consistent with other strands of work flowing from the Success through Skills strategy.

Review Outcomes and Recommendations

The review found that, in order to deliver the Success through Skills strategy, LMI in NI needs to move even more centre stage and learn from best practice elsewhere. It set out a vision of a NI LMI system which is world class in relation to data availability and uses that information in an integrated way to meet customer needs. It brought forward a number of challenging actions which will begin the process of attaining a world class system. A summary of the key actions follows.

In relation to improving **data availability** the Department should work towards capturing

1 The full LMI Review report can be found at: **www.delni.gov.uk/lmireview**

real time, near population based LMI in NI which can give much greater granularity and precision to analysis (including longitudinal analysis) than is currently possible. As a first step in this process, the review recommended that DEL should work with other NI Departments and UK Administrations to examine the conditions under which administrative data sources can be harnessed and linked to capture the required information. It was also proposed that improved information should be made available on the labour market outcomes of those who had undertaken HE, FE or work based learning through support for longitudinal studies including a first NI Youth Cohort Study.

In order to have an improved understanding of **customer LMI needs** and to ensure that those needs are addressed effectively, the Department should ensure that LMI is deployed in a consistent, informative and joined up way so that the Workforce Development Forums are well informed about local demand and supply issues and to provide the 25 Sector Skills Councils with appropriate information to assist their assessment of demand and supply in their respective sectoral footprints. Pointing to good practice elsewhere, the report recommended that "LMI Champions" should be appointed within the NI Careers Service and Employment Service. These champions would work to ensure that the Careers Service and Employment Service are aware of the available LMI and how to use it effectively. It was envisaged that the champions would provide feedback to labour market analysts and other relevant partners, articulating their customers' LMI needs, give guidance on how best to present the information to maximise impact and ensure that customer LMI needs are being met effectively. Finally, the champions would work with staff trainers and labour market analysts to design and develop appropriate training to ensure Employment Service and Careers Service staff can use LMI confidently and appropriately as part of their advisory toolkit.

The LMI Review recommended that the Department should consider how its Research Agenda is meeting objectives and assess the extent to which the research flowing from it is being used to influence policy and programme delivery. It proposed that the Research Agenda review should examine whether the research dissemination process is fitting customer needs.

Implementing the LMI Review Actions

Work has commenced on the delivery of the above recommendations and, in many areas, significant progress has been made. In relation to ***improving labour market data availability*** the Department has worked alongside the Higher Education Statistics Agency (HESA) to develop its first longitudinal survey of NI HE students. Results from the first longitudinal survey are now available[2] and it sets out details of the destination of leavers from higher education three and a half years after graduation. This provides a valuable new source of information on graduates including their location of employment, type of job, sector of employment and salary.

The Department has also been working closely with the Higher Education Careers Services Unit (HECSU) to steer its Futuretrack survey. This is an additional source of longitudinal information on HE students and graduates. It is tracking the 2006 cohort of UCAS applicants for five years, starting from their initial application to higher education. By surveying these students four times during this period, Futuretrack will shed light on the relationship between higher education, employment and how students' views of career options change during their studies. It will look at the motivators, expectations and aspirations of students and at what interventions affect their career decision making. The results of this research will be invaluable to careers advisers, staff in universities and colleges and policy makers within the sector. Initial results from the first stage of this work are now available[3] (see chapter 12 of this Bulletin).

The LMI Review recommended that a comprehensive Youth Cohort Study (YCS) be introduced for the first time in NI. Plans for that study are now at

2 Summary outcomes for NI from the HESA Longitudinal Survey can be found at: **www.delni.gov.uk/index/publications/r-and-s-stats/long-dest-of-leavers-he.htm**
3 **www.hecsu.ac.uk/hecsu.rd/futuretrack.htm**

Using Labour Market Information to Make Informed Choices

Victor Dukelow, Analytical Services, DEL

an advanced stage and it is expected that a questionnaire will be piloted in late 2010 with a first main sweep completed in 2011/2012. This study has the potential to provide detailed individual level information on young people over time and on their family and schooling backgrounds. It will track individuals as they finish compulsory education through further education and training and on into the adult labour market. By comparing young people of the same age, but across different cohorts, the effects of changes over time in the labour market, in the curriculum and in education policy can be assessed. This in turn will provide a crucial evidence base to shape careers advice and education and training provision in the future.

In order to match best practice elsewhere, the LMI Review recommended that DEL should work towards capturing real time, near population based LMI which can give greater granularity and precision to analyse than is currently possible in NI. This would require extensive linking and sharing of existing administrative data sources. The Department is starting to explore how that could be brought about. However, there is no doubt that the recent high profile data security cases in the UK and elsewhere have impacted adversely on public support for extensive data sharing. That trust will need to be restored and enhanced if this aspect of the LMI review is to be realised in full.

The LMI Review found that countries and regions which lead the way in LMI are very effective at developing good systems to ensure that ***customer needs*** are clearly understood and met. They engage labour market intermediaries such as Careers Advisers and Employment Service staff to ensure that LMI is used and tailored to meet their clients' needs. NI is learning from those examples of good practice and both the Careers Service and Employment Service here have appointed LMI Champions. Those champions are becoming well established and are working with front line staff in their respective organisations to clearly identify what type of LMI would be useful to their client groups and how that information should be presented to have maximum impact.

The Careers and Employment Service champions relay these messages back to Departmental analysts who work to tailor the NI LMI accordingly. Two key products are being developed as part of that process. The first is aimed at improving access to local LMI so that Employment Service staff can understand more clearly the labour market conditions in which they are operating. The local labour market information is also designed to assist the six Workforce Development Forums (WDFs), which operate on a sub regional basis in NI. Local LMI helps those bodies assess the skills needs and shortages in their particular areas. As a result of this work a suite of local LMI reports have been developed and published for each WDF area in NI (see illustration at **Figure 1**). It is intended that these reports will continue to evolve in future as further feedback is received from the WDFs and the Employment Service LMI champions on their usefulness and impact.

The second stream of work which is being taken forward in parallel relates to the provision of up to date, relevant and concise LMI to assist Careers Service staff. In line with the new

Figure 1: Local Labour Market Profiles

Labour Market Profiles for NI and each WDF area in NI can be found at: **www.delni.gov.uk/index/statistics-and-research/labour-market/labourmarketprofiles.htm**

Using Labour Market Information to Make Informed Choices

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NI Careers Strategy, Preparing for Success, the Department's Analytical Services team has been working closely with the Careers Service to explore how LMI could best be made available to careers advisers and their client groups. The Careers Service is keen that LMI is presented on a sectoral basis in the first instance and the Department has been working with the Sector Skills Councils (SSCs) to harness the wealth of information they have captured on current and future skill needs. The SSCs have been very keen to engage in this process and they have been populating a concise LMI template with information to fit the Careers Service's needs. It is intended that these sectoral templates will be published later in 2009.

Final Remarks

The current economic downturn presents problems for those who are working to disseminate LMI and for those who give advice on the basis of that information. The fast changing economic picture means that it is a struggle to ensure that information is contemporary and credible. However, the downturn also strengthens the case for ensuring that good quality LMI is used to influence informed choices. We know only too well that when the "dot.com" bubble burst at the beginning of the decade many were turned off pursuing careers in that industry. Figures show that uptake of ICT related courses in NI fell quite significantly in the aftermath. Yet we also know that a little while after the "dot.com" downturn came to an end, the ICT sector in NI faced quite significant skill shortages. Good quality LMI which looks to longer term prospects and which is channelled effectively to those making labour market choices is therefore doubly important in the current economic context. The labour market decisions and course choices that are made now will determine how well positioned NI is to take advantage of the recovery when it arrives.

Using the Power of the Census Alongside the Flexibility of Social Surveys: a Case Study of Small-Scale Income Estimates

Gary Ewing, Demography and Methodology Branch, NISRA

Survey estimates from the Family Resources Survey can be used by government and others to measure the number and characteristics of households experiencing relative poverty, and these data are very useful to inform the development of and monitor the impact of interventions such as the Executive's Lifetime Opportunities policy[1]. However sample surveys are not sufficiently robust to tell us much about poverty at the local level. This article describes how such estimates can be made by combining sample survey data with Census data.

Introduction

Using the 2004/05 Family Resources Survey (FRS) it can be shown that 31.7%[2] of households in NI experience relative income poverty, defined as being in receipt of less than 60% of the UK median income. The incidence of poverty in NI can be compared to 30.9%[3] of households in Wales and 26.3%[4] in England.

Household income[5] can be adjusted or 'equivalised' to allow comparison across households regardless of differences in household size or composition by dividing net household income by the sum of the weights for the first adult (0.67), each subsequent person aged 14 years and over (0.33) and each child aged under 14 years (0.20). The UK median equivalised household income, as derived from the FRS 2003/04 and 2004/05, is £16,950 per annum. Overall 17.0% of households in NI are below the poverty threshold when equivalised household income is considered.

Creating Small-Area Estimates

The results of the FRS 2003/04 and 2004/05 can be augmented with data from the Census 2001 to create estimates of the percentage of households below the poverty threshold at the small area level. The method used is known as microsimulation and involves firstly the identification of a set of constraint variables that are

- common to both the FRS and the Census (or can be derived);
- available at household level;
- known to be a reasonable predictor of income, or income poverty, at the small area level; and
- known to be a reasonable predictor of income, or income poverty, at the household level.

Variables meeting the above criteria are then used to model the household income levels and subsequently the percentage of households below 60% of the UK median income.

1 See **www.ofmdfmni.gov.uk/index/equality/central-anti-poverty-unit.htm**
2 Anderson, B (2008) Creating small area income deprivation estimates for NI: spatial microsimulation modelling.
3 Anderson, B (2007) Creating small area income deprivation estimates for Wales: spatial microsimulation modelling. Chimera Working Paper 2007-11, Colchester: University of Essex
4 Anderson, B (2007) Creating small area income deprivation estimates for England: spatial microsimulation modelling. Chimera Working Paper 2007-07, Ipswich: University of Essex
5 Household income is defined as the sum of earnings & self employment (net of income tax and national insurance payments), income from investments, disability benefits, retirement pensions plus any income support or pension credit, Working Tax Credit and/or Child Tax Credit, and other pensions, benefits and sources LESS domestic rates, contributions to occupational pension schemes, insurance premium payments made in case of sudden loss of earnings, all maintenance and child support payments, parental contributions to students living away from home, and student loan repayments.

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Table 1: Percentage of Households below poverty threshold by LGD

LGD	% of Households below 60% UK Median Income
Antrim	15.4
Ards	15.4
Armagh	16.4
Ballymena	15.5
Ballymoney	16.4
Banbridge	15.1
Belfast	18.9
Carrickfergus	15.2
Castlereagh	14.7
Coleraine	17.2
Cookstown	18.2
Craigavon	17.1
Derry	19.6
Down	16.1
Dungannon	17.7
Fermanagh	17.6
Larne	16.4
Limavady	17.1
Lisburn	15.8
Magherafelt	15.7
Moyle	18.6
Newry & Mourne	18.7
Newtownabbey	15.3
North Down	15.5
Omagh	18.1
Strabane	18.9
NI	**17.0**

Results

The analysis which follows is based on the geographical distribution of equivalised household income in NI as calculated by the above method. **Table 1** shows the percentage of households experiencing relative poverty at Local Government District (LGD) level.

At the LGD level the incidence of relative poverty ranges from 14.7% and 15.1% in Castlereagh and Banbridge LGDs respectively, to 18.9% in Strabane and Belfast and 19.6% in Derry LGDs.

Figure 1 indicates the spatial distribution of relative poverty at Super Output Area[6] (SOA) Level.

The geographical distribution of relative poverty at SOA level is broadly similar to that at LGD level. However the SOA geography allows the identification of smaller areas with high percentages of households in relative poverty not visible at LGD level. For example, particular parts of Ballymena, Belfast and Derry with 15.5%, 18.9% and 19.6% households in relative poverty at LGD level have SOAs with proportions as high as 22.0%, 26.4% and 33.2% respectively. Over all SOAs in NI the percentage of households in relative poverty ranged from 7.0% in Mallusk_3 (Newtownabbey LGD) to 35.5% in Collin Glen_2 (Lisburn LGD).

6 Super Output Areas are aggregates of 2001 Census Output Areas and are a relatively small scale unit, containing an average of just less than 2000 people. There are a total of 890 SOAs in Northern Ireland: see **www.ninis.nisra.gov.uk.**

Using the Power of the Census Alongside the Flexibility of Social Surveys: a Case Study of Small-Scale Income Estimates

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Figure 1: Percentage of households below 60% of the UK median income at Super Output Area Level.

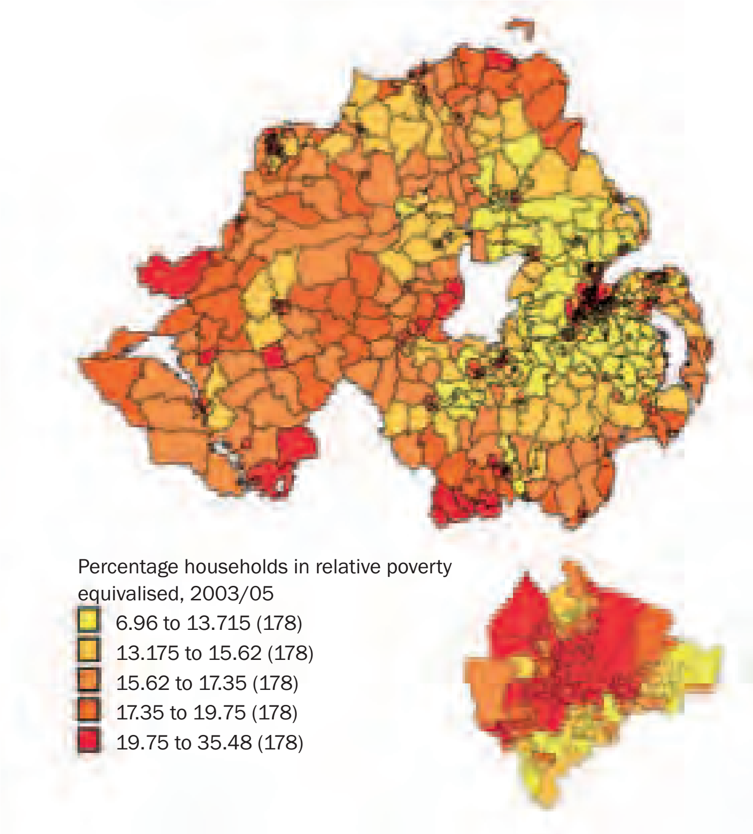

Table 2 shows that the top and bottom five SOAs in terms of relative poverty are classed as urban[7]. The domination of urban areas at the lower end of the poverty distribution continues when the bounds are widened with 92% of the SOAs that make up the quintile with the highest percentage of households in relative poverty classed as urban.

Another noticeable pattern is a lower proportion of households in relative poverty in the proximity of, but outside, Belfast LGD. Many of the SOAs in the lowest quintile (of percentage of households in relative poverty) are located in Antrim, Ballymena, Castlereagh, Craigavon, Down, Larne, Lisburn and Newtownabbey. These locations are all within approximately 40 km (25 miles) of Belfast. In fact 150 of the

Table 2: Top and bottom Super Output Areas by percentage of households in relative poverty

Rank	SOA	LGD	Percentage of Households in Relative Poverty, 2003-05	Urban/Rural Classification
1	Collin Glen_2	Lisburn	35.5	Urban
2	Crevagh_2	Derry	33.2	Urban
3	Creggan Central_1	Derry	30.9	Urban
4	Shantallow West_3	Derry	30.9	Urban
5	Shantallow West_1	Derry	29.3	Urban
886	Beechill_1	Castlereagh	8.6	Urban
887	Ballycrochan_2	North Down	8.3	Urban
888	Cairnshill_1	Castlereagh	8.2	Urban
889	Jordanstown_2	Newtownabbey	7.8	Urban
890	Mallusk_3	Newtownabbey	7.0	Urban

7 The 2005 Report of the Inter-Departmental Urban-Rural Definition Group defines urban areas as a settlement of 4,500 or more people, and ‘rural’ as less than 4,500 people and open countryside.

Using the Power of the Census Alongside the Flexibility of Social Surveys: a Case Study of Small-Scale Income Estimates

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178 SOAs (84%) in the bottom quintile (lowest percentage of households in relative poverty) lie within 40km (25 miles) of Belfast. Furthermore 170 of the 178 SOAs (96%) lie within 80km (50 miles) of Belfast. This contrasts with Belfast LGD which contributes 37% of the SOAs in the top quintile in terms of relative poverty.

Gini coefficients

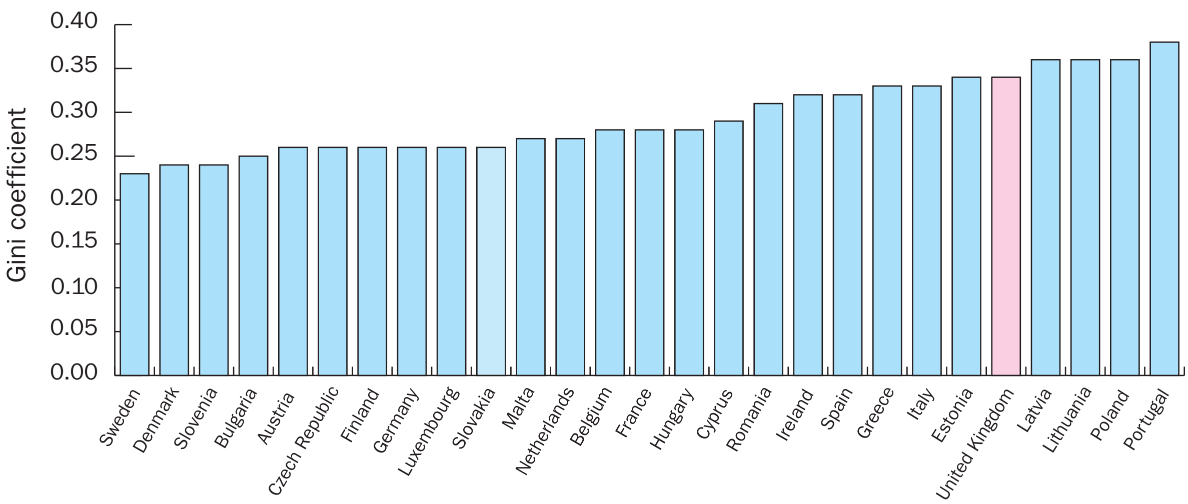
Whilst the overall level of income deprivation is one policy of interest, the degree of income inequality within an area is also important. Gini coefficients describe the inequality of income distribution within a population and range from 0 to 1. If all households have equal income, the Gini coefficient equals zero whilst if all income was concentrated in a single household (and the other households had zero income) the Gini coefficient would equal 1.

To calculate the Gini coefficient for each SOA in NI a second process of microsimulation was used to model equivalised net household income before housing costs using the pooled FRS sample[8].

The resulting Gini coefficient for NI is 0.291. This is broadly in line with other Northern European countries which tend to have relatively low Gini coefficients. **Figure 2** shows the Gini coefficients for the EU27 as calculated in research carried out by Eurostat. Greater Gini coefficients exist worldwide, for example in 2004 Brazil and China had estimated Gini coefficients of 0.570 and 0.469 respectively.[9]

Within NI at SOA level, the Gini coefficient ranges from 0.227 in Crumlin_1 SOA to 0.350 in Botanic_1 SOA both in Belfast LGD. **Figure 3** shows the geographical distribution of Gini coefficients.

Figure 2: Graph showing Gini coefficients for 27 member states of European Union[10]



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8 The full list of Gini coefficients for NI can be accessed via **http://www.ninis.nisra.gov.uk/mapxtreme/viewdata/Social_and_Welfare/Research/SAIE_Indicators/Small_Area_Income_Deprivation_Estimations_2003-05.xls**
9 2007 World Development Indicators - **http://siteresources.worldbank.org/DATASTATISTICS/Resources/table2_7.pdf**
10 Eurostat website – **http://epp.eurostat.ec.europa.eu/Population and social conditions, product code ILC_DI12**

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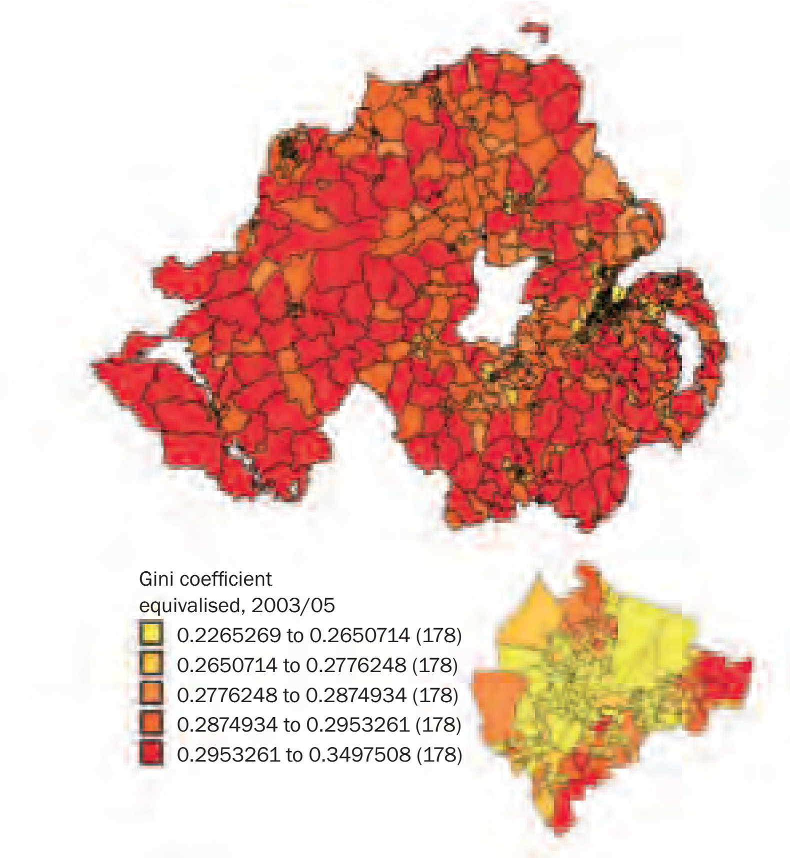
Figure 3: Map showing Gini coefficient for Super Output Areas in NI (with Belfast inset)



Prima facie **Figure 3** shows a prevalence of relatively high Gini coefficients. However as the data was graphed in quintiles the map in fact highlights that SOAs with larger areas tend to have greater Gini coefficients i.e. have a more unequal income distribution.

Table 3 shows that three out of the top five SOAs in terms of inequality of income distribution are urban while the most equal five areas are all urban. However 132 of the 178 SOAs (74%) in the top quintile are classed as rural while only 2 out of the 178 SOAs (1%) in the bottom quintile are classed as rural suggesting that rural areas tend to have a more unequal distribution than urban areas.

The high Gini coefficients experienced in the urban area of Botanic are likely to be reflective of a mixed population with a relatively high proportion of students living in the area.

Table 3: Table of top and bottom SOAs by Gini coefficient

Rank	SOA	LGD	Gini-coefficient, 2003-05	Urban/Rural Classification
1	Botanic_1	Belfast	0.350	Urban
2	Botanic_4	Belfast	0.322	Urban
3	Valley_1	Newtownabbey	0.317	Urban
4	Creggan	Newry and Mourne	0.312	Rural
5	Killycolpy	Cookstown	0.311	Rural
886	Woodvale_2	Belfast	0.230	Urban
887	Ardoyne_1	Belfast	0.230	Urban
888	Blackstaff_1	Belfast	0.230	Urban
889	Clonard_1	Belfast	0.229	Urban
890	Crumlin_1_Belfast	Belfast	0.227	Urban

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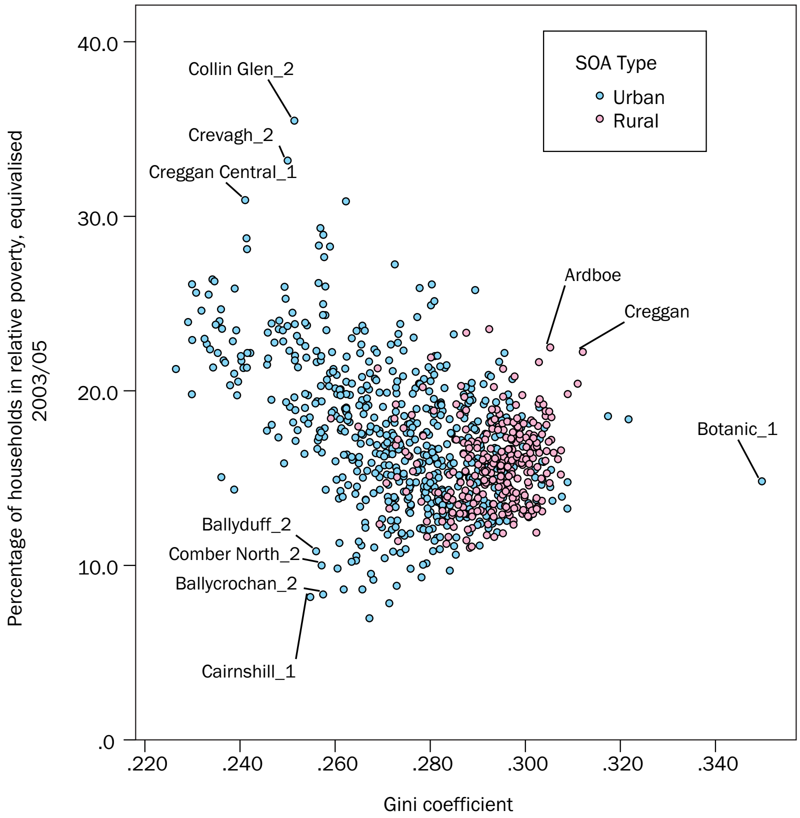
Relationship between Gini Coefficient and Relative Poverty[11]

The resulting correlation[12] between the Gini coefficient and income poverty at -0.42, indicating a moderate negative relationship between the two measures. This suggests that areas with greater percentages of households in relative poverty tend to have more equal distributions of income (lower Gini coefficients).

Similarly considering only urban SOAs, there exists a moderate negative correlation (r= -0.45) between the percentage of households in relative poverty and the Gini coefficients. In contrast, for rural SOAs the effect is considerably weaker and in the opposite direction (r=0.12).

Figure 4: Scatterplot showing the correlation between percentage of households in relative poverty and Gini coefficient for SOAs in NI



The scatterplot in **Figure 4** illustrates the differing relationship between relative poverty and income distribution between rural and urban areas. Although the plot shows a clustering of SOAs around the average Gini coefficient value of 0.291 and the average percentage of households in relative poverty of 17.0%, two groups of urban areas are also highlighted – those characterised by a combination of low incidence of households in relative poverty and low Gini coefficients; and those characterised by a high incidence of households in relative poverty and low Gini coefficients. For example Ballycrochran_2 in North Down LGD and Cairnshill_1 in Castlereagh LGD where 8.3% and 8.2% of households were estimated to be below the poverty threshold combined with a relatively equal income distribution as indicated by Gini coefficients of 0.257 and 0.255. In contrast Collin Glen_2 SOA in Lisburn LGD and Crevagh_2 SOA in Derry LGD have 35.5% and 33.2% of households in relative poverty but also have relatively equal income distributions as indicated by Gini coefficients of 0.251 and 0.250 respectively. This is in contrast to the rural SOAs which are characterised by higher Gini coefficients indicating unequal distributions of income.

11 All correlations are significant at the 0.01 level
12 Pearson product-moment correlation coefficients quoted throughout

Evaluation of the DEL Research Agenda

Alan Ramsey, Analytical Services, DEL

This article presents some of the key findings and recommendations from an evaluation of the DEL Research Agenda 2004-07. The Department implemented a new strategic approach to commissioning research through its Research Agenda to reinforce its commitment to evidence based policy formation and development. With the last few projects complete, and in keeping with HMT Green Book guidelines, it is now an opportune time to reflect on the outcomes of the Research Agenda.

Introduction

Launched in November 2004 the Research Agenda was developed in conjunction with and as a key component towards the achievement of DEL's strategic priorities as outlined in its Strategic Plan 2004-07. The Research Agenda was distinctive in the sense that it was built upon an open procurement process of public invitation. Eighteen projects have been delivered through the Research Agenda at a combined cost of £713k, the first project published in October 2005 and the last in February 2009.

The core aims of the Research Agenda are:

1. To strengthen further the link that exists between research and policy development within DEL;
2. To provide improved co-ordination between the Department's planned research and the Strategic and Business planning process; and
3. To enhance interest within the research community in the areas of research relevant to DEL.

The evaluation considered each of the three main objectives against actual achievement to date. However, it should be noted that it is still very early to assess the impact of the Department's first systematic Research Agenda. Given the duration of some research projects, a number of these have only recently completed and published. It is likely to take some time before research findings can be traced through directly into policy development and outcomes. Consequently the evaluation was more concerned with tracking progress towards aims and objectives rather than presenting a definitive impact assessment.

Methodology

A large element of the evaluation was qualitative in nature; a process of stakeholder engagement, both internally with DEL's Cross Divisional Strategy Forum (CDSF) and relevant policy officials, and externally, with relevant government Departments and the wider research community. The Department appointed a 'critical friend', Dr Duncan McVicar (Queen's University of Belfast) to provide an additional and independent input to the evaluation process. Dr McVicar provided an objective perspective on all stages of the evaluation process from the terms of reference, the methodological approach and finally the conclusions and recommendations.

Procurement of the DEL Research Agenda

DEL published and launched its Research Agenda 2004-07 in November 2004. The Research Agenda defined the Department's research needs within 11 broad ranging research themes and invited external

Evaluation of the DEL Research Agenda

Alan Ramsey, Analytical Services, DEL

professionals through public invitation to propose solutions to these needs.

A total of 45 research bids were received from institutions/organisations within the UK and RoI, which were assessed by the Department in conjunction with Central Procurement Directorate (CPD) against an agreed set of criteria.

Following tender evaluation against the assessment framework, 10 proposals were selected for funding.

In addition, over the course of the Research Agenda period (2004-2007) but outside of the open procurement process a further 9 research projects were commissioned to meet the objectives of the Research Agenda. The Research Agenda was developed with this flexibility in mind; to ensure that it was responsive enough to meet unforeseen needs and opportunities as necessary. In the latter instance, a majority of the additional projects represented a valuable opportunity for the Department to partner with other organisations and in particular to extend GB studies to incorporate NI sampling. However, it is also the case that with only 10 successful bids (from 45) the Department was not going to achieve complete coverage across its 11 research priority themes[1]. Consequently, there had to be research activity commissioned outside of the original Research Agenda open procurement process.

Achievement towards meeting aims and objectives

Based on the information gathered from the process of stakeholder engagement the evaluation presents an assessment of the extent to which the Research Agenda is meeting its three core objectives.

Objective 1:

- **Strengthen further the link that exists between research and policy development within DEL.**

Assessment:

The link between the Department's research effort and its policy commitments has been strengthened as a direct consequence of a more strategic approach to research. The evidence accumulated through this evaluation suggests that a co-ordinated research programme has added value and that, in the main, research projects, if not already doing so, will have an influence on the development of programmes and policies delivered by DEL. Of course the maximum impact of DEL research outputs will only be realised over time, this evaluation offers an assessment of progress towards what can be considered medium to long-term objectives.

The need for ad hoc research has been reduced across all Divisions.

In terms of quality of research outputs Divisions generally viewed these as high, although in some limited instances highlighted that reports required additional input from the Department in terms of bringing the outputs to a satisfactory standard.

Dissemination practices were found to be satisfactory and effective however some policy officials felt the need for the lead policy Division to be in the lead on lunchtime seminars rather than members from Analytical Services (AS). They believe this would strengthen the policy debate further. Regarding the relationships between Analytical Services and Policy and Service Delivery Divisions, these were considered to be working effectively.

Lessons to Learn:

The need for additional research outside of a formal research strategy is inevitable and reflects the realities of policy making in the 21st Century. The success of the Research Agenda is that it has, on the whole, reduced the need for such research to a minimum. Whilst the quality of research is generally high there remains scope for the Department to continue developing its relationships with research partners to strengthen and maintain standards going forward.

The effective dissemination of research outputs is a critical phase of any research strategy. This evaluation has found that whilst dissemination mechanisms are, on the whole

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1 Of the 11 research themes 7 were completely or partially addressed whilst 4 themes received no proposals.

adequate, there remains scope to develop certain aspects to ensure the widest possible impact. In particular there is a need to identify means by which policy colleagues can increase their role and influence within the process. This should include increasing the scope and ease of use of the Analytical web presence. This is in accordance with the outcomes of a recent dissemination review conducted by Analytical Services. Where appropriate the opportunity to provide a policy response to research outputs would offer a further mechanism through which policy colleagues can extend and strengthen their input to the process.

Finally, there must be a mechanism for ensuring that Research Agenda outcomes exert appropriate influence on DEL Senior Management Team (SMT)/Board considerations of policy development/delivery.

Objective 2:

- **Provide improved co-ordination between the Department's planned research and the Strategic and Business planning process.**

Assessment:

The Research Agenda has improved co-ordination between the Department's planned research and the Strategic and Business planning process. The positive impact of the Department's first planned research programme owes much to its strategic positioning. The development of a research programme at the business planning stage exploited the natural interaction between the two and has helped to focus the minds of policymakers to think about policy and research as complementary.

Lessons to Learn:

Future research strategy must build on this positive aspect, continuing to exploit the natural interaction between planned research and the Strategic and Business planning process. Research Agenda should reflect and be linked directly to business priorities. This must be a two way process where business planning influences the Research Agenda and Research outcomes influence the business planning process.

Objective 3:

- **Enhance interest within the research community in the areas of research relevant to DEL.**

Assessment:

The Research Agenda has allowed the Department to penetrate a much broader section of the research community and successfully targeted researchers outside of NI. Moving away from a more prescriptive format of setting terms of reference, on an individual project-by-project basis, to a more open approach has been warmly received by researchers. There is a strong sense within the Department that the Research Agenda has encouraged more innovative and dynamic research proposals than would otherwise have been the case. The approach of signposting the Department's research priorities in a less dogmatic format has encouraged interest amongst researchers which has undoubtedly helped to build capacity and awareness of the Department's strategic research needs going forward.

Lessons to Learn:

Casting the net wider and engaging with a more diverse section of the research community can only be a good thing in terms of improving the quality and impact of research. To this end the Department should strive to build upon a solid foundation, continuing to foster positive relations with the wider research community as it moves into another round of research procurement in 2009.

Conclusions

Based on the lessons learnt some of the main high level conclusions from the evaluation are summarised below:

- Research Agenda 2004-2007 established the broad framework to guide DEL's research investment over the period.

- The Research Agenda procurement process was open and transparent, administered by CPD. The open call process facilitated a more innovative approach and tapped into the creativity of researchers both within NI and further afield in many of the key research areas identified by the Department.

- The Research Agenda was policy led with requirements determined by Public Service Agreement (PSA) targets and other strategic objectives and commitments.

- The Department's Research Steering Group, (now SMT) played an important role in the Research Agenda process, identifying and refining research priorities. However, this role is not clear to personnel within Directorates and there was a general lack of awareness about the CDSF.

- DEL Research Agenda outputs have provided the Department with robust, high quality and relevant evidence to underpin the development, delivery and evaluation of policy.

- The Research Agenda encapsulates a new strategic approach to research within the Department. This strategy has added value over and above the anticipated outcomes of the baseline option.

- Whilst it remains too early to reach a conclusion on the longer term impact of the Research Agenda it is clear that significant progress has been made against objectives. As the evaluation demonstrates research is making and will continue to make a significant contribution to policy development within the Department.

Recommendations

Based on the conclusions a number of actions are recommended going forward.

Objective 1:

- **Strengthen further the link that exists between research and policy development within DEL.**

Recommendations:

- Where appropriate research output should be accompanied by a policy response. This would act to further strengthen the policy input to the process.

- Both researchers and DEL staff must have a strong understanding of the requirements of each research project. The Department should continue to use terms of reference and project initiation protocols to formalise engagement and set expectations at the outset.

- New and inexperienced staff should have the appropriate training and guidance to ensure that research is always commissioned and challenged effectively. Subject to this recommendation being approved the Department will source an appropriate training provider. For example, the Centre for Applied Learning (CAL) is designed to be a 'one-stop shop' for generic training within the NICS and offers the flexibility of tailoring training programmes to client needs.

- Dissemination practices are robust but can be further strengthened through the implementation of the recommendations of the Analytical Services dissemination review.

- The Department's lunchtime seminar series is a valuable forum and must be fully utilised to encourage policy debate. Going forward this function can be maximised by ensuring that the forum is chaired from the policy side. Similarly, to ensure policy representation is maximised throughout the research process it is recommended that policy representatives should chair steering groups where possible.

- The DEL SMT must have an oversight role for the Research Agenda with a mechanism established to ensure that research outcomes influence the policy considerations of the SMT/Board. As part of this oversight role SMT should be fully briefed and up-to-speed on the progress of the Department's Research Agenda. Where currently this happens on a more ad hoc basis this process should be formalised into an annual progress update.

Objective 2:

- **Provide improved co-ordination between the Department's planned research and the Strategic and Business planning process.**

Recommendations:

- The Department should continue to exploit the natural interaction between business planning and research planning. The Research Agenda should be developed in tandem with and be aligned to the wider corporate planning process. Subject to this recommendation being accepted, the development of the new Research Agenda will be synchronised with the 2009/10 business planning process, commencing spring 2009.

- The Department's research strategy should continue to be focused on medium term policy needs with sufficient flexibility to accommodate changing circumstances.

- The importance of the two way relationship between business planning and research is critical to this objective. Where appropriate policy colleagues should provide a formal 'policy response' to completed research – this will strengthen the link between the two.

Objective 3:

- **Enhance interest within the research community in the areas of research relevant to DEL.**

Recommendations:

The next DEL Research Agenda, for period 2009-11 should proceed, initially, on the basis of an open procurement exercise. Moreover, the Department should seek to maximise its exposure by launching the document in the context of a 'research conference'. The research conference should bring together a wide section of the research community and extend to the Department the opportunity to raise its profile going forward. This forum would offer a further opportunity to disseminate the outputs of Research Agenda 2004-07 and the current Research Agenda.

In conclusion

Access to relevant, high quality and up to date research is an essential ingredient in both shaping policies and services and remains a priority for the Department. The experience and lessons learnt from the evaluation of the Research Agenda 2004-07 will prove invaluable as the Department moves into a new round of research procurement in 2009.

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UK Research into Higher Education, Further Education and Labour Market Issues

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The Department for Employment and Learning (DEL) monitors a number of Government organisations and research bodies to keep abreast of related research in the field of Further Education (FE), Higher Education (HE), and Labour Market Issues. The aim is to ensure that relevant outcomes from this wider body of research are built into the policy development cycle. Therefore, when commissioning its own research the Department avoids any unnecessary duplication of work carried out elsewhere.

The following piece summarises a number of research articles published in the last year. The articles are listed under the four areas that are seen as key in delivering the Department's strategic objectives; enhancing the provision of learning and skills, increasing the level of research and development, helping individuals acquire jobs and developing and maintaining the framework of employment rights and responsibilities. All of the research is available on the internet and the relevant web addresses are listed at the end of the article. It should be noted that the research summarised within the article is largely focused at the national level or on other regions of the UK and the findings may not be directly applicable for NI.

Enhancing provision of learning and skills

(a) Skills

- **All-Island Skills Study**

The Expert Group on Future Skills Needs and the NI Skills Expert Group, have worked together to produce this first All-Island Skills Study. It provides, for the first time, a comprehensive all-island analysis of skills demand.
The study demonstrates that the improvement in the all-island skills base over the last decade has been a major contribution to all-island economic and employment growth in terms of its impact on productivity and competitiveness. Skills enhance labour productivity, bolster entrepreneurial capacity and act as a magnet for attracting high-quality inward investment. Going forward the study highlights that skills development will become even more important to all-island economic development. This is against a background of an increasingly competitive global environment where other economies are also rapidly upskilling their workforce.
www.delni.gov.uk/all-island_skills_study.pdf

- **Opportunity, Employment and Progression: Making Skills Work**

The paper states the need for more individual and employer commitment to learning and higher skills and also for a break in the cycle of low skills, short term jobs and low wages. The government pledges to help those on benefits identify skills needs and to ensure that training is available for those that need it. Other policies mentioned in the paper are a new careers service for adults, Skills Accounts to enable people to take control of their learning, support for employers to offer workplace training, Local Employment Partnerships for matching job opportunities with those people most disadvantaged in the labour market, and an increase in the number of apprenticeships.
www.official-documents.gov.uk/document/cm72/7288/7288.pdf

- **The Distribution and Returns to Qualifications in the Four Countries of the UK**

Presents estimates of the variation in the distribution of, and returns to, qualifications across England, Wales, Scotland and NI, using data from the Labour Force Survey for 2000 to 2004. Comments on: the distribution of qualifications; the returns to qualifications; all qualifications; and academic and vocational qualifications. The report also finds an overall similarity, rather than disparity, between rates of return for qualifications across the four nations of the UK, although rates of return within the English regions vary widely. The report presents the data tables, which break down the figures by country and gender.
www.ukces.org.uk/pdf/080220%20R%20Research%20Report%2021a.pdf

- **The Value of Basic Skills in the British Labour Market: Research Summary**

The UK has a poor record in terms of the literacy and numeracy skills of its workforce. An Influential report by Sir Claus Moser (DfEE 1999), commissioned by the UK Government, suggested that approximately 20% of adults in England had severe literacy difficulties, whilst around 40% had some numeracy problems. This is the view taken by the UK government and in recent years there have been concerted policy efforts to improve the supply of literacy and numeracy skills in the UK. This report investigates whether; following on from this policy focus, there has been any change in the price paid for such skills in the UK labour market.
www.nrdc.org.uk/publications_details.asp?ID=132

- **Engaging Small Employers in continuing training. An international Review of Policies and Initiatives**

The extent and quality of training undertaken by small firms is one of the main challenges within the skills agenda. Among firms with fewer than 25 employees, 36% undertake no training and typically place little emphasis upon the role of skills in the overall business planning process. The situation is not confined to the UK, but felt across different countries, reflecting the fact that small firms generally face special challenges.

The SSDA commissioned this study in order to identify experiments and experiences from overseas that might inform UK policy-makers. It is concerned with continuing vocational training (CVT) of employed adults and focuses on specific areas of current policy interest, including management and leadership, the role of brokers, compensation for worker time in training, employer levies, and the effective role of Sector Skills Councils.
www.ukces.org.uk/pdf/Report_30.pdf

- **Skills Upgrading Needs: The Challenge for Employers and Training Providers in Scotland and NI**

A report from the SSDA presents research that investigated how employers' skills upgrading needs have been met by engaging with FE and commercial vocational education and training. Various sectors in Scotland and NI with diverse employment and skills profiles were selected and researched using an extensive series of interviews. There were also case studies of providers' attempts to engage with employers.

The sectors covered are textiles, financial services, metal/machine manufacturing, architecture and engineering and printing and publishing. There is commentary relating to levels of skills and qualifications and the role of training providers in each sector. The report concludes with a list of policy implications for the skills upgrading agenda.
www.ukces.org.uk/pdf/070822%20R%20Research%20Report%2026.pdf

- **Sector Skills Almanac for Scotland, Wales and NI 2008**

The Sector Skills Almanac for the UK 2007 is important to anyone with an interest in skills and economic performance in the UK and internationally. It is the first publication of its kind and brings together comprehensive robust and comparable labour market information to present it by theme and sector. It proves an appreciation of sectoral differences is fundamental to gaining an understanding of the subject. Following the production of the 2007 Sector Skills Almanac for the UK, the SSDA

has produced 2008 Almanacs specifically for Scotland, Wales and NI.
www.ukces.org.uk/Default.aspx?page=4649

- **Towards a Skills Assessment Framework for NI: A Sectoral Performance Approach (Phase 2)**

This report presents the findings from research carried out by the Priority Skills Unit, ERINI for DEL. The aim of this research was to further develop an objective framework for identifying priority skill areas of the NI economy. The approach is based on the recommendations contained in the ERINI report "An Assessment of International Trends in Occupational Forecasting and Skills Research: How does NI Compare?"
www.delni.gov.uk/sectoralperformanceapproachphase2

- **International Recruitment, Skills Supply and Migration**

This report explores the role that migration plays within the global labour market. It outlines the significance of migration in the context of skills, employment and economics. Considers what can be learnt from the experiences of other countries, looking at macro-economic issues including judgement about the value of immigrants, the effect on wages and training, and the link between skilled immigration and productivity. The report discusses the implications of immigration for UK employers. It considers whether employers use immigration to solve short-term capability problems. The report also discusses the extent to which organisations understand the true costs and benefits of international recruitment to the UK labour market. This report seeks to explain the importance of the sectoral dimension to immigration.
www.lums.lancs.ac.uk/files/13715.pdf

- **Teaching, Learning and Assessment for Adults: Improving Foundation Skills**

Adults with low skills in language, literacy and numeracy (LLN) are numerous in many OECD countries. This study looks specifically inside the programmes for adult LLN learners, with a focus on formative assessment – referring to the frequent assessment of learner understanding and progress to identify needs and shape teaching and learning. Drawing upon evidence gathered in country reports, exemplary case studies and international literature reviews, it examines the impact and implementation of different teaching, learning and assessment practices for adult LLN learners; the way innovative programmes address the very diverse needs and goals of this population; and the policies that support or hinder effective practice.
It provides a strong foundation for understanding the fundamental issues at stake in the adult LLN education, and can guide future policy, practice and research. It will be of particular interest to policy makers, teachers and instructors, researchers and students.
www.oecd.org/document/42/0,3343,en_2649_39263301_40026026_1_1_1_1,00.html

(b) Higher Education

- **Financial Support in English Universities: The Case for a National Bursary Scheme**

The report deals with the introduction of variable fees for full-time Home and EU undergraduates in English universities. This has been accompanied by significant additional expenditure by universities on means-tested bursaries and on other financial aid for undergraduate students. However, this market is a highly distorted one, with serious consequences. This report therefore assesses the rationale for a national bursary scheme, by considering the extent and nature of the existing problems. It concludes that there is a strong case for introducing a national bursary scheme, which would provide eligible students with a guaranteed bursary from pooled institutional income – and promote greater affordability for students – but which would nevertheless allow individual universities to develop their own financial support schemes. **www.hepi.ac.uk/downloads/37NationalBursaryfull.pdf**

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- **Destinations of Leavers from HE: NI 2006/07**

This report shows the destinations of leavers from HE in NI in 2006/07.
www.delni.gov.uk/index/publications/r-and-s-stats/he-destinations-of-leavers/he-leavers-destinations-0607.htm

- **University is Not Just for Young People**

This report finds out what do adults think of HE? Is it relevant to them and their careers? Do they aspire to HE? Are they aware of HE and the options available? And could, and indeed should, they be encouraged to consider HE? To answer these questions, DIUS commissioned IES to undertake an exploratory piece of research to help them to a) better understand adults' perceptions of and orientations to HE, and b) help them find ways to engage and motivate learning essentially to encourage greater participation in HE. This paper outlines the research approach, the inherent challenges, and the research findings.
www.dius.gov.uk/research/documents/DIUS-RR-08-06.pdf

- **What Impact does HE have on Subsequent Learning**

The author outlines findings from a recent research project. Drawing on data from the 90 young adults who were interviewed for the project, the author explores the impact of HE on subsequent learning.
www.prospects.ac.uk/cms/ShowPage/p!eImkpXe

- **The Effects of HE Funding Reforms on the Lifetime Incomes of Graduates**

In this paper, the authors undertake a quantitative analysis of substantial reforms to the system of HE finance first announced in 2004 and then revised again in July 2007. The reforms introduced postponed fees for HE, payable by graduates through the tax system in the form of income-contingent repayments on loans subsidised by the government. It is shown that graduates with low lifetime earnings will pay less for their HE than graduates higher up the lifetime earnings distribution compared to the system operating before the reforms. The extent to which the reforms are likely to shift the balance of funding for HE between the public and private sector is also analysed, as well as the likely distributional consequences of a number of variations to the system such as removing the interest subsidy from the loans.
cee.lse.ac.uk/cee%20dps/ceedp78.pdf

- **The Value of a Degree**

The author examines evidence surrounding the recent debate about the 'oversupply' of graduates and wage premium issues. Some of the headline findings from her work showed that the numbers of young people entering HE has increased dramatically in the UK and with around 40% now going on to university. She sites a study by Walker and Zhu (2005) which suggests that very recent graduates entering the labour market in the last few years have seen a slight fall in their relative earnings. However, the case that a degree is valuable, with an average graduate earning just under 30% more than someone who stopped at A-level.
www.prospects.ac.uk/cms/ShowPage/p!eLdaXgf

- **The Bologna Process and the UK's International Student Market**

This paper draws together several studies in order to consider the implication of the Bologna Process and the resultant reforms in other European HE systems for the future of the UK as a destination for international students.
www.hepi.ac.uk/downloads/36Bolognaprocessfull.doc

- **HE and the Labour Market**

The report suggests that despite rapid expansion of HE around the world in recent years, graduates continue to command a wage premium in the labour market. The authors show, there are no problems of 'over-supply' or 'over-qualification' – rather there are 'shortages' in some fields, which further expansion could alleviate.
cep.lse.ac.uk

- **Full-time Students? Term-time Employment among HE Students in Ireland**

This paper examines ways in which the HE system itself can

influence variation in student employment, using the RoI as a case study. The Irish case is interesting because of the presence of rapid economic growth side by side with marked increases in educational participation rates. This paper reports on a national survey of 3900 HE students. It indicates the way in which employment levels vary according to course requirements and funding arrangements as well as socio-demographic factors. In addition, the paper places student involvement in part-time work in the context of their overall workload and its impact on levels of life satisfaction, an area largely neglected in international research.
Journal of Education and Work, Vol 21 No 4, September 2008, pp.349-362

- **Embarking on HE (II): Futuretrack 2006 - The Bigger Picture**

In 2005, the HE Careers Service Unit (HECSU) launched an ambitious programme of research, designed to explore the process of entry into and through HE in more detail than had hitherto been attempted. This programme, Career-making, has at its core a major longitudinal study, Futuretrack, of all applicants to full-time UK HE courses who applied through the Universities and Colleges Admissions service (UCAS) in 2006. This article presents some of the key preliminary findings from the first stage of this study, which was conducted in summer 2006, at the point where the majority of respondents aspired to embark on a full-time HE undergraduate or sub-degree course in autumn 2006.
www.prospects.ac.uk/cms/ShowPage/p!empfXkF

(c) Further Education

- **Raising the Participation Age in Education and Training to 18 Review of Existing Evidence of the Benefits and Challenges**

Compulsory education in England currently ends at 16 years of age. Young people are encouraged to continue in education and training beyond that date, and a majority do so. However, it is possible for young people to leave school at 16 and go straight into jobs without training (JWT), while others may be NEET (not in employment, education or training).
In March 2007, the government launched a Green Paper called Raising Expectations (DFES, 2007c), which proposes that, from 2015, all young people should be required to participate in some form of education or training until they reach the age of 18. It is important to note, however, that this is not the same as raising the school-leaving age. The education or training could be ‘in a school, college, with a work-based learning provider, or as part of a job’; it could be full-time, ‘or part time if a young person is in full time employment’.
The Department for Children, Schools and Families (DCSF, formerly the Department for Education and Skills (DfES)) commissioned this external review of national and international research evidence to explore the likely impact, benefits and challenges associated with the proposed change.
www.dfes.gov.uk/research/data/uploadfiles/DCSF-RR012.pdf

- **FE - Models for Success – DIUS**

This report outlines what key areas will strengthen FE. It looks at the Government ambitions of economic and social successes through its development of skills and talents of young people and adults and how these could be pushed further.
dius.ecgroup.net/files/93-08-FE_on.pdf

- **How Can We Encourage Employers to Become Involved in Education?**

The Edge Foundation is working with the National Education Business Partnership Network and Business in the Community to examine ways of making it easier for employers to get more involved in education, more often. This essay prepares an overview of some of the issues, poses some questions to provoke further debate, and identifies some actions that would encourage employers to become engaged in education and training.
www.employment-studies.co.uk/pdflibrary/446.pdf

- **Reasons for Early Leaving from FE and Work-based Learning Courses**

This research is based on a survey of 2,180 learners who withdrew from at least one LSC-funded course during the 2004/05 academic year. The survey covers learners aged 16-18 and 19+, across FE and work-based learning.
The principal aims of this research were to:

- assess the reasons for non-completion, and the relative importance of these reasons for different groups of learners and types of learning;
- find out what has happened to non-completers since they left their course, and what, if any, benefits they feel they obtained from that course;
- explore what, if anything, might be done to provide support or advice to learners considering dropping out of a course;
- identify policy mechanisms that might reduce non-completion.

Findings from the early leavers' survey are compared with those from surveys of completers aged 16-18 and 19+.
www.employment-studies.co.uk/pdflibrary/rr849.pdf

Increasing the level of research and development

- **The HE R&D Survey 2006 (HERD)**

This publication presents first findings from the latest Forfás survey of R&D performance in the HE sector. It gives an analysis of expenditure and personnel resources allocated to R&D performed within the HE sector for the academic year 2006. Information is also broken down by field of science, sources of funding, type of spending, occupation and gender.
www.forfas.ie/media/forfas070829_herd_2006.pdf

- **Entrepreneurship and innovation in the North: Paper 3 from the Northern Economic Agenda project**

This paper examines the arguments for Government intervention to promote entrepreneurship and innovation, asking why there are fewer entrepreneurs in the North and considering whether entrepreneurs do encourage positive spillover effects into the rest of the economy. **www.ippr.org/publicationsandreports/publication.asp?id=584**

Helping individuals acquire jobs

(a) Routes to Employment

- **Impact of Care to Learn: Tracking the destinations of young parents funded in 2003/04.**

Care to Learn is a UK government initiative that provides financial support for teenage parents who want to continue in, or return to learning. It helps with the cost of their childcare and travel.
As part of the national evaluation of Care to Learn, a self-completion postal survey was conducted of young parents who received Care to Learn funding during the 2003/04 academic year. The survey was conducted during the winter of 2006. This report shows that the funding and related support was very important to young parents remaining in, or returning to, learning. Furthermore, Care to Learn enabled many of these young parents to progress in terms of gaining qualifications and enhancing their ability to enter and compete effectively in the labour market. Some respondents were studying at university by the time of the survey and others had entered jobs that they had long aimed for.
www.employment-studies.co.uk/pdflibrary/442.pdf

- **Jobcentre Plus Annual Employer (Market View) Survey 2006-07**

One of the key aims of Jobcentre Plus is to increase economic activity and encourage non-employed individuals of working age (back) into the workforce, particularly those at a disadvantage in the labour market. Engagement with employers is a key enabler of that process. IFF Research Ltd was commissioned to undertake the third annual survey of employers in Great Britain (GB) to monitor changes in the recruitment market and the effectiveness of Jobcentre Plus' employer activities. This report covers this third study and makes comparisons with

the 2004 and 2005 studies throughout the report.
www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep437.pdf

- **Pathways to Work: Customer Experience and Outcomes. Findings from a Survey of New and Repeat Incapacity Benefits Customers**

This paper explains that the Pathways to Work reforms aimed to help customers to move from incapacity benefits and into paid work. It describes the health, work-related and demographic characteristics of new and repeat incapacity benefits customers and their contact with Jobcentre Plus; Considers the take-up of Choices package elements and the characteristics of those taking up each service; Reviews outcomes that customers experienced and the extent they were associated with Pathways to Work involvement.
www.researchonline.org.uk/fskills/search/download.do?ref=B6658

- **The Longer-term Impact of the New Deal for Young People**

There has been extensive evaluation of the immediate impact of the New Deal for Young People on individuals and the level of unemployment but relatively little research into its longer-term effect and the longer-term outcomes of participants. This paper seeks to fill this gap by addressing the following questions: What is the impact of the NDYP? Which of the NDYP's options is the best? And who performs best on the NDYP?
www.dwp.gov.uk/asd/asd5/WP23.pdf

- **A Cost-Benefit Analysis of Pathways to Work for New and Repeat Incapacity Benefits Claimants**

Pathways is currently being evaluated by a consortium of research organisations using both quantitative and qualitative techniques to examine various aspects of the reforms. This report focuses on whether the benefits from Pathways exceeded its costs within the original seven Jobcentre Plus districts and on the extent to which the evidence from the initial seven pilot areas might also apply to the rest of GB. The study is limited to new and repeat IB claimants. A similar study of existing IB claimants is set to be completed in 2009.
www.dwp.gov.uk/asd/recent_research.asp

- **The New Deal for Lone Parents, Lone Parent Work Focused Interviews and Working Families' Tax Credit: A Review of Impacts**

The objective of the evaluations was to measure the impact of the programmes. The impact is also sometimes referred to as the additionally, that is, the additional amount of change that can be attributed to the programme above any change that would have occurred anyway. NDLP and LPWFI sought to measure changes in benefit exits. In addition, the NDLP evaluations studied the impacts on lone parents taking up employment. The WFTC evaluations only estimated the effect of tax credits on lone parents in employment.
www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_484.asp

- **Life Chances: Supporting people to get on in the labour Market**

This paper reviews the evidence relating to helping adults to progress in work. It also highlights ambiguities and gaps in this evidence and suggests issues for further analysis. The paper is intended to stimulate a wider discussion on how best to take forward research and to develop policy in this area.
www.dwp.gov.uk/asd/asd5//rports2007-2008/LifeChancesReport.pdf

- **Jobs for Youths**

OECD has launched a series of reports in 16 countries including the UK. Each report contains a survey of the main barriers to employment for young people, an assessment of the adequacy and the effectiveness of existing measures to improve the transition from school to work.
www.oecd.org/document/25/0,3343,en_2649_33729_40841177_1_1_1_1,00.html

(b) Other Labour Market Research

- **EU Enlargement and Migration: Assessing the Macroeconomic Impacts**

This paper considers the macroeconomic effects of the migration that followed the enlargement of the EU in May 2004. At that time the EU was expanded to include 10 New Member States (NMS) predominantly from Central and Eastern Europe. In the wake of accession the number of workers migrating to the EU-15 from the poorest of the NMS increased significantly. In part the result of the liberal immigration policies adopted, and restrictive policies adopted elsewhere, RoI and the UK have become popular destination countries for NMS workers. Here we illustrate the potential macroeconomic consequences of these migration flows across Europe, highlighting the impacts in both the receiving and sending countries.
www.esri.ie/UserFiles/publications/20070711145922/WP203.pdf

- **Unemployment – Stage or Stigma? Being Unemployed During an Economic Boom**

This paper examines the experiences of unemployed young people in RoI. It reviews the literature on youth unemployment and places it within the Irish context. The paper describes the data source, the Irish School Leavers' Survey. It discusses trends in labour force participation and unemployment. The report also analyses four measures of unemployment: any experience of unemployment during the first year after leaving school; being unemployed one year after leaving school; being unemployed throughout the first year after leaving school; and the duration of periods of unemployment. The report also comments on the changed nature and structure of youth unemployment since the economic boom of the mid 1990s.
www.esri.ie/UserFiles/publications/20071017120502/WP215.pdf

- **Migration and Migrant Workers in NI**

In 2006 the NI Life and Times (NILT) survey incorporated a number of questions on attitudes towards migration and migrant workers. This Research Update uses data from the 2006 survey along with UK and NI government data on international migration to examine some public attitudes towards migration and (immigrant) migrant workers in NI and to put these into a wider context.
www.ark.ac.uk/publications/updates/update53.pdf

- **Enterprise: Unlocking the UK's Talent**

This paper outlines a summary of strategy setting out the Government's renewed vision to make the UK the most enterprising economy in the world and the best place to start and grow a business. The paper also presents important new policy priorities, which will have a significant impact on every entrepreneur and business in the UK. The Government wants more people to have the ambition to start and grow businesses, and have access to the skills, advice, support and finance they need to innovate and succeed, as well as enjoying a favourable regulatory environment.
berr.ecgroup.net/Search.aspx?AtoZ=E

- **The National Minimum Wage and the Evidence of its Impact on Jobs and Inequality**

This paper looks at the impact that the implementation of the national minimum wage by the Labour Government has had on both jobs and income inequality. It points to the fact that it has raised the pay of well over one million low paid workers. It also looks at if the initial fears of job losses have materialised and if income inequality has risen despite increasing the pay of the poorer paid workers.
cep.lse.ac.uk/pubs/download/pa006.pdf

- **OECD Employment Outlook**

The OECD Employment Outlook provides an annual assessment of labour market developments and prospects in member countries. Each issue contains an overall analysis of the latest labour market trends and short-term forecasts, and examines key labour market developments. Reference statistics are also included.

www.oecd.org/LongAbstract/0,3425,en_2649_33927_40401454_1_1_1_1,00.html

Developing and Maintaining the Framework of Employment Rights and Responsibilities

- **The Future of Work: Employers and Workplace Transformation**

A report has been published by the Equal Opportunities Commission which suggests that companies in England lag behind other European Countries in terms of offering flexible working. The report suggests that this has left people in the UK in a culture of fixed hours and office 'presenteeism'. A survey of 900 employers in England revealed that 60% offered flexitime compared to 90% in mainland Europe.
Only 1 in 5 companies surveyed indicated that they offered staff the chance to work away from the office, which was half as many as countries such as Germany and Denmark. Though the report shows that some innovative employers are leading the way in providing new ways of working and are reaping the business benefits as a result, the Equal Opportunities Commission wants to extend the right to request flexible working to all employees.
83.137.212.42/sitearchive/eoc/PDF/WP56_futureofwork_employers&workplace_transformation.pdf?page=20378

- **Care in a New Welfare Society: Unpaid Care, Welfare and Employment**

Unpaid care is critical for individuals to flourish, and for society to function. Whether we consider it in terms of economics or ethics, the care provided within families and communities makes an enormous contribution to our lives. But care remains a 'grey area' of the welfare state. The way unpaid care is considered in terms of welfare benefits and workplace rights is incoherent. There is little clarity even on the objectives for policy in relation to care. The result is an ineffective policy response to the caring that is carried out right through the life course. If we are to meet rising care needs and costs – as well as the challenges of poverty, economic exclusion and patterns of inequality – this can continue no longer.

This report provides a policy framework for unpaid care in welfare and employment policy. It sets out a way to understand the value of care, and recognise the costs that caring involves. Laying out the principles on which care policy should be built, it goes on to outline what a welfare and employment policy that reflected these principles would look like. The report proposes reform of the central pillars of welfare and workplace policy: the social security and tax credit system and flexible working and leave rights.
www.ippr.org/publicationsandreports/publication.asp?id=580

- **The costs and benefits of Employment Tribunal cases for employers and claimants**

This paper aims to provide an in-depth view of the costs and benefits of Tribunal claims for both employers and claimants by conducting sophisticated secondary data analysis of the 2003 Survey of Employment Tribunal Applications (SETA 2003). The data finds that claimants who are more satisfied with the outcome of their case also tend to incur less financial costs, be less likely to experience negative effects such as stress or depression and are more likely to find a better job after the claim. The role of Acas was generally positive for both employers and claimants. Full and comprehensive support from unions or staff associations was a key factor in satisfaction with outcome for claimants.
The existence of an active trade union in the workplace was found to be associated with higher levels of satisfaction among employers.
www.berr.gov.uk/files/file40752.pdf

- **Right to request Flexible Working. A review of how to extend the right to request flexible working to parents of older children**

An additional 4.5 million parents will have the right to request flexible working following the publication of an independent review carried out by the government. The report was made to the Secretary of State following an independent review by Imelda Walsh, HR director of Sainsbury plc. It recommends that the right to request flexible working is extended to those with parental responsibility for children up to the age of 16 and that this extension should be implemented without phasing. Key findings from the review include:

- Small businesses in general had a better record on accepting flexible working requests than larger ones;
- Flexible working should not be considered a 'women's issue', with 14 million employees currently working flexibly, and the latest figures showing men make up 45% of this figure;
- More work should be done to raise awareness of the right to request flexible working, both among employees and employers.

www.berr.gov.uk/employment/workandfamilies/flexible%2Dworking/

- **Equal Opportunities, Employee Attitudes and Workplace Performance: Findings from WERS 1998**

This report examines the relationship between equal opportunities policies and practices and the benefits that can accrue to organisations and disadvantaged groups. It explains that the findings are based on data from the 1998 Workplace Employee Relations Survey (WERS): It analyses equal opportunity activities and outcomes on the level of the individual employee and the employing establishment and addresses the benefits accrued from the presence of equal opportunity practice and employee level outcomes for ethnic minorities employees. It looks at the impact of equal opportunities on workplace outcomes and finds little evidence to suggest that equal opportunities policies affect financial performance.

www.berr.gov.uk/files/file45281.pdf

- **Maternity Rights and Mothers' Employment Decisions**

The report presents the results of the latest study in the Maternity Rights Survey series, which has been monitoring take-up of maternity benefits and mothers' post-birth employment decisions since the late 1970s. Earlier surveys in the series monitored mothers' employment behaviour at a time of unprecedented increase in maternal employment. Since the late-mid 1990s there have been much smaller changes in the level of maternal employment and the rate of return to work after childbirth has also slowed down. However, in the past few years a wide range of policy initiatives have been introduced to support working families and the current study provides the first opportunity to fully consider how these policies might have affected mothers' employment trajectories after childbirth.

www.dwp.gov.uk/asd/recent_research.asp

- **International Review of Leave Policies and Related Research 2008.**

This report is produced by an international network on leave policy and research, consisting of over 40 experts from 24 countries, mostly in Europe. The network covers policies for parents and others with care responsibilities, including for adult relatives, as well as policies available to the whole population such as life course career breaks and time accounts. It includes papers and discussions from the seminar held by the network in Budapest in October 2007. The main part of the report consists of 25 'country notes', providing information on current leave policies in the countries represented in the network, recent developments in policy, information on take-up, and a listing of recent publications and ongoing research.

www.berr.gov.uk/files/file47247.pdf

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The various papers that have been presented and summarised within this article illustrate the wide gamut of research that is conducted into Tertiary Education and Labour Market Issues. It can be noted though that this article only presents the tip of the iceberg in terms of the level of the research that is available in the field. Listed below is a selection of highly regarded and popular research websites:

- Centre for Economic Performance **www.cep.lse.ac.uk**
- Department for Education and Skills **www.dfes.gov.uk**
- Department for Employment and Learning **www.delni.gov.uk**
- Department for Enterprise, Trade and Industry **www.deti.gov.uk**
- Department for Work and Pensions **www.dwp.gov.uk**
- Economic Research Institute of NI **www.erini.ac.uk**
- Forfas **www.forfas.ie**
- Graduate Market Trends **www.prospects.ac.uk/**
- Hero **www.hero.ac.uk**
- Higher Education Academy **www.heacademy.ac.uk**
- Higher Education Authority Ireland **www.hea.ie**
- Higher Education Funding Council for England **www.hefce.ac.uk**
- Higher Education Policy Institute **www.hepi.ac.uk**
- Institute of Public Policy Research **www.ippr.org**
- Learning and Skills Network **www.lsneducation.org.uk**
- Learning Skills Research Centre **www.lsrc.ac.uk**
- National Research and Development Centre **www.nrdc.org.uk**
- Organisation for Economic Co-operation and Development **www.oecd.org**
- Skope **www.skope.ox.ac.uk**
- The Institute for Employment Studies **www.employment-studies.co.uk**
- The National Foundation for Educational Research **www.nfer.ac.uk**

Incapacity Benefit Claimants in Northern Ireland: Perspectives from Pathways Personal Advisers

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"Pathways to Work" is an important part of the UK Government's and NI Executive's welfare reform programme designed to help people on benefit back into work. The particular emphasis of Pathways is to help those on Incapacity Benefit (IB) back into work through addressing health-related and associated issues. Previous research on welfare reform has demonstrated the critical importance of Personal Advisers in this process. This article reports on qualitative research with Personal Advisers delivering the Pathways programme in NI

Background

This report details the views of Pathways to Work personal advisers on client groups and external labour market conditions as given in two focus groups undertaken in November 2008. These sessions were undertaken as part of a Department for Employment and Learning (DEL) and Department for Social Development (DSD) funded project (Incapacity Benefit Claimants: Geography, Households, Decision Making and Welfare Reform), results from which have been published in earlier Bulletins[1]. The rationale for the focus groups was twofold. Firstly, they aimed to add to and help in the interpretation of a survey of IB claimants that had been undertaken earlier (Shuttleworth, Green and Lloyd 2008) as the main part of the research. The focus groups therefore contributed to the project remit to learn more about the characteristics of IB claimants, their behaviour, and their labour market contexts. Secondly, the focus groups were designed to help DEL to understand more about the experiences of Pathways to Work Personal Advisers (PAs), their approaches to clients, and developments in different part of NI – reflecting the geographically clustered focus of the survey of IB claimants.

The context of Pathways to Work (hereafter 'Pathways') is important in making sense of the experiences of IB claimants. Pathways was specifically designed to help IB claimants – of whom it is stated that 80%-90% of new claimants want to get back into work – overcome health-related barriers to employment[2]. The wider background for Pathways is set by UK welfare reform policy[3] and it is part of a range of policies which will help the UK government to achieve an 80% employment rate at the national level (DWP 2005) and a reduction in IB numbers of one million by 2016 (Little 2007). In the local context, Pathways will contribute to the NI Executive's, goal, contained in the Programme for Government, of achieving an employment rate in NI of 75% by 2020[4]. The ways in which Pathways has been implemented also reflects wider developments in UK labour market and welfare policy. The emphasis in Pathways, for example, on decentralisation and localisation, builds on the experience of the New Deal (Sunley, Martin and Nativel 2006) and the impetus provided by renewed focus on the local and sub-regional level in GB economic development and employment and skills policies. Indeed, the emphasis of Pathways on adaptability to local circumstances and partnership working across different arms of social provision are very much in the tradition of recent 'active labour market policy' with its critique of over centralisation and vertical lines of authority and action which hinder cross-departmental working (Campbell 2000, Finn 2000). The evolving policy framework reflects and is shaped by international policy innovations (Peck and

1 Labour Market Bulletin #21, pp 165-172 **www.delni.gov.uk/labourmarketbulletin21**
2 **www.dwp.gov.uk/welfarereform/pathways.asp**
3 **www.dwp.gov.uk/consultations/consult/2002/pathways/pathways.pdf**
4 **www.pfgbudgetni.gov.uk**

Theodore 2001) and wider transnational thinking on the geographical decentralisation of labour market policy which argues that localisation improves the prospects for partnership building, policy learning, adaptation to local circumstances, innovation and resource targeting (OECD 1999, cited in Sunley, Martin and Nativel 2006).

Methodology

The research used the focus groups to gather information, and the subject area and content of the group sessions was informed by both the broader context outlined above and the two-fold rationale identified earlier. To understand more about geographical diversity, local circumstances, and local policy responses, it was necessary to speak to PAs from different parts of NI. Initially, one-to-one interviews were considered, but it was concluded that focus groups bringing advisers together from different areas would allow a fuller exploration of the contexts in which they worked and would permit easier comparisons and contrasts to be made as the advisers shared experiences themselves and had the opportunity to react to different perspectives forwarded in group discussion. Accordingly, rather than individual interviews focus groups were chosen as the most appropriate way to collect the required information. Each focus group had seven or eight participants. These were drawn from different Pathways areas across NI. The survey had indicated that there were some differences between urban and rural areas and it was considered that this dimension was worth exploring further. Differential experiences between places where Pathways had been piloted and those where it had been adopted later were also suggested as being important. In practice, Pathways were piloted in more rural Western areas and were adopted later in the East of NI (including Belfast) so the requirement to look at urban/ rural locations was reinforced by this consideration.

The focus groups were semi-structured. This meant that topics were introduced by the researchers for discussion but that freedom was allowed for the participants to shape the discussion themselves as lines of conversation were opened. Topics were grouped into two broad themes of perceptions of the external labour market and the practices of PAs. Under these themes, the following specific subjects and questions were discussed:

The external labour market:

- How close are IB claimants to employment, and how do they compare with other claimants?
- What is the impact of macro-economic conditions and local labour market conditions, attitudes of employers?
- Are there jobs that IB claimants can fill? Are there variations between places?
- What are the characteristics of IB claimants and which are most likely to enter employment?

The practices of personal advisers:

- How do PAs deal with different types of IB claimant through various stages of the interview process?
- How do advisers view health providers? What has been learnt from Pathways? What are the main challenges?

The participants in the focus groups were encouraged to speak freely and were therefore assured of their confidentiality. Comments were noted down and where necessary these notes were supplemented by tape recordings as an extra check. The comments that were made were structured using the topic outline above and also with reference to the topics that were identified in the literature. New headings were created for material that arose in the interviews outside the topics identified in the semi-structured schedule. The main headings used to structure the focus group material were variations by area; family and household circumstances; the benefit system; spatial mobility; proximity to employment; factors that help people get back into work; GPs and the medical service; employer attitudes towards IB claimants; the roles of PAs; focusing the efforts of PAs; the economic downturn; the introduction of ESA; and the evolving role of PAs.

These headings are not used as a rigid structure for the report.

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Instead they are worked into the discussion which takes a broader overview under the three sections dealing with (i) geographical differences in experiences, (ii) proximity of IB claimants to the labour market, and (iii) the constraints and opportunities for PAs. Before these main substantive sections, the next section will briefly summarise the main findings of the survey of IB claimants as context for the discussion can develop.

Survey summary findings

The survey results from an earlier stage of the research (see Shuttleworth, Green and Lloyd 2008) showed in some ways that IB claimants are relatively homogenous. One factor they all had in common was that they cited ill health as the main obstacle that prevented them from working. There was also considerable agreement between respondents that there were not enough jobs and that the ones that were available were of poor quality (e.g. insecure, low pay, irregular hours) and unlikely to offer the pay required to maintain living standards. As a group, IB claimants also tended to be relatively elderly (most were in the 45-64 age band) and also to lack educational qualifications.

Despite these similarities there were also important differences between IB claimants of the type noted by Little (2007) with some being much further from the labour market than others. In particular, older claimants; those with no qualifications (there is considerable overlap between these two groups as many of the older claimants had no qualifications), those who had been on IB for longer, those who were spatially immobile, and those who had less positive attitudes seemed to be less likely to expect to work (or to look for work) compared with those who were younger, more qualified, more mobile, more positive and had spent less time on IB. Likewise, there also appeared to be differences between locations in the expectations and attitudes of IB claimants. In rural areas, for instance, respondents were more likely to be mobile and to hold positive perceptions of job quantity and quality than those from urban areas; and they appeared to be a little more likely to look for work and also to expect to find work than their urban counterparts. These differences extended to earlier careers and experiences. Many claimants had earlier held manual jobs in sectors such as construction and typically these tended to be relatively low paid. However, this is not general to all claimants. The survey evidence showed that some claimants had been in white-collar employment and some had been relatively highly paid.

Therefore, despite some commonalities and the temptation to lump all IB claimants together, there were significant differences between claimants according to their personal and household characteristics and also where they lived. The survey results reveal broad patterns and the factors that seem to be related to (non-spatial) distance from employment but sometimes it is difficult to use the survey data to go beyond correlation and to get deeper insights. In these circumstances qualitative data can add to the quantitative information that is available to help to develop these insights.

Differences between places: claimant characteristics

As was noted above, the survey results indicated that there were differences between urban and rural respondents; urban claimants compared with rural claimants tended to be relatively spatially immobile and to be (non-spatially) more distant from the labour market. With regard to geographical mobility, it is well known that city residents tend to have much shorter commutes than their country counterparts because as population density and employment opportunities increase, the need to move to access opportunities decreases (Coombes and Raybould 2001; Lloyd and Shuttleworth 2004). A similar pattern was observed in the IB survey and could doubtless be explained by the same ecological factors (e.g. population density and the geography of employment opportunities). But other factors not directly associated with the characteristics of areas may also have a part to play. This is more the case when attitudes towards the labour

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market are considered where there is a contradiction between perceptions of the labour market and other quantitative measures of opportunity. Urban respondents, for example, were more likely to hold pessimistic views of job quantity and quality, and to have less expectation of working again than rural respondents – despite the concentration of employment opportunities in urban areas in NI.

With regard to spatial mobility, the focus groups indicated that there were differences between urban and rural areas. Most claimants, it was suggested, 'do not want to travel' – perhaps not unusual given that most workers are 'localised' in their spatial behaviour. But it also appeared that urban claimants were more spatially immobile than others – 'they are in their own area' in parts of Belfast and Derry and tied often, so the PAs perceived, to a few streets and unwilling to travel to the city centre. This limited mobility was a consequence of the troubles although for younger claimants some PAs argued that they were not sure if this was an 'excuse'. Urban-rural differences, however, go beyond these spatial factors – although these varying experiences and views of geographical mobility are part and parcel of the wider picture – and extend to attitudes towards the labour market. Firstly, there was broad recognition that the problems of urban claimants tended to be more intractable than those in rural areas. There was a consensus that urban claimants had less experience of employment (even if in their forties), and poorer qualifications; that in Belfast in particular there were more 'difficult' problems such as mental health, drug, and alcohol problems, and that in general there was a higher proportion of 'hard-to-reach' cases. Moreover, it was noted by PAs that claimants in urban areas were less cooperative than those elsewhere – rural residents attend voluntary interviews with PAs more readily than those in cities and attendance in some parts of Belfast was noted to be a particular problem.

Differences between places: service provision

Other factors than the characteristics of claimants contribute to geographical differences between places and, in particular, urban-rural variations. PAs commented that staff turnover tended to be higher in urban areas than rural areas – both amongst PAs and in partner organisations. As a consequence, offices in rural areas had greater 'institutional memory' collectively and PAs also had more opportunities to build individual relationships with clients and with partners in other service domains – something which they saw as being at the heart of their activities. The issue of capacity is important in a number of ways. PAs noted, for example, that the capabilities of partner organisations were variable. Some PAs felt that some partners, in some areas, were 'only there for the money' and not providing the services they had promised which damaged the integrity of the system and the personal trust built up with clients. In these cases, the PAs would rather have seen services being provided in house in DEL rather than by external providers as it was considered that this would be more easily controlled than a group of contractors. Paradoxically, the centralisation of the procurement of services in DEL was seen as being problematic since this limited local discretion to award contracts to organisations that were known to be effective and to have a good track record. This highlights the tensions between centralisation and localisation of policy and delivery.

Provision, and access to provision, varied between places – for instance, parts of Belfast were reported by PAs to have very little access to medical provision. Some reasons for this were institutional – as noted above, other organisations in urban areas also had relatively high rates of staff turnover which prevented personal relationships from being made and maintained in partner organisations. Moreover, there was a widespread perception that pilot areas – usually more rural – had had more investment than the (urban) offices where Pathways had been rolled out later. Added to this was a perceived high level of bureaucratic flux with changes in provision and structures in DEL and in, for example, the Health Service. Individual factors also

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impinged on the situation with the availability of services and provision to PAs depending on the decisions of team leaders and managers. A notable research finding was that the focus groups acted as forums where most PAs became aware of these divergences for the first time – PAs were sometimes unaware of what they might do (e.g. regular meetings with health staff in some areas and not others) and there was a general view that there had been insufficient or no learning from the pilot areas. This suggests that full advantage has not been taken of policy learning. This was identified by the OECD as one of the benefits of localisation.

Distance from the labour market

Consideration of issues around how close or how far removed IB clients are from the labour market centred around two aspects: barriers to work and the benefits system; and the factors involved in getting clients back to work.

Barriers to work and the benefits system

The results of the survey of IB claimants indicated that older respondents and those who had been longer on IB were further from work than younger shorter duration claimants. Furthermore, the survey identified that ill health was the main obstacle to work. The PAs agreed with the general findings but qualified them in ways which suggested that placing claimants in order of distance from work using just their personal and household characteristics might miss important details. For most clients, PAs commented that, in their view, poor health was not the main obstacle to employment. The general view was that in most cases it was possible to 'work around the condition'. Examples were given of blind people, or of clients with other serious health problems, who were able to find work whilst others with less serious problems found their conditions a major obstacle (with the implication that those who were motivated could find work quicker than those with less motivation). It was noted, however, that it was very difficult to know for sure if a client was 'hiding behind an illness' – some of the most severe and problematic conditions to deal with, for example, were mental illnesses such as depression yet these were 'invisible'.

PAs had very mixed views of their clients and their distance from work. On the one hand, a picture emerged of a 'benefits culture' with some people in some places as 'benefits hoppers' cycle between IB and JSA. Virtually all PAs spoke of some clients who were third generation claimants. A notion emerged that for some it was the 'family way' to be on IB and so reference was made by some PAs to 'family packs' where worklessness has become deeply entrenched. In these households it was felt that parents could become a brake upon the progress of their children – 'he can't be doing that', 'what, him work?' as 'helicopter parents' attend interviews. In areas with high levels of joblessness it was felt that IB was a choice with a whole industry with clients using people or organisations that were 'savvy' to help to fill in forms. This was seen as understandable to some degree since most would move into minimum wage jobs if they successfully found work. Abuse of the benefits system was identified as a problem. In rural areas, for example, where it was easier to know clients and their families personally than elsewhere, stories were told of clients turning up for interview in vans with a business name or else being later seen working in physically demanding jobs. But PAs felt that the amount of evidence and the official process needed to prove fraud was offputting and so cases like these were difficult to progress. But on the other hand, PAs commented that there was insufficient support from the benefits system for those who found work and that benefit levels were too low for those who were in genuine need (in contrast to those who were 'savvy' and knew how to milk the system). These attitudes echo older concepts of the deserving and the undeserving poor dating back to the era of the Elizabethan Poor Law.

Factors involved in getting clients back to work

To some extent the PAs echoed the findings of the survey that factors such as duration on

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IB, age, and the possession of basic minimum skills enhanced employability. Some older claimants, for instance, were perceived by PAs as having an attitude of 'leave me alone'. Likewise, financial 'better off' calculations about wage and benefit levels were significant. This might suggest that it would be possible to target efforts where they were more likely to be successful on those nearer the labour market and with a realistic chance of working again by looking at client profiles. Indeed, some PAs advocated this type of approach. However, others likened working with their clients to 'making a jigsaw without a picture on the box' and pointed to less tangible factors such as confidence – seen as being of 'high importance' - and motivation. One PA commented, for example, that the main challenge faced was 'people not interested in getting back to work'. Motivation was not necessarily correlated with age or qualifications (nor even duration on IB) and given its key importance it suggests that efforts to grade using quantitative indicators to grade clients would sometimes be insufficient. The majority of PAs therefore felt that most of their time should be 'focused on those who want to work' but who had to overcome serious barriers to achieve this ambition. These clients were seen as the greatest successes of PAs in contrast with those who got back into work quickly (e.g. on IB whilst recovering from an injury and returning to a job held open for them), those who did not want to work, and those who had very serious illnesses whom it was almost inappropriate to push towards work.

Personal Adviser attitudes towards their working environment and external factors

To gain an insight of the context in which PAs work, it is important to get a perspective of their view of their working environment; and also their relationships to other factors in the labour market.

Working environment

Following on from the last point above about their greatest successes, PAs had clear views about their work and about how they interact with their clients. They largely saw themselves as providing holistic care to their clients in an atmosphere of personal trust. Their greatest achievements were not necessarily placing someone into work since some clients, as mentioned above, would have got work in any event. Rather, they saw their greatest effectiveness as helping those who want to work overcome barriers to employment and either get into work or move much nearer to it by improving other dimensions of their lives. One PA remarked that their role was to 'nudge people along' and so to tempt them to take a 'bite of the cherry', 'improving their self confidence and making a positive difference to clients' lives'. Hence, they could make an important positive impact even without the IB claimant moving into work. For clients with substantial problems, PAs welcomed the voluntary nature of the current regime for the IB stock, but for those who do not wish to work they would like greater discretion to use compulsion (recognising that this is not suitable for everyone). PAs saw themselves as having considerable freedom and discretion and they welcomed this as being essential to their job – they would rarely if ever sanction someone with mental illness, for instance, as they recognised it as being potentially dangerous as well as inappropriate and they would resist moves towards greater compulsion of this type.

PAs saw their personal relationships with clients as being essential, but one that can place large burdens upon them. As advisers, they felt they were dealing with major personal problems that they did not necessarily have the competency to deal with. They expressed anxiety about dealing with clients with mental problems with concerns about suicide. PAs themselves, not surprisingly, found this stressful and unpleasant and they argued that their position was being weakened by changes in DEL provision, increasing caseloads, and differences in training between areas. It is against this context that PAs expressed some reservations about the introduction of Employment and Support Allowance (ESA). They felt that it was likely to

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add to already high caseloads, especially at a time of recession. There was some debate about whether ESA was a relaxing or a tightening of policy but there was more agreement that ESA would be problematic for some parts of the client group if it was more target driven and if it led to less PA discretion with regard to wavers and deferrals.

The external labour market and other external factors

The rapidly worsening labour market conditions of 2008 meant that PAs saw their job as becoming increasingly difficult, changing from seeking to place clients in work to preparing them for a future economic upturn. In the foreseeable future, the broad view was that IB claimants are likely to move further back down the labour market queue and that jobs shortages will worsen. There was heated debate about the relationship between IB clients and immigrant workers and the degree to which the latter had displaced the former. The general view was that migrants did the 'jobs the locals wouldn't fill' but this was by no means unanimous.

The PAs had limited views about employers and the local labour market. Ideally, they recognised that they should engage directly with employers. Practically, however, PAs said they were kept in the office by high caseloads (normally 60-70 clients per PA and sometimes as high as 100) and the pressures of paperwork. Nevertheless, PAs were able to offer some views on employers, suggesting, for example, that larger employers, including retailers, tend to be more favourably disposed to employing ex-claimants than most smaller employers, and that in West Belfast community organisations can offer a route into employment. In general, however, there was a perception that most employers were apprehensive about dealing with IB claimants and that these difficulties would increase as the economic downturn worsens.

As was seen earlier, PAs reported problems in engaging with various elements of the Health Service, especially in Belfast and other urban areas where there was high staff turnover and more recent introduction of Pathways. These were amplified in comments about working with health providers more broadly. There was concern, for example, about the time it took to get medical assessments and medical reports completed in preparation for participation in the Condition Management Programme (CMP). Similarly, there was some concern expressed about the role of GPs. Ideally, there should be a close relationship between GPs and PAs, although the focus groups reported that GPs rarely engaged with the benefits system, including poor attendance at joint information and training sessions. Some PAs also claimed that GPs write sick notes 'willy nilly' and that some take 'the line of least resistance' with some being threatened explicitly or implicitly to produce sick notes on demand. Nevertheless, PAs are forced to accept GPs' notes at face value and they also recognise that there are many genuine cases of illness.

Conclusion

Additional information from other perspectives, for example from GPs and employers, would have been useful to contextualise the views of PAs. Nevertheless, the insights from the PAs have much to add in their own right as well as helping in understanding more about the IB survey results. There was a good deal of information in the focus groups – not surprising since they each lasted around five hours – but it is possible to extract from this some summary themes that can be tied into wider narratives. In this context, the remarks of the OECD, cited by Sunley, Martin and Nativel (2006), on the potential generic benefits of the type of active labour market policy, of which Pathways is an example, are interesting. It will be remembered that partnership building, policy learning, adaptation to local circumstances, innovation and resource targeting were amongst the positives which could happen. How, then, do the comments of the PAs match up against this list?

The evidence on partnership building in Pathways is often mixed. In some areas there appeared to be effective working with health and training providers, based on local knowledge and local links that were built up. Effective working practices were most evident where there had been longest experience of Pathways, suggesting that relationships and practices take time to build. However, in other (in practice mostly urban) places high staff turnover in both Pathways and external partner bodies can disrupt this process, so limiting the potential for 'cross-domain working'. These disparities were widened by the local circumstances in which Pathways was geographically rolled out since in pilot areas it was perceived that there had been more time and investment spent and better links had been made in these mainly rural locations. PAs also noted that localism was possible but that centralisation, for example in service procurement, seemed to limit geographical flexibility. The PAs also indicated from their perspectives that there was poor cooperation with a variety of factors in the Health Service – and sometimes, in their opinion, this was because of a lack of interest on the part of this sector. The conclusions of the PAs about partnership working were therefore mixed – in some places it worked but in others it was problematic because of staff turnover, other institutional constraints, and complex organisational aims and structures.

The PAs were more negative about policy learning. Here, it could be argued, there was insufficient centralisation, with lessons from the pilot areas and good practice not being disseminated round the system as effectively as they might have been. It was notable that whilst some PAs from different offices knew each other and had exchanged views, the majority had not and were unaware, indeed, of all of the services that were being provided by colleagues. The focus group acted as a forum for discussion of what was happening in other parts of NI and the surprise that was sometimes expressed by PAs was an important research finding in itself. This is an example of how localism can lead to divergence in provision if information flows are restricted. Rather than being a response to local inequalities, differences of this kind in provision might create and reinforce geographical unevenness in the experience and outcomes of IB claimants. An important policy intervention to ensure better sharing of information would be regular meetings of PAs organised by individual offices or under the auspices of DEL.

There is a more positive verdict with regard to innovation. The discretion given to PAs in Pathways has allowed flexibility in their relationships with clients with regard to waivers and suggested courses of action. This flexibility extends to outcomes and was seen by PAs as being highly important. They argued against a rigidly monitored system as they saw many of their most important contributions as being achieved through the choices they could make to suit the needs of individual clients. This chimes with other research findings about how claimants appreciate an individualised approach (Hasluck and Green, 2007). The points they made also questioned how far their performance could be rated. As was commented, some of those who return to work quickly (e.g. the short-term ill or injured) would have returned in most cases without their intervention; on the other hand there were those who it was felt did not wish to work (and for whom the PAs would have wished more compulsory power) and those who were too ill to work (and whom the PAs would not trouble in many cases). This left those who had serious problems but whom the PAs could move nearer to work (eg writing a CV, gaining the confidence to speak to someone) through innovatory and targeted interventions but who would not necessarily immediately find work. The PAs were worried that they would have to forgo the capacity to be flexible and to innovate as they feared that ESA would be much more directive with increased pushes towards compulsion.

In general, PAs were satisfied with their jobs (although the higher reported turnover in urban offices qualifies this statement to some extent). They considered their work to be demanding but rewarding for the most part. The main drawbacks they cited were high caseloads, dealing with unmotivated clients, and having to cope with medical problems for which they were not trained – and for which many considered there was not sufficient guidance. The things they gained satisfaction from were the development of personal relationships and helping clients to move along the continuum of employability towards work. PAs expected their caseloads to increase in the near future making harder the demands of dealing with an already-diverse clientele. This could lead to PA 'burnout'. Overall, the impression gained from the focus groups with PAs was that in some places and at some times the benefits system worked well but that it faced significant obstacles in urban areas in particular. The advice that the PAs gave to improve the situation was to increase information sharing, increase links with partner organisations, and (by implication) to increase the numbers of PAs to cope with challenging economic times.

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